MEMORANDUM OF AGREEMENT
BETWEEN
RURAL ELECTRIFICATION CORPORATION LIMITED/REC FOUNDATION
AND
KHADI & VILLAGE INDUSTRIES COMMISSION

This Memorandum of Agreement (This "Agreement" or the "Agreement") is made on the 21st day of the month of December 2016 between

1. Rural Electrification Corporation Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Core-4, Scops Complex, Ludii Road, New Delhi -110003 (hereinafter referred to as “RECL” or through its REC Foundation (REC CSR Trust) the “First Party”), which expression shall, unless excluded by or repugnant to the context, be deemed to include its successor, administrators, legal heirs, assigns of FIRST PARTY.
AND

2. The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act by an Act of Parliament No. 61 of 1956, as amended by Act No. 12 of 1987 and Act No. 10 of 2006 have head 3, Irta Road, Vile Parle (W), Mumbai- 400056 (hereinafter referred to as KVIC or SECOND PARTY which expression shall include its successors and assigns).

WHEREAS

A. RECL, is one of the leading Public Sector Enterprises of the Government of India under administrative control of the Ministry of Power, is desirous of undertaking the Project in accordance with RECL Policy on Corporate Social Responsibility (CSR) aligned with Companies Act, 2013.

B. SECOND PARTY is entrusted with the task of providing financial assistance to institutions and individuals for development of Khadi and village industries and guiding them through supply of designs, prototypes and other technical information. KVIC is charged with planning, promotion, organization and implementation of programs for the development of Khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.
C. SECOND PARTY, vide their letter No. DKPM/CSR/REC/16-17 dated 03.06.2016, has requested REC to grant assistance for Rs. 353.80 lakh as Capital Expenditure and Rs. 200.00 lakh as Revolving Funds under CSR for implementing the project "setting up/establishing Khadi spinning, weaving and garment unit of (1000 charkhas and 250 looms or 500 Solar Charkhas and 100 Solar Looms)" at Sewapuri, Varanasi of Uttar Pradesh.

D. RECL/REC Foundation, under its CSR activities, sanctioned financial contribution of Rs. 553.80 lakh (Five Crore Fifty Three Lakh and Eighty Thousand Only) including Rs. 200 lakh to support shortfall in working capital, net of revenueplus service tax, if applicable, to the SECOND PARTY for the project "setting up/establishing Khadi spinning, weaving and garment unit of 500 Solar Charkhas and 100 Solar Looms" at Sewapuri, Varanasi of Uttar Pradesh for implementing the Project.

E. Both the parties pursuant to various discussions have agreed to enter into this Agreement which specifies a broad framework of co-operation and collaboration between RECL/REC Foundation and SECOND PARTY for implementing the Project and the Schedules along with Appendix/format shall be read as an integral part of this Agreement.

In view of the consideration above, the parties hereto agree as follows:

1. **Construction of the Agreement**
   The Agreement shall be governed by and construed in accordance with the laws of INDIA.

2. **Date of Commencement**
   The date of commencement of the project shall begin from the date of the execution hereof.

3. **Purpose of the Agreement**
   The funds shall be utilized for the implementation of the project in accordance with the implementation schedule set out in Schedule I hereto.

4. **Implementation of the project**
   4.1 The project shall be implemented by the SECOND PARTY in accordance with the scope of work, implementation plan, monitoring and evaluation and terms and conditions as set out in Schedule I hereto.
   4.2 No variation in the scope of work and implementation plan as detailed in the Schedule is shall be allowed to the SECOND PARTY, unless otherwise agreed to in writing by RECL/REC Foundation in the form of amendment to this Agreement.
   4.3 RECL/REC Foundation shall not provide funds in respect of the project outside the scope of work and time schedule as agreed herein among the parties.

5. **Responsibilities and Obligations of SECOND PARTY**
   5.1 **Preservation of Records**
   The SECOND PARTY shall maintain all the statements (including financial and accounting), records and documents of the funds provided by RECL/REC Foundation for the project in accordance with the principles of general accepted business practice. The SECOND PARTY's non-compliance of the said article will be grounds for termination of the Agreement but RECL/REC Foundation will have the absolute discretion regarding the same.
   5.2 **Refund of unutilized/unspent funds**
   Any unspent or unutilized amount (disbursed earlier by RECL/REC Foundation for the project), shall on completion of the project or on termination of this Agreement, be refunded to RECL/REC Foundation within 30 days of the completion of the project or termination of the Agreement, as the case may be.
5.3 Equipment/Fixed Assets

Any non-consumable items/equipment/materials contributed and financed by RECL/REC Foundation, amounting, for the Project shall be utilized for the purposes mentioned in the Agreement for which it is given and shall not be transferred/disposed off by the SECOND PARTY except with express written permission of RECL/REC Foundation.

5.4 Maintenance of Project

5.4.1 The SECOND PARTY shall ensure to maintain the assets created, if any, in the project and shall only use the assets for the purpose of the project.

5.4.2 In case the project being executed by SECOND PARTY is for a beneficiary organisation, the SECOND PARTY shall obtain and present to RECL/REC Foundation, a written commitment and undertaking from the beneficiary organisation to the effect that it would use the utilities/facilities provided under the project for the specific purpose that it is intended for and that it would take care of the operation and maintenance of the Project and its rightful use for which it has been established, after the same have been handed over to them, for a period of at least 15 Months.

5.5 Obligations of SECOND PARTY

SECOND PARTY hereby agrees and undertakes:

a. To implement the project as per the terms, conditions and specifications agreed among the parties and to undertake all other related works required for the said project, if any.

b. To complete the project in stipulated period of time, as mentioned in this Agreement.

c. To nominate, immediately on signing of this Agreement, a nodal officer to be in-charge of implementation of the project and for all communication/coordination with RECL/REC Foundation for the same.

d. To fulfil all other Roles and Responsibilities stated under terms and condition stated under Schedule I.

e. That the project shall not be financed from any other donated funds or any other source.

f. That it shall not take/subscribe any budgetary allocation/CSR assistance from any other public sector undertaking or donor in respect of the Project.

g. To provide full access to RECL/REC Foundation or its representative of the books of accounts and all related information to carry out an audit of the project along with the accounts of expenditure.

6. Role of RECL/REC Foundation

The role of RECL/REC Foundation shall be to:

a. Bear the funding of the project from its CSR budget as per the cost estimate of the project as detailed in Schedule I.

b. Keep SECOND PARTY informed of any changes in the instructions or its policies.

c. Disburse funds on satisfactory compliance of prescribed conditions and milestones.

7. Payment Plan

RECL/REC Foundation shall disburse the funds to the SECOND PARTY as per the payment plan detailed in Schedule I, on submission of requisition for disbursement by SECOND PARTY.
8. Funds requisition

The SECOND PARTY shall present requisition application for disbursement of funds to RECL/REC Foundation which shall contain details of expenditure incurred/to be incurred by the SECOND PARTY ("Funds Requisition Application") in accordance with the schedule of amount disbursed, and fund utilisation certificate along with the project progress report.

The SECOND PARTY's authorised representatives shall sign the Funds Requisition Application. Any requisition if not presented in accordance with the above article shall be liable to be rejected.

9. Disbursements

a. The funds shall be disbursed to the SECOND PARTY in Indian Rupees.

b. RECL/REC Foundation shall disburse the funds as per Schedule I, only if RECL/REC Foundation is satisfied with the progress of implementation of the project as per the approved project implementation plan.

c. In the event the implementation of the project is not as per the agreed terms, conditions and specification agreed herein, RECL/REC Foundation shall reserve the right to withhold or reduce the instalment amount applied for by the SECOND PARTY in the Funds Requisition Application or stop further disbursements of instalments amount to the SECOND PARTY. Release of the instalments amount shall be made upon remedying of the unsatisfactory works and on resolution of the outstanding queries by the SECOND PARTY to the satisfaction of RECL/REC Foundation.

d. In the event that accumulative disbursements made to the project are in excess of the expenditure actually incurred in terms of the approved project implementation plan as per Schedule I, RECL/REC Foundation shall deduct the excess amount from future instalments disbursed to the SECOND PARTY.

10. Termination

10.1 RECL/REC Foundation may terminate this Agreement on account of unsatisfactory performance after giving due notice of 15 days to the SECOND PARTY.

10.2 Unsatisfactory performance means and includes:-

a) An incomplete work done/ no progress in the work found/ work not being implemented as specified under Schedule I of this Agreement or non-performance of any obligation under this Agreement or non-compliance of the notice for improvement given by RECL/REC Foundation.

b) When the SECOND PARTY is found involved in any manner or form in corrupt practices or misappropriation of the funds/ Assets, which belongs to, or has been marked for the Project activities and RECL/REC Foundation has sufficient grounds to believe so.

c) Violation of any of the provisions specified in various clauses of this Agreement and terms of reference that leads to a conflict which may affect the objectives of the program, at any time during the continuance of this Agreement.

10.3 In the event of unsatisfactory performance of the Project by SECOND PARTY, RECL/REC Foundation may, at its sole discretion and at any time, terminate this Agreement and inform the SECOND PARTY of its decision in writing which shall be final and binding on the SECOND PARTY. This Agreement shall stand terminated on the date as mentioned in the written communication.

10.4 In the event that the SECOND PARTY is unable to commence the project activities the financial assistance committed for the project by RECL/REC Foundation is liable to terminated at the sole discretion of RECL/REC Foundation, not requiring any notice or any reason for the same. In such an event, the SECOND PARTY shall repay/refund the amount already paid by RECL/REC Foundation for the implementation of the project within stipulated days.

10.5 The SECOND PARTY shall not be entitled to payment of any amount by way of compensation for termination of the Agreement for the causes mentioned herein.
11. Force Majeure:

11.1 If the performance of the Agreement by either party is delayed, hindered or prevented or is otherwise frustrated by reason of force majeure, which shall mean war/hostilities, riot or civil commotion, fire, flood or earthquake, tempest, lightening or other natural physical disaster; restriction imposed by the Government or other Statutory bodies which prevent or delays the execution of the Agreement by the SECOND PARTY and any event beyond the control of parties to the Agreement, then the party so affected shall promptly notify the other party in writing specifying the nature of the Force Majeure and of the anticipated delay in the performance of the Agreement. In such a case the relative obligations of the party affected by such Force Majeure shall be suspended for the period during which such Force Majeure event lasts/continues.

11.2 Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable to perform its obligation under this Agreement, shall notify the other party in writing, the beginning of the cause amounting to Force Majeure as also the ending of the said cause by giving notice to the other party within 72 hours of the beginning of the cause or ending of the cause, as the case may be. If deliveries are suspended by Force Majeure conditions lasting for more than 2 (two) months, RECL/REC Foundation shall have the option of cancelling this Agreement in whole or part at his discretion without any liability on its part.

12. Dispute Resolution

12.1 Any dispute between the Parties arising out of or in relation to the validity, interpretation, implementation or alleged material breach of any of the provisions of this Agreement during its subsistence shall be resolved amicably by the parties. In case of failure to resolve the disputes amicably within 30 days from the date when the dispute arose, the dispute shall be referred to sole arbitrator for resolution in accordance with the provision of the Arbitration and Conciliation Act, 1996, including its amendments. Both the parties shall mutually appoint an arbitrator as the sole arbitrator for resolution of the disputes as per the Arbitration and Conciliation Act, 1996. The place of arbitration shall be at New Delhi. The language used in the arbitral proceedings shall be English. The decision of the sole arbitrator shall be final and binding upon the Parties. The fees/expenses to be incurred for the arbitrator/arbitration proceeding shall be mutually between the Parties.

12.2 All disputes arising between the parties herein shall be subject to the jurisdiction of the courts of Delhi only.

13. Indemnity:

The SECOND PARTY shall keep RECL/REC Foundation indemnified from and against any and all claims, actions, demands and proceedings, charges, taxes, Disputes etc. whatsoever brought or made against RECL/REC Foundation arising from any method or process employed or matter or thing done to or in connection with any work executed by SECOND PARTY under this Agreement and shall, at its own risk and expense defend any suit for infringement of patent or like suit brought against RECL/REC Foundation (whether with or without SECOND PARTY being a party thereto) and shall pay any damages and costs awarded in such suit, and keep RECL/REC Foundation indemnified from and against all consequence thereof.

14. Conflict of Interest

14.1 Neither the SECOND PARTY nor its personnel or agent shall engage in any personal business or professional activities, either during the course of or after the termination of this Agreement, which conflict with or could potentially conflict with the object of the Project.

14.2 Subject to clause 14.1 above, the SECOND PARTY shall notify RECL/REC Foundation immediately of any such conflict and suggest/take immediate remedial measures under information to RECL/REC Foundation to ensure that the Project is completed as per the terms and conditions agreed upon.
15. Disclosure of Information, intellectual Property Rights and Official Securities Act

15.1 All Intellectual Property in any technical/capacity building material provided by SECOND PARTY to RECL/REC Foundation under this agreement shall be the property of SECOND PARTY.

15.2 All Intellectual Property contained in this Agreement or in any reports including baseline study, progress reports, impact assessment report or any other report/information compiled in respect of the project at the request of RECL/REC Foundation, photographs etc. shall be the property of RECL /REC Foundation and may not be shared with any third party without prior written approval of RECL/REC Foundation.

15.3 The SECOND PARTY shall not during or after the termination of the Agreement disclose to any third party confidential information arising from the Agreement (other than in the course of performance of their duties hereunder or as may be required by a court or arbitration panel of competent jurisdiction) except with the prior written permission of RECL/REC Foundation.


16.1 Nothing contained in this Agreement shall be construed or have the effect of construing or constituting a relationship of employer and employee or principle and agent between RECL/REC Foundation and the SECOND PARTY.

16.2 The SECOND PARTY shall be responsible for all acts and omissions of its staff and any persons, associations, institutions engaged by the SECOND PARTY whether or not in the course of implementing the project and for the health, safety and security of such persons or entities and their property.

17. Amendment

In case any amendments are required to any part of the Agreement, the Second Party hereby agrees to incorporate all such amendments and implement the same in respect of the project. The Agreement shall be amended only by a written instrument with mutual consent of the parties to the Agreement.

18. Validity

This Agreement will remain valid between both parties till the obligations of SECOND PARTY under the Agreement are discharged to the satisfaction of RECL/REC Foundation. RECL/REC Foundation, at its sole discretion, may agree to extend the validity of the Agreement for this project or for similar other projects to be undertaken in future in same or other locations.

19. This Agreement has been executed in two counterparts, each of which when executed by both parties hereto, shall constitute an original, but all of which shall constitute one and the same instrument.

20. Address for Communication

<table>
<thead>
<tr>
<th>Rural Electrification Corporation Limited/RECL Foundation</th>
<th>Khadi &amp; Village Industries Commission (KVIC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mr. Raj Pal Singh, Dy. General Manager (CSR), Rural Electrification Corporation Ltd, Core - 4, Scope Complex, Lodhi Road, New Delhi - 110003. Telephone No.: 011-43091556 Email id: <a href="mailto:rajpalsingh@recl.nic.in">rajpalsingh@recl.nic.in</a></td>
<td>1. Chief Executive Officer, Khadi and Village Industries Commission, Irla Road, Vile Parle (West), Mumbai-400 056. Telephone No.: 022-26711577 Email id: <a href="mailto:ceo@kvic.gov.in.nic.in">ceo@kvic.gov.in.nic.in</a></td>
</tr>
<tr>
<td>2. Mr. D.B. Londe Zonal Manager, Mumbai Rural Electrification Corporation Ltd, Mumbai Telephone No.: 022-22630985 Email id: <a href="mailto:zmnmumbai@recl.nic.in">zmnmumbai@recl.nic.in</a></td>
<td>2. Divisional Director, Khadi and Village Industries Commission, Sanskrit University Marg, Telia Bagh, Varanasi-221002 Telephone No.: 0542-2204434 Email id: <a href="mailto:do.varanasi@kvic.gov.in">do.varanasi@kvic.gov.in</a></td>
</tr>
</tbody>
</table>
IN WITNESS WHEREOF, the parties have caused this Memorandum of Agreement to be executed on the date first written hereinabove.

For and on behalf of RECL/REC Foundation

[Signature]

Zonal Manager
Rural Electrification Corporation Ltd.

Witnesses:

1. [Signature]
   Dy. Gen.(Tech)

2. [Signature]
   Sr. Exe.(Engg)

For and on behalf of KVIC.

[Signature]

Chief Executive Officer
Kshetra Vikranta Udyog Yojna Commission
Ministry of MSME, Government of India
3, Irte Road, V... Pratap Nagar, Mumbai - 400 058

Witnesses:

1. [Signature]
   [Name]
   (Director - Finance)

2. [Signature]
   [Name]
   (Director - Vigilance)
1. Objectives of the Programme:

The project objective is to provide sustainable employment opportunities to approx. 1500 nos. of inhabitants of the area.

The economic objective of producing saleable articles.

The wider objective of creating self-reliance amongst the people and building up of a strong rural community spirit.

2. Scope of Work:

Set up the mother unit at Khadi GramodyogVidyalaya, Sewapuri, Varanasi, in association with 13 satellite khadi institutions in the vicinity.

The livelihood Business Model shall be set up with technical guidance and support, provided by Division office, KVIC, Sanskrit University Road, Teliabagh, Varanasi.

Provide direct/indirect employment at least 70% person after completion of the project.

3. Implementation Plan:

The project will be implemented by SECOND PARTY.

REC will provide support for equipment/machines to the SECOND PARTY under the project.

REC will also provide assistance for working capital requirement of up to Rs. 2.00 crore initially for 3 year period, subject to confirmation of shortfall as against the revenue.

Livelihood business model training will be provided to the needy beneficiaries under the project and after completion of the training they will produce fabric/garments and same would be purchased by KVIC.

A Project Implementing Committee (PIC) consisting of Senior Officials from concerned Ministry/ KVIC and official from REC will monitor and evaluate the scheme and recommend for payment.

The participants shall bear the expenses for other facilities accommodation and food at their own cost during the training period. An amount of maximum Rs. 400/- per week + service tax will be charged as token fees from the prospective trainees to ensure seriousness of the trainees as well as their regular attendance for the training programme, which will be refunded on successful completion of training based on attendance.
SECOND PARTY will ensure the regular sale/purchase of the material produced in the project area.

SECOND PARTY shall provide at least 70% direct/indirect employment to the person trained under the project.

SECOND PARTY shall submit project completion report after completion of the project.

KVIC shall set up call centre for the regular follow up of the employment status of the passed out trainees. After completion of the training, SECOND PARTY will prepare the status report of the income status of the trainees and will also share the same to REC.

4. Monitoring and Evaluation:

Field/progress of the work will be inspected/monitored by PIC/REC officials/third party agency from time to time.

5. Impact Evaluation:

Impact assessment study will be undertaken through TATA Institute of Social Sciences (TISS) by REC at its own cost.

6. Main Terms and Conditions:

a. The amount of REC CSR assistance to SECOND PARTY would be restricted to Rs. 553.80 (Rs. Five crore fifty three lakh and eighty thousand only) plus taxes, if applicable, in line with the proposal submitted for implementing the project setting up/establishing Khadi spinning, weaving and garment unit of 500 Solar Charkhas and 100 Solar Looms in Varanasi district of Uttar Pradesh.

b. SECOND PARTY shall follow Government of India/KVIC procurement policy for procurement of goods and services under this project.

c. Utilization Certificate for the fund utilize under the project.

d. SECOND PARTY shall ensure procurement / installation through fair and transparent method as per Government norms and submit an undertaking to have followed Government of India / KVIC purchase procedure for procurement of goods, & services under this project.

e. After completion of the project, SECOND PARTY shall refund unutilized amount, if any.

f. In case the equipment proposed under the project are less than the scheduled quantities, payment will be released on pro-rata basis. Any further cost escalation will be borne by SECOND PARTY.

7. General Terms & Conditions

a. SECOND PARTY shall give an undertaking that:

   i) The funds provided by REC to SECOND PARTY shall be used only for the purpose for which it is provided.

   ii) In case total cost exceeds the sanctioned cost, SECOND PARTY shall meet the same from its own funds/resources.

   iii) Unutilized funds if any shall be refunded by SECOND PARTY to REC.

   iv) Board of Directors/ Governors/ Trustees/ Managing/ Executive Committee Members of KVIC are not related in any manner, with RECL/ Subsidiary/ Management of RECL/ REC Foundation.

b. SECOND PARTYSshall open a separate interest bearing account, and submit the same for release of funds through e-banking.

c. Utilization certificate will be submitted by SECOND PARTY for the amounts released prior to request for the next installment. A consolidated utilization certificate, duly certified by the Chartered Accountant will be submitted by SECOND PARTY at the completion of the Project.
d. In the event of excess release of funds to the Project, REC shall be entitled to demand and recover from SECOND PARTY for such excess disbursements.

e. SECOND PARTY shall maintain all accounting records and documents for smooth and successful completion of this project and such records shall be open to examination by REC through its authorized representatives.

8. **Cost Estimate:** The total project cost is Rs. 553.80 lakh (Rupees Five crore Fifty Three Lakh and Eighty lakh) plus service tax, if applicable.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Machinery</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Spinning &amp; Weaving Section</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Solar Charkha 500 Nos. - 10 Spindle @ Rs. 38,000/-</td>
<td>1,90,00,000</td>
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<tr>
<td>2</td>
<td>Solar Loom - Semi Automatic 100 Nos. @ Rs. 1,00,000</td>
<td>1,00,00,000</td>
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<td></td>
<td><strong>Total (A)</strong></td>
<td><strong>2,90,00,000</strong></td>
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<tr>
<td>B</td>
<td>Ready Warp Unit 4 Nos. @ Rs.1,50,000 each</td>
<td>6,00,000</td>
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<td></td>
<td><strong>Total (B)</strong></td>
<td><strong>6,00,000</strong></td>
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<tr>
<td>C</td>
<td>Dyeing &amp; Processing Unit</td>
<td>5,00,000</td>
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<td></td>
<td><strong>Total (C)</strong></td>
<td><strong>5,00,000</strong></td>
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<tr>
<td>D</td>
<td>Garment Making Unit</td>
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<tr>
<td>1</td>
<td>15 Juki Lock stitch machine Rs. 25,200</td>
<td>3,78,000</td>
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<tr>
<td>2</td>
<td>1 Juki Over lock machine Rs. 59,000</td>
<td>59,000</td>
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<tr>
<td>3</td>
<td>1 Juki lock stitch machine with under bed trimmer Rs. 60,000</td>
<td>60,000</td>
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<tr>
<td>4</td>
<td>1 Hand cutting machine round and straight knife @ Rs. 30,000 each</td>
<td>30,000</td>
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<tr>
<td>5</td>
<td>1 Juki button hole &amp; sewing machine complete set Rs. 4,00,000</td>
<td>4,00,000</td>
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<tr>
<td>6</td>
<td>1 Hashima Fusing Rs. 2,00,000</td>
<td>2,00,000</td>
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<tr>
<td>7</td>
<td>1 NISSIN pneumatic collar, turning, blocking machine Rs. 1,00,000</td>
<td>1,00,000</td>
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<tr>
<td>8</td>
<td>Wiring for light points 28 Nos. sewing machines @ Rs. 4,400 each</td>
<td>1,23,200</td>
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<tr>
<td>9</td>
<td>Wiring of light points 12 nos. refractors cutting table @ Rs. 2,800 each</td>
<td>33,600</td>
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<tr>
<td>10</td>
<td>Cutting table 4 x 24 – 2 pieces 192 sq. ft. @ 360 per sq.ft.</td>
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<td>11</td>
<td>Checking table with LED light 4 nos. @ Rs. 14,500 each</td>
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<td>12</td>
<td>Elect. Steam generator @ Rs. 70,000</td>
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<td>13</td>
<td>Water softner 10 ltr capacity</td>
<td>16,500</td>
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<tr>
<td>14</td>
<td>Vacuum iron table with press</td>
<td>38,000</td>
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<td>15</td>
<td>CAD software license (PD + BN + VIS) model : MD - 900 - 20</td>
<td>4,00,000</td>
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<td></td>
<td><strong>Total (D) including VAT</strong></td>
<td><strong>20,35,420</strong></td>
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<tr>
<td>E</td>
<td>Testing Laboratory</td>
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</tr>
<tr>
<td>1</td>
<td>Wrap Reel</td>
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<tr>
<td>2</td>
<td>Yarn Testing Machine (intron)</td>
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<tr>
<td>3</td>
<td>Yarn Count Testing Machine</td>
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<tr>
<td>4</td>
<td>Yarn Strength Tester</td>
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<tr>
<td>5</td>
<td>Twisting Direction Tester</td>
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<tr>
<td>6</td>
<td>Physical Balance</td>
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<tr>
<td>7</td>
<td>Microscope</td>
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<tr>
<td>8</td>
<td>AC</td>
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<td></td>
<td><strong>Total (E)</strong></td>
<td><strong>5,00,000</strong></td>
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<td></td>
<td><strong>Total (A to E)</strong></td>
<td><strong>3,26,35,420</strong></td>
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<tr>
<td>F</td>
<td>Transportation, Octroi and Installation charges</td>
<td>16,45,033</td>
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<tr>
<td>G</td>
<td>Administrative &amp; Management Exp.</td>
<td>11,00,000</td>
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<tr>
<td></td>
<td><strong>Grand Total (A to G)</strong></td>
<td><strong>3,53,80,453</strong></td>
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<tr>
<td>H</td>
<td>Revolving Fund</td>
<td>2,00,00,000</td>
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<tr>
<td></td>
<td><strong>GRAND TOTAL (A to H)</strong></td>
<td><strong>5,53,80,453</strong></td>
</tr>
</tbody>
</table>
9. Payment plan: The payment toward Capital expenditure in advance / on-account payment / reimbursement to be released on pro-rata basis as per terms stipulated as under:

A. Part-I: Project cost for livelihood business model of Rs. 353.80 lakh plus taxes as applicable:

First Installment: Up to 30% of Part-I cost, or actuals, if lesser, payable on:
   i. Signing of MoA by SECOND PARTY.
   ii. Contact details of nodal person for the project from KVIC.
   iii. Submission of documents regarding the procedure adopted for selection of vendors/suppliers for the project by KVIC.
   iv. Display of REC-University partnership link on Website of KVIC.
   v. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

Second Installment: Up to 60% of the Part-I cost or actual, if lesser, payable on:
   a. Receipt of all material/equipment at site along with the copy of final invoice from the vendor.
   b. Submission of utilization certificate of 80% funds released by REC so far.
   c. Submission of progress report (with photographs).
   d. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

Third Installment: Up to 10% of Part-I cost or actual, if lesser, payable on:
   a. Evidence/Certificate for successful installation and commissioning of equipment's and machinery procured under the project.
   b. Submission of project progress report along with photographs.
   c. Confirmation of display of REC logo and REC CSR assistance in equipment and also in store plaque at appropriate place.
   d. Submission of audited utilization certificate for the funds released so far including interest earned under the project.
   e. SECOND PARTY shall inform receipt of any interest from bank and the project cost will be reduced accordingly.
   f. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

B. Part-II: Working Capital Cost of Rs. 200 lakh:

REC shall pay for the requirement of shortfall, if any in working capital, net of revenue upto a maximum of Rs. 200 lakh to be claimed by SECOND PARTY from time to time.

i. Part-II Working capital cost up to Rs. 150 lakh would be payable from time to time on submission of:
   a. Requirement from KVIC along with cost estimation for the year, prepared by independent CA.
   b. Submission of project progress report along with photographs.
   c. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.

ii. Working capital cost up to Rs. 50 lakh would be payable on submission of:
   a. Requirement from KVIC along with cost estimation for the year, prepared by independent CA.
   b. Submission of impact assessment report undertaken by Tata Institute of Social Sciences (TISS), the cost will be borne by REC.
   c. Submission of audited utilization certificate for the funds released so far including interest earned under the project and compliance of all other terms and conditions of this sanction/ MoA.
   d. SECOND PARTY shall inform receipt of any interest from bank and the project cost will be reduced accordingly.
   e. PIC confirmation of compliance of the above payment terms and recommendation for the release of payment.
f. Submission of certificate with regard to the following:
   i. The present CSR project has not been financed from any other source or donated funds
   ii. The funds released by REC have not been used for any other purpose other than the intended objectives of the project.
   iii. The token money charged from beneficiaries under the project will be refunded on successful completion of training based on attendance.
   iv. No further payment shall be due from REC.

REC has the right to seek any additional documents/information/certifications as deems fit.
Appendix A

Funds Requisition Application
(On official letter head of SECOND PARTY)

To
The GM (F&A/CSR)
Rural Electrification Corporation limited
Core-4, Scope Complex
Lodhi Road
New Delhi-110003

Dated: ...........

Dear Sir,

Enclosed is the Fund Utilization details of expenditure and copy of invoice wherever applicable Certificate incurred by SECOND PARTY during the period of the 1st /2nd /3rd /4th /5th (tick one applicable here) installment received towards utilization of funds as submitted. The 1st/2nd /3rd /4th (tick one applicable here) progress report along with pre-identified modalities of the project to be undertaken is hereby enclosed or is mentioned herein. It is hereby certified that the progress of the present project as undertaken is satisfactory.

It is requested that the 1st /2nd /3rd /4th (tick one applicable here) installment may be released to the SECOND PARTY for meeting the further expenses towards completion of the project.

"Certified that the amounts mentioned in the Fund Requisition Application are required wholly and necessarily for the purpose of the project "setting up/ establishing khadi spinning, weaving and garment unit of (1000 charkhas and 250 looms or 500 Solar Charkhas and 100 Solar Looms – may be decided later)" in at Sewapuri, Varanasi, Uttar Pradesh and the same has not been claimed before from RECL/ REC Foundation or any other party. It is also certified that this project has not been executed earlier."

Our Service Tax registration number is ................. and the confirmed that the registration is valid as on date (copy enclosed).

Thanking you,

NGO/Trust/Society/Agency/Company/Govt. Organization

Signature:

Name:

Designation:

(Authorized person shall sign all Funds Requisitions)
Appendix B
Fund Utilization Certificate
(On official letter head of SECOND PARTY)

To
The GM (F&A/CSR)
Rural Electrification Corporation Limited
Core-4, scope Complex,
Lodhi Road
New Delhi-110003

Date

Sir/Madam,

The Fund Utilization Certificate showing the details of expenses/expenditure incurred under each head (as indicated in the Agreement) by the SECOND PARTY during the period FROM..............To.............. of the 1st /2nd /3rd /4th (tick one applicable here) installment received towards utilization of the funds is given below:

The 1st /2nd /3rd /4th (tick one applicable here) progress report along with pre-identified modalities of the project to be undertaken is hereby enclosed in the Fund Requisition Application dated........

Submitted towards compliance of the project (name of the project is to be mentioned here)

Thanking you

NGO/Trust/Society/Agency/Company/Govt. Organization

........................................

Signature of Authorized person:

Name:

Designation: