

# **Soft-loan Agreement**

## **ANNEXURE-III**

### **AGREEMENT**

This agreement is made on the .....by and between Switchtech Incubator Foundation hereinafter called SIF, located at Silicon Institute of Technology, Silicon Hills, Patia,Bhubneswar-751024 and Open Learning Systems located at Plot No. G3A/1, Gadkana Mouza, P.O. Mancheswar Railway Colony, MCL Road, Bhubaneswar -751017

Upon the representations and the Business Plan provided by Open Learning Systems in the application for the financial help made to SIF, SIF has agreed to sanction a soft loan upon the mutually agreed terms and conditions herein appearing.

Subject to and in accordance with this agreement ,its terms and conditions, SIF hereby agrees to provide Open learning systems with a sum total of Rs.....hereto for the professional requirements of Open learning systems.

#### **Interest**

Both parties have agreed that the loan shall bear an interest of 6% per annum as simple interest to be calculated quarterly. However, in the event of default in payment within the stipulated period (2years) from the date of release of the sanction, further interest shall be applied from the date of default at an annual rate of 12% per annum unless otherwise agreed in writing between the parties.

#### **Term**

Open Learning System undertakes not to utilize the financial support for any antisocial, unlawful, or speculative purposes. The amount can be used for procuring equipment and consumables essential for the implementation of the project, subsistence allowance of the promoters, staff salaries and other contingencies

#### **Repayment**

The soft loan will be repaid in four years including a moratorium of two years from the date of this contract. The loan shall be repaid in quarterly installments after expiry of 24 months (2 years) moratorium from the date of this contract. The repayment dates will be 1<sup>st</sup> of the first month of each quarter. On specific request of the Company, the SIF may allow commencement even before the expiry of moratorium period of 24 months.

#### **Default**

If for any reason Open Learning System fails to make payment within the stipulated period of time, it shall be in default, SIF can then demand immediate payment of the entire amount, without giving any further notice.

If this note is placed with an attorney for collection, then Open Learning System agrees to pay an attorney's fee and all cost of litigation.

#### **Responsibility**

Although this agreement may be signed below by more than one person, each of the undersign understands that they are each as individuals responsible and jointly and severally liable for paying back the full amount

IN WITNESS WHEREOF, the parties hereto have executed this agreement on.....

For

Switchtech Incubator Foundation

&

For

Open Learning System

Witnesses