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## NOTIFICATIONS

### MIZORAM LOAN TO TRUCK OPERATORS RULES, 1976.

No. STV, 37/78/216 : The Lt. Governor (Administrator) of Mizoram with the previous approval of Government of India, Ministry of Finance as required under proviso (a) to Rule 12 of the Delegation of Financial Powers Rules 1958 is pleased to make the following Rules for grant of loans to the deserving educated unemployed Youth and Mizo National Front Returnees and other deserving categories for purchase of Trucks.

1. Short title and commencement :-

- (1) These rules may be called "The grant of loans to deserving Educated unemployed youths and M.N.F. Returnees for purchase of Trucks, Rules, 1976".
- (2) It shall come into force with immediate effect.

2. Definition : In these rules, unless there is anything repugnant in the subjects or context :-

- (a) "Loanee" means the person to whom loan is sanctioned under the scheme.
- (b) "Bank" means the State Bank of India.
- (c) "Director" means the Director of Supply & Transport.
- (d) "Educated unemployed youth" means a person possessing educational qualification of Intermediate or Pre-University course, 2nd Year Certificate or its equivalent from a recognised University but not employed for utilisation of his skill in Government or aided Institutions, or not owning any trades, industries or business of his own or in partnership with others or not having adequate financial resources of his own to set up any business, trade or any small scale business or industry.
- (e) "Form" means a form appended to these rules.
- (f) "Government" means the Government of Union Territory of Mizoram.
- (g) "M.N.F Returnees" means a person who was member of Mizo National Front and had surrendered himself to the Government after 21. 1. 1972, and has been issued certificate of surrender by the Government.
- (h) "Board" means the selection Board mentioned in paragraphs 6 (six).
- (i) "Seed Money" means the amount of loan not exceeding 10% of the cost of the Truck that may be sanctioned to a loanee.
- (j) "Loan" means the amount of seed money sanctioned to a person, under the scheme.

3. Eligibility: An educated unemployed youth and/or M.N.F. Returnee and other deserving cases will be eligible for such loans; provided the Board is satisfied that he has not the adequate means to provide seed money required for purchase of a Truck with the help of the loan provided by the Bank. The decision of the Board shall be final.

4. Application for Truck loan: The application for loan shall be submitted to the Director of Supply & Transport in the form appended (Annexure 'A') which shall be obtained from the office of Director of Supply & Transport, Government of Mizoram (Transport Wing) on payment of Rs. 5000 (Rupees five) only.

5. Verification of application: The Deputy Commissioners concerned shall verify all the particulars recorded in the application and report their findings.

6. Selection Board:— There shall be a selection Board consisting of the following members, who shall scrutinise all applications received for grant of loans from time to time and record its recommendation. The Board may meet quarterly or at such intervals as may be considered necessary:—

- |   |   |                 |
|---|---|-----------------|
| (a) Minister incharge, Supply & Transport, Mizoram                            | - | Chairman.       |
| (b) Chief Secretary, Mizoram  | - | Member          |
| (c) Development Commissioner, Mizoram   | - | Member          |
| (d) Finance Secretary, Mizoram.   |   | Member          |
| (e) Director of Supply & Transport/<br>Secretary, Supply & Transport, Mizoram | - | Member-Secy.    |
| (f) Branch Manager, S.B.I., Aizawl.   | - | Coopted Member. |

7. Sanction to the payment of Loan: On the basis of the recommendation of the selection Board, the Secretary to the Govt. of Mizoram. to budget provisions will accord sanction to the payment of loan.

8. Furnishing of security: The security to be furnished under these rules other than personal security, shall be the hypothecation of the truck to the Bank and to the Government till the loaned money together with the interest accrued there on is fully repaid.

- Hypothecation deed, Articles of Agreement and mortgage deed shall be executed by every allottee to the Bank and the Government separately and in respect of the Government they shall be executed in the forms 'E' respectively.
- The vehicle shall be fully insured by the allottee with Life Insurance Company.
- Surety Bond and other agreements shall be executed by the allottee with the Bank as per their rules and conditions.
- Every allottee shall furnish a declaration writing as per form appended in Annexure 'D' at the time of placing order that he shall not sub-let or rent out the vehicle to any party other than to Government Department for operation.

9. Amount of Seed Money and the mode of Payment:— The seed money will be limited to 10% of the cost of each truck and shall be credited with loanee's Bank account on receipt of requisition for the same duly endorsed by the Bank and on execution of Bond mentioned in rule

10. Interest on Loan:— The loan shall bear an interest at (12 %) such a rate as may be fixed by the Government of India and prevailing at the time of issue of loan and the interest shall be payable till the entire amount of loan is repaid in full.

11. Insurance: Loanee shall keep the vehicle fully insured against any loss due to accident or otherwise untill the loan money with interest is repaid in full.

12. Repayment of loan with interest:—

- The repayment of loan shall be in the ratio of 8 : 1 in favour of Bank and the Government of Mizoram respectively. The principal of the Government loan together with interest shall be recovered in four instalments payable in the 9th, 13th, 27th and 36 month from the month of commencement of the repayment of loan to the Bank. The loanee shall deposit the amount of instalment direct into the Treasury, and submit a copy of receipted Treasury Challan to the office of the Director of Supply and Transport (Transport Wing) Aizawl.

(2) Nothing in these rules shall preclude a loanee from discharging the loan in a shorter period or from paying a larger amount than that fixed for each instalment.

13. Action to be taken against defaulters:— In the event OF LOANEES failure to pay the monthly instalments, the Govt. shall have the right to realise the Government dues in part or whole as provided in the Mortgage Deed.

14. The Director of Supply and Transport (Transport Wing) shall maintain loaneewise detailed account of payment/repayment of loan and submit Report>Returns as may be necessary to the Government as well as to the Accountant General, Assam etc.

15. The Government will take appropriate action for recovery of loan with interest.

,MADAN JHA  
Secretary to the Govt. of Mizoram,  
Supply & Transport Department.

**ANNEXURE 'A'**  
**FORM OF APPLICATION FOR TRUCK ON LOAN**  
(See rule 4)

1. Name in full (in block letters)
2. Father's name.
3. Permanent address with police station,
4. Present address with Police station.
5. Age as on.....
6. Educational Qualification (certificate should be attached.)
7. Community.
8. Whether you possess a driving licence, State whether it is light or Heavy Private or professional (True copy to be attached.)
9. Are you in possession of a vehicle? State the type of vehicle.
10. Experience in driving of heavy vehicles knowledge in maintenance of heavy vehicle.
11. Present occupation.
12. Financial position (Certificate to be attached duly signed by gazetted officer.)
13. The address at which the vehicle will be normally garaged,
14. Whether the applicant himself will drive the vehicle.
15. Whether the vehicle is being acquired to replace existing vehicle.
16. Object of utilization of the truck.
17. Whether married or unmarried.
18. Whether Ex-servicemen and/or MNF Returnees.
19. Any unmoveable for mortgage with value of the same (certificate duly signed by gazetted Officer to be attached)

**FINANCIAL ASPECT OF THE PROPOSAL :**

**A. INCOME :**

- (a) Number of days in a month the vehicle will be on road.
- (b) Number of kilometres the vehicle will run per day on average,
- (c) Estimated average income per day Rs. \_\_\_\_\_  
per month (Please indicate the average KM the vehicles will run per day with passengers/goods, the rate of fare per K.M. luggage charge, waiting charge etc. The average daily income should be multiplied by the number of days in a month the Vehicle will be on road, to arrive at the monthly income).

In case of buses, number of trips and estimated income from each trip should be stated.

**B. EXPENSES (ESTIMATED).**

(a) Cost of fuel. (The Cost to be ascertained as under), A—Total number of days the vehicle will be on road in a month. B. Average KM the vehicle will run per day. C. Cost of fuel per litre. D. Number of KM the vehicle will run per litre of fuel.

(b) Salary and allowances of drivers/conductor/Cleaner per month. Rs.  
 (c) Cost of Oil, Mobile etc. Rs. (d) Insurance premium per month Rs.  
 (e) Motor tax etc. per month Rs. (f) Garage rent per month Rs. (g) Maintenance expenditure repairing servicing etc per month Rs. (h) Other expenses. If any (Give details) Rs. (Annual expenditure to be divided by 12 to arrive at the monthly expenditure). (i) Total : Surplus A(c)-B (i) Rs. Say : Rs.  
 C—In case there is a contract between the owner and driver regarding the fixed amount to be paid by the driver, please state the terms of contract and the amount to be paid per month.

I do hereby affirm that the above statement are true to the best of my knowledge and I am prepared to sign the bond and abide by the rules and regulations as laid down.

Signature of the witness,

1.

2.

Signature of the applicant.

**ANNEXURE 'B'**

(To be stamped as an Agreement in accordance with the stamp Act. in force this document is executed. Not to be attested).

**AGREEMENT FOR MEDIUM TERM LOAN  
 Hypothecation of Vehicle**

( See rule 8 (a) )

The President of India acting through the Governor (Administrator) of Mizoram (Hereinafter called "The Government" which expression shall include its successors and assigns having at the request of

\_\_\_\_\_ son of \_\_\_\_\_

\_\_\_\_\_ Address \_\_\_\_\_

\_\_\_\_\_ (hereinafter referred to as "the Borrower" which expression shall include its successors and assigns/their and each of their respective heirs, executors, administrators and assigns and legal representatives/ his heirs, executors administrators and assigns) agreed to grant accommodation to the Borrower to enable the Borrower to pay for the vehicle (s) with fitting and accessories more particularly specified and described in Schedule I hereto (hereinafter referred to as "the said vehicle (s)" "for the purpose of carrying on

the business of public carrier and utilising the same in its/their/his said business in accordance with the statements made in the Borrower's application a copy of which is annexed and forms part of this Agreement such loan to be secured as herein provided it is agreed as follows:—

1. The Borrower and the bank has already made an initial or down payment to the Suppliers of the said vehicle(s) amounting to Rs. .... and Rs. .... respectively. The Government shall grant accommodation to the Borrower by giving to the Borrower a loan of Rs. .... to enable him to pay the balance of the price of the said vehicle (s).

2. The borrower shall repay the loan amounting to Rs. .... along with interest in the manner specified in the Table below:—

No. of instalment.	Amount of instalment.	Date of payment.
1st	Rs. 3000/-	10th of 5th month from the month of Commencement of recovery by Bank
2nd	Rs. 3000/-	10th of 18th month from the month of Commencement of recovery by Bank
3rd	Rs. 3000/-	10th of 27th month from the month of commencement of recovery by Bank.
4th	Rs. 1000/- plus interest	10th of 36th month from the month of commencement of recovery by Bank

3. The Borrower shall be also pay interest at the rate of \_\_\_\_\_ per cent above the Government/Advance Rate minimum \_\_\_\_\_ per ling therewith calculated respectively on the daily balance of the amount due subject to enhancement as hereinafter provided.

4. The Government shall at any time be entitled to give notice to the Borrower of its intention to charge and may thereafter charge interest at such higher rate than the rate herein before mentioned as the Government may specify.

5. The Borrower shall utilise the money advanced by the Government under this Agreement exclusively for the purpose of purchasing the said vehicle (s) specified in Schedule I hereto annexed to be used for the purpose of carrying on the business of public carrier.

The said vehicle (s) shall be the absolute property of the Borrower free from any mortgage hypothecation pledge or lien or any encumbrance whatsoever other than the charge in favour of the Government and the bank created by this Agreement.

6. As security for the said loan and also for payment of any other charges costs (between attorney and Client) and expenses payable to or incurred by the Government in relation thereto the Borrowers hereby charges and hypothecates to the Government all the said vehicle (s) specified and described security normally be garaged in or about \_\_\_\_\_ or elsewhere in India.

7. The said vehicle (s) specified and described in Schedule I hereto and \_\_\_\_\_ by the Borrower as aforesaid shall remain hypothecated to the Government by way of Joint charge with the Bank charge as security for the payment of the said loan and also as security for the payment and discharge of all indebtedness of the said Borrower.

all interest discount commissions cost (inclusion costs (inclusive between Attorney and Client) charges and expenses payable to or incurred by the Government in relations to the said advance or the enforcement of any one or more of the securities. The Borrower shall not during the continuance of this security create any charge or encumbrance of any kind over the said vehicle (s) specified and described in Schedule 'I' hereto and all additions to the said vehicle (s) subsequent to the creation of hypothecation shall be likewise kept un-encumbered absolute and disposable property of the Borrower and would be included in the said vehicle (s) and would stand hypothecated to the Government as a security in terms of these presents and all the provisions hereunder shall be applicable thereto.

8. The Borrower shall pay all fees and taxes payable in respect of the said vehicle (s) as and when the same become due and shall also keep the said vehicle (s) at the borrower (s) risk and expenses in good conditions and fully insured against loss or damage as may be required by the Government from time to time on such basis and for such value as may be satisfactory to the Government with such insurance office of repute to be approved of in writing by the Government and shall pay all premium or sums of money necessary for such purposes or for renewal thereof at least one week before the day or which same become payable and will on every occasion deposit with the Government the policy of insurance and the receipt for such payment or shall contain from the insurance company concerned an acknowledgement to the effect the interest which the Government has in such insurance claim and shall deposit the said acknowledgement with the Government and that the borrower will not at any time hereafter during the continuance of any such as aforesaid do or cause or allow to be done any act or commit any default whereby the said insurance may be rendered void or voidable or an increased premium may become payable under thereof an in case at any time, the said insurance shall by any means become void or voidable or the borrower shall forthwith at his/their own cost affect a new insurance in lieu of such void or voidable insurance as aforesaid and also that if default shall be made in payment of the fees and taxes as aforesaid or fails to renew such insurance it shall be lawful for but not obligatory upon the Govt to pay such fees and taxes and to keep the said vehicle(s) in good condition and to insure and keep insured the said vehicle(s) in the manner aforesaid and that the Borrower will on demand repay to the Government every sum of money expended by it for the purpose aforesaid with interest thereon at the rate aforesaid from time to the same having been so expended, and that until such repayment, the same shall be a charge on the security hereby created and it shall also be open to the Government to debit every such sum of money together with such interest to any account of the Borrower opened or to be opened, All sums of money received under or by virtue of any such insurance as aforesaid shall at the option of the Government either be applied towards replacement thereof as far as possible or towards satisfaction of the Government dues as hereunder. The borrower shall also affix to the said vehicle(s) a plaque or placard stating that the said vehicle(s) has/have been hypothecated to the Government.

9. If the Borrower ceases to use the said vehicle hereby hypothecated as a public carrier to carry on business as a public carrier on if any instalment due hereunder shall not be paid on the due date in the manner aforesaid, then in any of such events the agreement of the Government to accept repayment of the said loan by instalments, shall at the option of the Government forthwith terminate and the whole balance of the said loan unpaid at the date of such default shall immediately thereupon become payable to the Government and the Government shall also be entitled to charge at its own discretion whether or not it exercises the option above referred to, enhanced rate of interest at .....  
 ... % on the outstandings and the charging of such enhanced rate of interest shall be without prejudice to the Government's other rights and remedies.

10. The Government or its Nominees shall be entitled, at all times without notice to the Borrower but at the Borrower's risk and expense and if so required as Attorney for and in the name of the Borrower, to enter any place where the said vehicle (s) may be and inspect value insure superintend disposal and/or take particulars of all or any part of the said vehicle (s) and check any statements, of the said vehicle (s) and check any statements, accounts, reports and information and also on any default of the Borrower in payment of any money hereby secured or the performance of any obligation of the Borrower to the Government or if any statement representation or Warranty made by the Borrower in

its/their or his loan application or in any supporting financial statement shall be found to be false or inaccurate in any material respect or on the occurrence of any circumstances in the opinion of the Government endangering this security to take possession and transfer the said vehicle (s) in its own name and for that purpose sign, execute and register any documents and to do all such things as are necessary in this regard or recover receive, appoint receiver or remove and/or sell by public auction or private contract despatch for realisation or otherwise dispose of or deal with all or any part of the said vehicle (s) and to enforce realise settle compromise and deal with any rights or claims relating thereto without being bound to exercise any of these powers or being liable for any loss in the exercise thereof and without prejudice to the Govt. rights and remedies of suit or otherwise and notwithstanding there may be any pending suit or other wise proceeding the Borrower undertaking to give immediate possession to the Government on demand of the said vehicle (s) and to transfer and deliver to the Government all relative bills, contract securities and documents and agreeing to accept the Government's accounts of sales and realised and relative expenses and to pay any shortfall or deficiency there by shown provided that the Government shall be entitled at all times to apply any other money or moneys in its hand standing to the credit of or belonging to the Borrower in or towards payment of any amount for the time being payable to the Govt. and to recover at any time from the Borrower by suit or otherwise the balance remaining payable to the Government under this Agreement or otherwise notwithstanding that 1 or any of the securities may not have been realised.

11. That the security hereby created shall be separate and distinct from and shall not be affected by any other security (ies) indemnities of guarantees that the Government may have relative to the said account (s) or any other obligation present and future of the Borrower (s) to the Government and nothing herein shall prejudice any lights or remedies of the Government in respect of any present and future security guarantee, obligation or degree or liability of the Borrower (s) to the Government and the Government shall have full authority to take recourse to or enforce this security of any other guarantee, indemnity or security (ies) that the Government may have as herein before stated at the sole discretion of the Government.

12. The Borrower shall furnish and verify all statements accounts, documents and information and shall also execute all documents and do all acts and things the Govt. may require to give effect thereto and the Borrower hereby authorises the Government and each of its nominees as attorneys for and in the name of the Borrower to do whatever the Borrower may be required to do hereunder.

13 Nothing herein contained shall prejudice any rights or remedies of the Government in respect of any other present or future security, guarantee, obligation or decree for any indebtedness or liability of the Borrower to the Government.

Witness 1, ..... (1) .....  
Witness 2, ..... (2) ..... (Borrower)

Date at ..... 19(2) .....

Secretary to the Govt. of Mizoram  
for and on behalf of President of  
India acting through Lt. Governor  
(Administrator), Mizoram.

## SCHEDULE I

(Here set out a fully itemised description of the vehicle (s) with fittings, tools and accessories mentioning such particulars as identification marks or numbers, manufacturers name, suppliers' name, etc.)

ANNEXURE 'C'  
MORTGAGE—DEED  
[See rule 8 (a)]

1. This instrument made this ..... day of .....  
197 ..... between Shri ..... son of .....

in the District of ..... (hereinafter called the Mortgagor) .....  
..... of the one part and the President of India  
acting through Lt. Governor of Mizoram and represented by Secretary to the  
Government of Mizoram Supply and Transport Department (hereinafter called  
mortgagee of the other part.

2. Whereas the mortgagor has received from mortgagee an order sanctioning  
the grant of a loan of an aggregate sum of Rs. .... (Rupees)  
..... only from the mortgagee under the rules in  
force for the grant of loan to truck operation in Mizoram for the purpose of  
operating truck in .....

3. Whereas security for the due application of the amount of the said loan  
and for the punctual repayment of the same according to the terms of the said  
rules is demanded by or on behalf of the mortgagee and in order to furnish such  
security the mortgagor has agreed to sign these presents.

4. Now these presents witness that in consideration of the said loan and  
in pursuance of the said agreement all the properties of the mortgagor including  
moveable and immoveable here after as described in Schedule 'A' shall be deemed  
to be mortgaged to the mortgagee, his successors and assigns subject to recep-  
tion as hereinafter mentioned.

5. These presents also witness that the mortgagor does hereby solemnly  
declare that the property described in Schedule 'A' above referred to an hereunder  
written is free from all encumbrances.

6. And it is hereby agreed that if the mortgagor, his legal representatives,  
administrators, assigns and surety (s) shall duly comply with the terms on which  
the said loan has been granted and shall apply the same and every part thereof  
in the manner provided in the said order and shall duly repay the amount of  
the said loan together with any interest which may have become payable there  
on or on any part thereof and all costs, if any incurred by the mortgagee, his  
successors or assigns, in making the said loan or otherwise in connection there-  
with the mortgagee, his successors or assigns, shall thereupon transfer the said  
property described in Schedule 'A' to the mortgagor, his legal representatives,  
Administrators and assigns of as he shall direct.



7. It is hereby agreed that in case the mortgagor, his legal representative, administrator, assign or surety shall fail to comply with the terms on which the said loan has been granted it shall be lawful for the mortgagee, his successors and assigns to sell without the intervention of the civil court the said property described in Schedule 'A' or any part thereof or proceed against to make good to the mortgagee, his successor or assigns the amount which in consequence of any such default shall be payable by the mortgagor, his legal representative, administrator, assign or surety.

Provided that the mortgagor shall submit to the Director reports in the prescribed form of the actual repayment and a balance sheet of the loan yearly.

Provided further that if the vehicle is found to have deteriorated rapidly at any time, the Director shall have the right to declare the loan closed and to recover the amount of the loan and interest thereon by sale of the vehicle or the said property described in schedule 'A' and the vehicle without the intervention of the Civil Court.

8. It is further hereby agreed that the vehicle shall not be sublet or rent to any other party other than Government Department for operation.

9. It is agreed that transfer of ownership of the vehicle shall not be effected till all the interests and the principal of the loans are repaid.

In witness whereof the mortgagor has hereunto set his hand the day and year first above written.

1. Witness _____	1) Signature of borrower (Morgagor)
2. Witness _____	
3. Witness _____	Signature of the Mortgagee
4. Witness _____	2) for and on behalf of the President of India acting through the Lt. Governor (Administrator) Mizoram.

I ..... son of .....  
 ..... of village ..... Police  
 Station ..... in the District of .....  
 ..... at present of .....  
 village/town police station on .....  
 in the District of ..... DO HEREBY  
 BIND MYSELF as surety for the aforesaid loan of an aggregate sum of  
 Rs. .... (Rupees .....  
 ..... ) only paid to .....  
 son of ..... of village .....  
 police station ..... in the District of .....

In witness whereof I set my hand this ..... day of ..... 197 .....

Signature of surety.

Witness 1. ....

Witness 2. ....

## SCHEDULE 'A'

Regis- tration Di	Regis- tration	Village	If the property is house property				If cultivable land					
			Boun- daries of pro- perty.	Des- crip- tion value of buil- ding & how long likely to last.	of buil- ding site & vacant ground of com-	well etc.	Dog No.	Classi- fica- tion.	area	Land Reve- nue	Tree	Well etc.
1	2	3	4	5	6	7	8	9	10	11	12	13

st.

## ANNEXURE 'D'

(Guarantee Document in connection with grant of Medium term Loan to Transport Operations).

Declaration Form                      Place \_\_\_\_\_  
See rule 8 (d)                          Date \_\_\_\_\_

To

Government of Mizoram.

In consideration of the Government of Mizoram having

\*Borrower agreed at <sup>our</sup>my request to grant to \_\_\_\_\_ (who <sup>are</sup>is \_\_\_\_\_) (hereinafter referred to as the Borrower) accommodation by way of Medium Term Loan of Rs. \_\_\_\_\_ agreed to in writing between the Borrower and the Government under an Agreement for Medium Term Loan dated the \_\_\_\_\_ Day of \_\_\_\_\_ 197\_\_\_\_ to enable the Borrower to pay for vehicle(s) with fittings and accessories therein described.

GUARANTOR :

I the undersigned + \_\_\_\_\_

hereby guarantee to the Government the payment on demand of all moneys at any time and from time to time hereafter due to the Government by the Borrower in respect of the said accommodation with interest thereon at the rate of \_\_\_\_\_ per cent per annum from the date of demand and the due performance and observance by the Borrower of all the terms pertaining to the accommodation aforesaid and the payment of all costs and expenses incurred by the Government in relation to the permises and I also agree to pay and make good to the Government on demand all losses, costs, damages and expenses occasioned to the Government by reason of the non-payment of the said money costs and expenses or any part thereof or the breach non-performance or non-observance or any of the terms aforesaid.

As the said accommodation is intended to be further secured by the hypothecation to the Govt of the vehicles specified and described in Schedule I to the said Agreement for Medium term loan dated the \_\_\_\_\_ day of \_\_\_\_\_ which Agreement contains stipulations as to insurance, the affixing to or near the said vehicles of a plaque or placard stating that the said machinery has been hypothecated to the said Bank and other matters I agree that no failure in requiring or obtaining the said security or in the observance or performance of any of the stipulations or terms of the said Argeement and on default of the Government in requiring or enforcing the observance of performance of any of the said stipulations or terms shall have the effect of releasing <sup>us</sup>me from <sup>our</sup>my liability or of prejudicing the Government's right or remedies against <sup>us</sup>me.

I further agree that the Government shall be at liberty to take other securities for the said account or any part thereof and to release or forbear to enforce

all or any of its remedies upon or under such securities and any collateral security or securities now held by the Government and that no such release or forbearance as aforesaid shall have the effect of releasing <sup>us</sup><sub>me</sub> from <sup>our</sup><sub>my</sub> liability or of prejudicing the Govt's rights to the remedies against <sup>us</sup><sub>me</sub> and that <sup>we</sup><sub>I</sub> shall have no right to the benefit of any other security that may be held by the Government until the claim of the Govt. against the Borrower in respect of the Medium Term Loan and of all (if any) other claim of the Government against the Borrower on any other account whatsoever shall have been fully satisfied and then in so far only as such security shall not have been exhausted for the purpose of realising the amount of the said Government's claims and rateably only with other guarantors or other persons (if any) entitled to the benefit of such securities respectively.

<sup>We</sup> further agree that if the Borrower shall become insolvent bankrupt enter into liquidation (compulsory) or voluntarily or make any arrangement or composition with creditors the Government may notwithstanding payment to the Government by <sup>us</sup><sub>me</sub> or any other person of the whole or any part of the amount hereby secured rank as creditor and prove against the estate of the Borrower for the full amount of all the said Government's claims against the Borrower or agree to and accept any composition in respect thereof and the Government may receive and retain the whole of the dividends composition or other payments thereon to the exclusion of all <sup>our</sup><sub>my</sub> rights as guarantor(s) for the Borrower in competition with the Govt. until all the Government's claims are fully satisfied and <sup>we</sup><sub>I</sub> will not by paying off the amount payable by <sup>us</sup><sub>me</sub> or any part thereof or otherwise prove or claim against the estate of the Borrower until the whole of the Govt's claims against the Borrower have been satisfied and the Government may enforce and recover payment from <sup>us</sup><sub>me</sub> of the full amount payable by <sup>us</sup><sub>me</sub> notwithstanding any such proof or competition as aforesaid.

In the presence of—

Witness \_\_\_\_\_

Designation \_\_\_\_\_

Address \_\_\_\_\_ (1)

Witness \_\_\_\_\_ (2)

Designation \_\_\_\_\_

Address \_\_\_\_\_

ANNEXURE 'E'  
THE AGREEMENT  
GOVERNMENT OF MIZORAM

ARTICLES OF AGREEMENT made this ... .. day of one thousand nine hundred and seventy seven BETWEEN THE President of India acting through the LT. GOVERNOR (ADMINISTRATOR) OF MIZORAM (hereinafter referred to as the Government) which expression shall include its successors and assigns) of the ONE PART AND

SRI ... .. son of ... ..  
 ... .. residing at ... ..  
 ... .. (hereinafter referred to as the 'ENTREPRENEUR'  
 which expression shall include his heirs, executors, administrators, representatives and assigns) of the  
 OTHER PART.

WHEREAS under the schemes framed by the Government of Mizoram for providing employment for unemployed educated persons and/or MNF returnees and other deserving cases of the Union Territory of Mizoram under which such unemployed persons will arrange to secure in advance of an amount from a Nationalised Bank or any other financial Institution representing upto eighty per cent of the total amount required for starting and establishing an enterprise and/or expansion of an existing enterprise in which such persons shall employ themselves and that upon securing the said amount representing upto eighty per cent of the amount required for starting, establishing and / or expansion of an existing enterprise and running such enterprise the Government will advance further sum of an amount representing upto ten per cent of the amount required for capital expenses and working capital for the purpose of starting, establishing, running and/or expansion of the said enterprise ;

AND WHEREAS the Government has agreed to advance the amount representing upto ten per cent of the amount so required as heretofore stated upon the Entrepreneur arranging with Nationalised Bank or any other Bank/Financial Institution the amount representing upto eighty per cent of the amount so required.

AND WHEREAS the Entrepreneur has agreed to contribute the amount represent of the amount required for capital expenses and working capital for the purpose of starting, establishing, running and/ or expansion of the said Enterprise ;

**NOW THEREFORE, THIS DEED WITNESSES AS FOLLOWS :--**

1. That upon the Entrepreneur arranging with the said ..... for the advance to him the sum of Rs..... representing upto eighty per cent of the amount required for starting, establishing, running and/ or expansion of the said enterprise of ..... at ..... in the Union Territory of Mizoram and satisfying the Government about having obtained the said advance of Rs..... from the said Bank, the Government will advance to the Entrepreneur the sum of Rs.... representing upto ten per cent of the amount required for starting, establishing, running and/or expansion of the said enterprise of.....at the place hereinbefore mentioned.
2. That the Entrepreneur shall duly and faithfully utilise the said advance of Rs.....by the said.....Bank and the sum of Rs.....by the Government in starting, establishing, running and/or expansion of the said enterprise hereinbefore mentioned and not for other purposes whatsoever.
3. That upon the said enterprise being established or expanded as aforesaid the Entrepreneur shall execute a charge on the assets of the said enterprise in favour of the Government for securing the due payment of the amount of Rs.....so agreed to be advanced as aforesaid by the Government to the Entrepreneur and shall repay to the Government the said sum of Rs..... from the date of advance in thirty monthly instalments concurrently with the repayment of the Bank loan and interest. The payment of interest in respect of Government loan shall commence after repayment of the principal in full, in six equal monthly instalments. The maximum number of instalments which will be allowed to a Entrepreneur for repayment of loan along with interest shall be thirty six months. The entrepreneur shall deposit the amount of Instalment/interest direct into the Treasury every month and submit a copy of receipted Treasury Challan to the Office of the Director of Supply and Transport (Transport Wing), Government of Mizoram,
4. That in case the said enterprise is not carried on by the Entrepreneur in a manners satisfactory to the Government or to any of its officers appointed for the purpose and also in case the entrepreneur fails and neglects to faithfully observe and perform any of the terms, conditions and covenants on his part contained, the Government shall have the right to forthwith take possession of the said enterprise and the assets for the time being including all materials manufactured and in the process of manufacture found in the premises of the said enter-

prise and in such case the Entrepreneur shall have no claim against the Government for the value thereof for damage or on any other amount whatsoever and the said assets shall there upon belong absolutely to the Government.

5. That the Entrepreneur shall on being called upon by the Government execute subject however to the charge in favour of ..... which will advance to the Entrepreneur upto eighty per cent of the amount required for starting, establishing, running and/ or expanding its enterprise such further or other documents as may be necessary

to secure the due repayment of the said amount of Rs. -----  
----- and/or ensure due and faithful performance by the Entrepreneur to carry out the terms and conditions of the contract and to conduct and manage the affairs of the said enterprise in such manner as the Government may deem fit.

6. That all moneys that may remain, or become due and owing by the entrepreneur to the Government under the agreement shall be realisable as a public demand under the Bengal Public Demand Recovery Act, 1913 ( Act No. 3 of 1913 ) as adapted, or any satisfactory modification thereof and for the time being in force or any Act there in force.

IN WITNESS WHEREOF THE parties to these presents have herein to set and subscribed their respective hands the day, month and year first above written.

SIGNED AND DELIVERED BY THE SAID -----  
( Entrepreneur )

IN THE PRESENCE OF :

- 1) -----
- 2) -----

SIGNED FOR AND ON BEHALF OF THE  
President of India by the Secretary, Supply & Transport  
Department, Government of Mizoram in presence of :—

- 1) -----
- 2) -----