This document contains the standard pre-disbursement conditions which will be incorporated in the agreement to be signed between the borrower and NSDC. Kindly note that these conditions are over and above project specific pre-disbursement conditions which may emerge during the due diligence process and will be communicated to proposal owner through Sanction Letter and Term Sheet after the proposal is approved by NSDC Board.
STANDARD PRE-DISBURSEMENT CONDITIONS (PDCS)

A. Standard PDCs for Skilling Proposal

Prior to First Disbursement

1) Submission of documents such as Form 2 for allotment of shares filed with the Registrar of Companies (ROC) along with receipt, certified true copy of the Board resolution allotting shares in relation to such infusion, to the complete satisfaction of NSDC, thereby evidencing infusion of Rs._______ in form of equity/ CCPS/Reserve & Surplus/ Grant/Cash/Working capital in the Borrower company; OR

Submission of documents such as certified copy of bank statements along with deposit receipt, certified true copy of the Board resolution/Governing Body demonstrating infusion, to the complete satisfaction of NSDC, thereby evidencing infusion of Rs._______ in form of corpus/ Grant of the Borrower;

2) Submission of Corporate Guarantee by __________ for the amount of Secured Obligations in the favour of Lender;

   Or

3) Submission of Personal Guarantee by ________, (names of the persons giving the Personal guarantee) along with his/her respective net-worth statement duly certified by a practicing Chartered Accountant.

4) Execution of the Loan Agreement and other Facility Agreements, if any;

5) Opening/Designating a bank account separately and solely for the purpose of receiving the Assistance under this Agreement in order to maintain transparency in usage of funds and monitoring purposes and communication of such Bank details to the Lender in writing;

6) Furnishing of an undertaking that all assets, human resource, facilities/resources of the Borrower shall be for the exclusive use of the Borrower only;

7) Furnishing of an undertaking by the Borrower thereby undertaking that any related party transaction of the Borrower shall be at arm’s length basis and shall not be on terms which are unfavorable to the Borrower and/or effect the operation of the Borrower adversely and that the Borrower shall be appropriately compensated for any such transaction;

8) Submission of documentary evidence from employers thereby demonstrating their agreement to employ at least 30 % (thirty percent) of the targeted students during the first year of funding.
9) Submission of an undertaking that the Assistance provided by NSDC shall be senior to all other debt exposures of the Borrower with respect to the Project and that the same shall not be utilised for settling any other present or future loan/repay any investment and/or for making any investment in the capital of any other company, whether subsidiary or otherwise;

10) Furnishing a declaration stating that nothing in any existing agreement/tie up/contract of the Borrower with any third party effect and/or put any restriction on the rights and/or obligations of the Parties under the Facility Agreements proposed to be executed with the Lender;

11) Furnishing of an undertaking by the promoters of the Borrower thereby undertaking that there shall not be any double counting that is to say that the number of candidates trained under the project approved and funded by the Lender shall not be counted and/or shown as the number of candidates trained for any central Government ministry which are mandated for skill development under any other projects of Borrower and/or its local partners;

12) Submission of documentary proof of filings with the Registrar of Companies to effect alteration of Articles of Association/ By-laws of the Borrower to facilitate the appointment of Lender’s Nominee Director/ Nominee Member; (if necessary)

13) Furnishing a declaration that the terms and conditions of the agreements/ documents entered with other organizations in respect of donations and grants received by Borrower shall not create any direct or indirect obligation on Lender, in any manner whatsoever;

14) Furnishing of an undertaking by the Borrower thereby undertaking and declaring that the Assistance under the Loan Agreement shall be linked to the milestones to be achieved by Borrower.

15) Furnishing of an undertaking by the Borrower thereby ensuring and undertaking that at any point of time during the implementation of the Project, if there is any shortfall in terms of cash or any of the resources, the Borrower shall promptly bridge that shortfall and implement the Project to achieve the milestones/targets.

16) Furnishing of Non-Disposal Undertaking by each of the ________, ________ (names of the shareholders) thereby undertaking to continue to hold majority shareholding (51%) in the Borrower until the full repayment of the Secured Obligations by the Borrower in terms of the Loan Agreement;
17) Furnishing of an undertaking by the Borrower and thereby undertaking and guaranteeing placement (including self-employment) of 70% of the total students trained under the Project;

**Prior to Second/Third/Fourth/Subsequent Disbursements**

18) Execution of Facility Agreements, if any;

19) Furnishing to the Lender the utilization certificate duly certified by a Chartered Accountant certifying that all the inflows into the Project including but not limited to the earlier disbursement has been utilized for the Project in the manner, within the time frame and in accordance with the terms and conditions on which it was sanctioned.

20) Furnishing an undertaking-cum-declaration to the Lender that all the terms and conditions of the Loan Agreement on which the earlier disbursement was granted have been complied with and that the Borrower is not in default of any provision of the Loan Agreement and other Facility Agreement(s);

21) Submission of documentary proof to the satisfaction of NSDC, evidencing that the Borrower has achieved the milestones as undertaken by the Borrower for year ____.
B. **Standard PDCs for Sector Skill Council (SSC) Proposal**

**Prior to First Disbursement**

1) Infusion of a minimum amount of Rs. .......... in cash in the form of corpus/equity in the ....... *(name of the SSC)* by the members/promoters of the ....... *(name of the SSC)* and submission of necessary documents to NSDC evidencing such infusion including but not limited to documents such as bank account statement along with deposit receipt, certified true copy of the Board Resolution confirming the receipt of such money from the members or Form 2 filed with Registrar of Companies (ROC) along with receipt, certified true copy of the Board Resolution allotting shares to the promoters, as the case may be.

2) Submission of certified true copies of documents evidencing the formation and incorporation/registration of the ....... *(name of the SSC)* by the Promoters as a Section 25 Company under the Companies Act, 1956/Society under the Societies Registration Act ensuring that the charter documents of the ....... *(name of the SSC)* are in line with the standard template of the Memorandum and Articles of Association / Rules & Regulations approved /provided by NSDC and the Governing Board comprises of representatives from the various segments of the industry in the manner as follows:

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<tr>
<th>Member</th>
<th>Number</th>
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3) Furnishing of the certified true copy of the Board Resolution passed by the Governing Board approving application for grant/loan to NSDC for carrying out its objectives as per the Proposal and authorizing a representative to execute necessary documentation / agreements in this regard with NSDC.

4) Proposal owners to enter into Facility Agreements with NSDC to create following collaterals to secure the proposed funding from NSDC: *(in case of loan funding)*

- First charge on all assets of the Project funded by NSDC
• First charge on cash flows of the Project funded by NSDC

Prior to Second Disbursement

5) Infusion of a minimum amount of Rs. ........ in cash in the form of corpus/equity in the ........ (name of the SSC) by the members/promoters of the ........ (name of the SSC) and submission of necessary documents to NSDC evidencing such infusion including but not limited to documents such as bank account statement along with deposit receipt, certified true copy of the Board Resolution confirming the receipt of such money from the members or Form 2 filed with Registrar of Companies (ROC) along with receipt, certified true copy of the Board Resolution allotting shares to the promoters, as the case may be.

6) Formation of Advisory committee/council/body /sub Committee within the ........ (name of the SSC) and submission of a letter to this effect to NSDC providing names and details of the members of the Advisory committee/council/body /sub Committee

7) Submission of the Appointment / Joining Letter and Letter of Acceptance of the Chairman and Chief Executive Officer

Prior to Third/Fourth/Subsequent Disbursements

8) Infusion of a minimum amount of Rs. ........ in cash in the form of corpus/equity in the ........ (name of the SSC) by the members/promoters of the ........ (name of the SSC) and submission of necessary documents to NSDC evidencing such infusion including but not limited to documents such as bank account statement along with deposit receipt, certified true copy of the Board Resolution confirming the receipt of such money from the members or Form 2 filed with Registrar of Companies (ROC) along with receipt, certified true copy of the Board Resolution allotting shares to the promoters, as the case may be.