

AGREEMENT

THIS AGREEMENT made on this ____ day of _____, 2020 at _____

BETWEEN

_____, a Public Sector Bank/Regional Rural Bank established under Public Sector Bank/Regional Rural Bank Act, _____ carrying on banking business having its Head Office at _____ and branches in the districts of _____ State (hereinafter referred to as the "Lending Institution" which expression shall unless repugnant to the context means and include its predecessors and successors in interest and assigns) of the One Part

AND

National Backward Classes Finance and Development Corporation (NBCFDC), a Public Sector Undertaking under the Ministry of Social Justice & Empowerment, Government of India, incorporated under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act 1956) having its Registered Office at 5th Floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg, New Delhi-110016 (hereinafter referred to as the "NBCFDC" which expression shall unless repugnant to the context means and include its predecessors, successors and assigns) of the Other Part.

WHEREAS:

- a) NBCFDC has been set up for the economic empowerment of persons belonging to Backward Classes having annual family income less than Rs.3.00 Lakh by way of providing loans, advances and other facilities for their income generating programmes and schemes which are for their economic benefits and employment.

- b) NBCFDC has been providing loans, advances and other facilities to the persons belonging to Backward Classes having annual family income less than Rs.3.00 Lakh through various Government owned Institutions/bodies which are acting as Channelising Agencies of NBCFDC on the terms & conditions and covenants contained in the General Loan Agreement entered into between NBCFDC and concerned Channelising Agency.
- c) Whereas beginning the year 2020-21, with proposed funding from the Ministry of Social Justice and Empowerment, Government of India, NBCFDC is to operate a new Interest Subvention model named "Vanchit Ikai Samooh aur Vargon ki Aarthik Sahayta (VISVAS) Yojana" whereby interest subvention @ 5% of the outstanding principle is available for the SHGs loans/borrowings up to Rs. 4.00 lakh having 100% of its members from Other Backward Classes (OBC) and for OBC individuals with loan/borrowing up to Rs. 2.00 lakh subject to the applicable annual family income criteria.
- d) Whereas NBCFDC, through this VISVAS Yojana is well placed to provide relief to the economically marginalized OBC SHGs and beneficiaries.
- e) Whereas the Lending Institution has provided loans to the OBC SHGs and individuals in a manner as defined at c.) above and is desirous of availing the benefits of the VISVAS scheme for its eligible beneficiaries

1. NOW, IT IS AGREED BY AND BETWEEN THE PARTIES:

- 1.1. That the schemes/projects for which the financial assistance to be provided by the NBCFDC to the Target Group shall be appraised by the Lending Institution, who will thereafter submit Quarterly data for claiming interest subvention @ 5% of the outstanding principal amount of loans/borrowing limit of cash credit accounts up to Rs. 4.00 Lakh provided to the eligible Self-Help Groups (SHGs in the prescribed format

(Annexure-I).The Lending Institution will simultaneously upload bank details of beneficiary SHGs (in prescribed format) in VISVAS portal being developed specifically for this purpose. The data shall be accompanied by a declaration of the concerned Branch Head that the said SHG has not been extended benefits under any other interest subvention scheme or concessional finance scheme of any agency (including NBCFDC) in respect of the principal loan amount for said loan account.

- 1.2 Similarly, quarterly interest subvention data for standard accounts under Term/Micro Finance Loans up to Rs.2.00 lakh will be submitted in the prescribed format (Annexure-III) and the bank details of beneficiaries uploaded in the prescribed format in VISVAS portal with an undertaking that the said individual beneficiary has not been extended benefits under any other interest subvention scheme, or concessional finance scheme of any agency (including NBCFDC) in respect of the principal loan amount for said loan account.
- 1.3 Interest subvention @ 5% p.a. of the outstanding principle as on last date of the quarter of claim, will be released on receipt of quarterly data from the Bank in the manner described at para 1.1 & 1.2 above. The transfer of subvention amount will be carried out directly into the operational account of beneficiaries by NBCFDC through its nodal Bank.

Role of the Parties:

2.1 Role of Lending Institution

- a) In order to provide the Interest Subvention @5% on loan to SHGs/Individuals all Lending Institution are required to submit their data to portal developed by NBCFDC in the desired format as prescribed by NBCFDC. The information must be provided on quarterly basis to facilitate calculation and disbursement of the Interest Subvention amount to individuals.
- b) The quarterly data of SHGs/Individual beneficiaries must be accompanied with Annexure-I (certified by authorized signatory of Lending Institution) and Annexure-III (certified by authorized signatory of Lending Institution). The Lending Institution will also submit certificate of its Auditor in format at Annexure-II and Annexure-IV certifying the data to be as true, correct, and in line with the guidelines periodically.
- c) As the interest subvention will be directly credited into SHG account/Individual beneficiary account through DBT mode in their operating bank account, Lending Institution will ensure the correctness of data uploaded in prescribed format.
- d) In case the transfer of subvention amount is not successful due to any reason the Lending Institution shall provide the alternate account information for the same so that subvention amount can be credited.
- e) Lending Institutions shall promptly inform any correction of data to NBCFDC
- f) Lending Institution will adhere to the scheme guidelines as issued by NBCFDC from time to time.

2.2 Role of NBCFDC

- a) NBCFDC will ensure release of quarterly subvention in respect of claim approved by its competent authority through DBT into operating account of beneficiaries through its designated nodal bank.
- b) NBCFDC will also ensure transparency of the transfer by way of SMS message to beneficiary, uploading data on dashboard of portal etc.
- c) NBCFDC will make the necessary adjustment in payment of the claims in case of any corrections brought to its notice by the Lending Institution.

3. That all disputes or differences arising out of and/or in relation to the provisions of this Agreement between the parties hereto shall be referred to the Arbitration to the Sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in charge of the Department of Public Enterprises. Further, if PMA is unable to facilitate within a reasonable time then all disputes or differences arising out of and/or in relation to the provisions of this Agreement between the parties hereto shall be referred to the Arbitration in accordance with the provisions of Arbitration and Conciliation Act 1996 and the parties hereto agree that the sole Arbitrator shall be appointed by the Managing Director of NBCFDC for adjudication and the decision/award of such Arbitrator shall be binding on both the parties hereto. The venue and place of Arbitration shall be New Delhi. The language for arbitration shall be English.

4. That the New Delhi Courts shall have the sole and exclusive jurisdiction to decide the issue of any dispute between the parties hereto.

IN WITNESS WHEREOF BANK and NBCFDC have executed these presents in two copies, on the day and year first above written. Each party shall retain one copy of this Agreement.

SIGNED AND DELIVERED by the within

Named (_____)

by the hand of Shri/Smt. _____

An authorized Officer of Bank in the presence of:

1.

2.

SIGNED AND DELIVERED by the within

Named (NATIONAL BACKWARD CLASSES

FINANCE AND DEVELOPMENT

CORPORATION) by the hand of

Shri _____ NBCFDC

An authorized Officer of NBCFDC in the presence of:

1.

2.