

<<On Rs.500/- Non Judicial Stamp Paper>>

**CORPORATE BUSINESS CORRESPONDENT AGREEMENT**

This agreement made on \_\_\_\_\_ date of \_\_\_\_\_ 2015.

Between \_\_\_\_\_ (Name of the Bank), constituted under the Rajasthan Cooperative Societies Act, 2001, having its Head office at \_\_\_\_\_” hereinafter referred to as “The Bank’, which expression shall unless repugnant to the context or meaning thereof shall include its successors & permitted assigns of the First Part

AND

\_\_\_\_\_ (-Name of the Corporate Business Correspondent (CBC)), incorporated under Companies Act having its registered office at \_\_\_\_\_ (address of the office) and principal place of business at \_\_\_\_\_ and having registered as LSP with DoIT&C, Jaipur, hereinafter referred to as “Corporate Business Correspondent (CBC)” which expression shall unless repugnant to the context or meaning thereof shall include its successor & permitted assigns of the Second Part.

WHEREAS the Bank is desirous of availing services to facilitate its business growth and the CBC has offered to provide services as may be required by the Bank.

NOW THEREFORE this agreement witnesseth as under:

1. Scope of Services:

- 1.1. The CBC agrees to provide the services as per Annexure II (A) and Annexure II (B) enclosed, as per instructions and as may be required by the Bank from time to time, in the area of operations specified in Annexure I. The Bank shall provide details of its area of operations in \_\_\_\_\_ district(s) (as decided by the Bank) to the Corporate Business Correspondent (CBC).

1.2. CBC shall ensure that its agents/employees,

- a) are properly trained to handle with care, their responsibilities particularly aspects like soliciting customer, hours of calling, privacy of customer information and informing the correct terms and conditions of the products offered etc.
- b) adhere to extant instructions on Fair Practices Code for lending as also their own code for collection of dues or in the absence of such a code at the minimum adopt the IBA's code for collection of dues and repossession of security. It is essential that they refrain from action that could damage the integrity and reputation of the Bank.
- c) Shall not resort to intimidation or harassment of any kind either verbal or physical against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude the privacy of the borrowers' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.

1.3. CBC shall adhere to the performance standards in respect of services and products as detailed in Annexure II (A) and Annexure II (B) enclosed hereunder written, which forms part & parcel of this agreement. The Bank reserves the right to change / vary / the contents of Annexure II (A) and Annexure II (B) enclosed, by advising the same to CBC in writing and upon such advise, the amended Annexure II (A) and Annexure II (B) enclosed, shall become effective.

1.4. The list of entities from which the CBC can engage Business Correspondent Agents and the general guiding principles for the same are given in Annexure V.

1.5. The technological service standards for the services to be offered are in Annexure III (A) and III (B) enclosed.

1.6. The performance of the Corporate Business Correspondent (CBC) will be reviewed, CSP wise, by a committee comprising of Apex Bank and select banks in the district every month initially, and thereafter at such intervals as the banks may decide.

1.7. It is expected that CBC shall engage BCAs and activate them in the villages listed in metro/ urban/ semi-urban/ rural location identified by bank within 15 days of signing this agreement.

## 2. Maintenance of Records by CBC AND Monitoring / Inspection by the Bank.

CBC specifically agrees to maintain all records accounts including registers / documents etc. as per instructions of the Bank from time to time and ensure safe and proper custody of all records, accounts including documents etc.

CBC specifically agrees that the Bank shall be entitled to inspect and audit the records maintained by CBC through its officers/employees or agents / auditors as may be decided by the Bank at its sole discretion and CBC hereby undertakes to promptly produce all records and information required for this purpose / for the purposes of inspection and audit. CBC shall provide access, to the officers / employees / representatives / agents or auditors of the Bank to the premises / places where such records are kept / maintained. The Bank shall have a right to obtain copies of any audit report, review reports and findings made on the CBC in connection with the services performed by CBC for the Bank.

Further, CBC specifically agrees that it shall allow access to Reserve Bank of India (RBI) or persons authorized by RBI or its employees/officers or other persons to inspect and access the documents, accounts, records of transactions and all necessary information in possession of, or stored or processed by the CBC within a reasonable time. The persons authorized by RBI shall have right to obtain copies of the records, information etc. in possession of CBC. CBC further agrees that in case access is not allowed to the persons authorized by RBI for the purposes of inspection which results in imposition of supervisory fees by RBI upon the Bank, and the Bank is required to pay such supervisory fees to RBI, CBC shall be liable to reimburse to the Bank such fees including any penalty, interest levied and recovered by RBI.

- ✓ CBC specifically agrees that the Bank has full right to monitor and assess the performance of services by CBC and wherever the Bank discovers any deficiency or non-performance of the services up to the mark, the Bank shall instruct the CBC in writing and CBC agrees to rectify the deficiencies or to ensure compliance of the instructions of the Bank.
- ✓ CBC agrees to prepare and produce a 'Business Continuity Plan' for the purposes of ensuring continued rendering of services undertaken by the CBC to the Bank within one month from the date of execution of the agreement. CBC agrees to make necessary changes to the Business Continuity Plan or Contingency Plan as per instructions / directions given by the Bank after examination of the plan submitted by the CBC.

### 3. Confidentiality:

3.1. CBC is aware that all information disclosed to the CBC by the Bank and all records, accounts, documents maintained by CBC are confidential in nature and having regard to the sensitive nature of the information and records, specifically agrees to maintain secrecy and confidentiality of all the information and records, accounts in respect of the outsourced services in the same manner & degree of care as CBC would ensure for its own confidential & sensitive information. CBC shall ensure that appropriate and suitable undertaking / agreements are obtained and maintained from its employees, agents and representatives as the case may be to ensure compliance with confidentiality obligations of CBC.

3.2. CBC agrees to indemnify and hereby keeps the Bank indemnified against all actions, claims, loss, damages, Costs, Charges, expenses (including Attorney / Advocate fees and legal expenses) which the Bank may suffer or incur on account of breach of confidentiality obligations as per clause 3.1 above by CBC or its employees, agents, representatives. CBC further agrees to make good the loss suffered by the Bank upon first demand by the Bank which shall be final, conclusive and binding on CBC.

3.3. It is agreed between the parties that all the data and other information supplied to the CBC during the course of engagement is proprietary information owned by the bank and the CBC shall not have any claim or right or ownership over such information.

3.4. CBC specifically agrees that the confidentiality obligations of the CBC in terms of this agreement shall survive termination of this agreement

### 4. RELATIONSHIP BETWEEN THE PARTIES.

4.1. It is specifically agreed that the CBC shall act as independent Corporate Business Correspondent (CBC) and shall not be deemed to be the Agent of the Bank except in respect of the transactions/services which give rise to Principal Agent relationship by implication.

4.2. Neither CBC nor its employees, agents, representatives shall hold out or represent as agents of the Bank. None of the employees, representatives or agents of CBC shall be entitled to claim permanent absorption or any other claim or benefit against the Bank.

5. Compliance with Laws by CBC.

5.1. CBC hereby agrees and declares that it shall be the sole responsibility of CBC to comply with the provisions of all the applicable laws, concerning or in relation to rendering of services by CBC as envisaged under this agreement.

5.2. CBC shall procure and maintain all necessary licenses, permissions, approvals from the relevant authorities under the applicable laws throughout the currency of this agreement.

5.3. CBC shall be solely liable & responsible for compliance of applicable Labor Laws in respect of its employees, agents and representatives and in particular Laws relating to terminal benefits such as Pension, Gratuity, Provident Fund, Bonus or other benefits to which they may be entitled and the Bank shall have no liability in this regard.

5.4. CBC hereby represents and warrants that it has full authority to enter into this Agreement and render the services as envisaged under this agreement and all Corporate or other necessary approvals have been obtained for entering into this Agreement with the Bank. Further, the persons executing this agreement on behalf of the CBC have full authority and power to execute this agreement and bind CBC.

6. Fees, Taxes, Duties, Payments and Penalty:

6.1. CBC shall be paid fees and commission in the manner detailed in Annexure IV hereunder written subject to deduction of income tax thereon wherever required under the provisions of the Income Tax Act by the Bank.

6.2. All other taxes duties and other charges which may be levied excluding service tax shall be borne by the CBC and the Bank shall not be liable for the same.

6.3. All expenses, stamp duty and other charges expenses in connection with execution of this agreement shall be borne by CBC.

6.4. Without prejudice to the banks' right to terminate the agreement, for any defective service or inability to provide the service for any reason or for non-functioning of the CSP for any reason, beyond 5 (five) working days continuously, a penalty @ Rs. 500/- per day (from the 6th day onwards) will be levied for each of the Customer Service Point.

7. General Indemnity

CBC agrees and hereby keeps the Bank indemnified against all claims, actions, loss, damages, costs, expenses, charges, including legal expenses (Attorney,

Advocates fees included) which the Bank may suffer or incur on account of any deficiency in services rendered by CBC or any acts of Commission / omission on the part of employees, agents or representatives of CBC. CBC agrees to make good the loss suffered by the Bank on first demand made by the Bank in this regard which shall be final conclusive and binding on CBC.

## 8. Term and Termination

8.1. The agreement shall be valid for a period of three years from the date of its execution and may be renewed for further period of two years on the existing terms and conditions or the modified terms and conditions as may be mutually agreed between the parties.

8.2. The banks reserve the right to terminate the contract at any point of time if,

- (a) The services are found to be unsatisfactory;
- (b) There is a consistent failure to maintain the customer satisfaction;
- (c) Desired levels of output by the Corporate Business Correspondent (CBC) are not met;
- (d) There is a discrepancy found in the accounts maintained by the Corporate Business Correspondent (CBC) and the records of the Bank;
- (e) The customers serviced by the Corporate Business Correspondent (CBC) complain to the Bank that the Corporate Business Correspondent (CBC) is inefficient;
- (f) There is fraud in the accounts handled by the Corporate Business Correspondent (CBC); or
- (g) Any other reason which in the opinion of the banks is not conducive to the continuation of the Services of the Corporate Business Correspondent (CBC).

However, before terminating the contract, the concerned bank will give a written notice specifying the defects in services to the Corporate Business Correspondent (CBC) and ask him to rectify the defects within a period of 30 calendar days. In case the defects are not rectified, the concerned bank would be authorized to terminate the contract with the Corporate Business Correspondent (CBC).

8.3. In the event of termination of the agreement, all records, information including documents etc. shall be returned by CBC to the Bank as per instructions of the Bank.

8.4. The Bank shall have a right to terminate the agreement immediately by giving a notice in writing to CBC in the following eventualities :

- (a) If CBC applies to the Court or passes a resolution for voluntary winding up of CBC or any other creditor / person files a petition for winding up or dissolution of CBC.
- (b) If any Receiver/Liquidator is appointed in connection with the business of the CBC or CBC transfers substantial assets in favour of its creditors or any orders / directions are issued by any Authority / Regulator which has the effect of suspension of the business of CBC.
- (c) If CBC is unable to render the services up to the mark as envisaged under this agreement upon a reasonable assessment of the circumstances by the Bank which affect rendering of the services by CBC as envisaged under this agreement.
- (d) If any acts of commission or omission on the part of CBC or its agents, employees or representatives, in the reasonable opinion of the Bank tantamount to fraud or prejudicial to the interest of the Bank or its customers.
- (e) If CBC is owned/ controlled wholly/ partly by any other bank operating in India
- (f) If any officer/ employee/ director of CBC or their relatives as defined in section 6 of the Companies Act, 1956 becomes a director/ officer or employee of the Bank.

8.5. In the event of the termination of the agreement by the Bank pursuant to clause 8.3 hereinabove, CBC shall be liable and responsible to return all records and information in its possession.

8.6. The Bank will have exclusivity at the Customer Service Points of the CBC for the BCA/BF arrangement.

8.7. The bank may terminate the contract without giving any notice if there is risk to the reputation of the bank and/or interest of the bank is at stake due to the conduct/operational issues of the CBC or any of its agents.

## 9. Governing Laws & Jurisdiction :

9.1. The agreement shall be governed and construed in accordance with the Laws of Republic of India.

9.2. The parties agree to submit to the jurisdiction of the appropriate court in India in connection with any dispute between the parties under the agreement.

## 10. Resolution of disputes

### INTERNAL RESOLUTION

- ✓ In event of any dispute between the parties arising out of or relating to agreement, the parties shall endeavor to reach a settlement within 14 days of the date of writing notification of dispute. At the end of the 14 days period, in the event that the dispute is not resolved, (a) the parties shall promptly prepare and exchange memoranda stating the issue in dispute, their respective positions and the summary of the negotiation which have taken place and attaching all relevant documents and (b) at any time either party can escalate the dispute to the Managing Director of the District Central Co-operative Bank.
- ✓ No more than the 7 days after the dispute has been escalated, the parties shall meet in person to seek to resolve the dispute. Until concluded with a written legally binding Agreement, all negotiations connected with any dispute shall be conducted in confidence and without prejudice to right of parties in any future proceedings.
- ✓ In the event that the parties do not meet within 7 days as required or the parties have not been able to resolve the dispute within 14 days of such in person meeting, then either parties may refer the matter to formal dispute resolution stated here in below.

## 11. FORMAL DISPUTE RESOLUTION

- ✓ In the event that a dispute cannot be settled as per the above mechanism, all disputes shall be finally settled under the rules of Indian Arbitration and Conciliation Act, 1996 by a sole Arbitrator appointed mutually by the parties.
- ✓ The Arbitration shall be held at Mumbai. The Award of the arbitrators shall be final and binding on the Parties.
- ✓ The Arbitrator Shall not have the authority to award any punitive or other non-compensatory damages or damages in excess of the limits set out herein to either Party. Each party shall bear its own arbitration costs and expenses and shall equally share any neutral costs of arbitration
- ✓ The language of the Arbitration shall be English
- ✓ The Parties, their representatives and the Arbitrator shall hold the existence, contents and results of the arbitration in confidence.



- ✓ This above clauses shall not operate to restrict either party from (1) initiating any proceedings seeking equitable relief in respect of a matter where such party has reasonable cause to do so to avoid damage to its business or to protect or present any right of action it may have or (2) applying for or obtaining emergency or interlocutory relief.

#### 12. Notices:

Any notice, invoice, approval, advice, report or any other communication required to be given under this Agreement shall be in writing and may be given by delivering the same by hand or sending the same by prepaid registered mail, telegram or facsimile to the relevant address set forth in Annexure VI hereof or such other address as each Party may notify in writing to the other Party from time to time. Any such notice given as aforesaid shall be deemed to be served or received at the time upon delivery (if delivered by hand) or upon actual receipt (if given by telegram or facsimile) or fifteen (15) clear days after posting (if the addressee is outside the country of posting).

#### 13. Miscellaneous:

- 13.1. Any provision of this Agreement may be amended or waived, if, and only if such amendment or waiver is in writing and signed, in the case of an amendment by each party, or in this case of a waiver, by the Party against whom the waiver is to be effective.
- 13.2. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- 13.3. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior written agreements, undertakings, understandings and negotiations, both written and oral, between the Parties with respect to the subject matter of the Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any party hereto.
- 13.4. Neither this agreement nor any provision hereof is intended to confer upon any person/s other than the Parties to this Agreement any rights or remedies hereunder.

- 13.5. The CBC shall execute and deliver such additional documents and perform such additional actions, as may be necessary, appropriate or reasonably requested to carry out or evidence the transactions contemplated hereby.
- 13.6. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the Parties hereunder shall be enforceable to the fullest extent permitted by law.
- 13.7. In case of any change in applicable laws in India that has an effect on the terms of this Agreement, the parties agree that the Agreement may be reviewed, and if deemed necessary by the Parties, renegotiated in good faith.
- 13.8. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation thereof.
- 13.9. If this Agreement is signed in counterparts, each counterpart shall be deemed to be an original.
- 13.10. The Corporate Business Correspondent (CBC) shall not assign or transfer all or any of its rights, benefits or obligations under this Agreement without the approval of the Bank. The Bank may, at any time, assign or transfer all or any of its rights, benefits and obligations under this Agreement without the consent of the Corporate Business Correspondent (CBC).
- 13.11. The CBC agrees that they shall not use the logo, trademark, copy rights of other proprietary rights of the opposite party in any advertisement or publicity materials or any other written communication with any other party, without the prior written consent of the Bank.
- 13.12. This Agreement shall not be construed as joint venture. Each party shall be responsible for all its obligations towards its respective employees. No employee of any of the two parties shall claim to be employee of other party.
- 13.13. The CBC shall have a transparent agreement with the BCAs about remuneration for the services rendered by the BCA, and the agreement should be shared with the Bank. Payments to the BCA shall be effected at regular intervals and through the account of the BCA maintained at the branch to which he/she is linked.
- 13.14. The Corporate Business Correspondent (CBC) (SP) shall submit the security deposit / performance guarantee of Rs.25000/- per CSP outlet as per

requirement of Bank. This security deposit / performance guarantee for all the area of operations as per Annexure I is to be submitted upfront before commencement of work.

#### 14. Force Majeure

The Corporate Business Correspondent (CBC) or the Bank shall not be liable for default or non-performance of the obligations under the contract, if such default or non-performance of the obligations under this contract is caused by any reason or circumstances or occurrences beyond the control of the Corporate Business Correspondent (CBC) or the bank, i.e. Force Majeure. For the purpose of this clause, "Force Majeure" shall mean an event beyond the control of the parties, due to or as a result of or caused by act of God, wars, insurrections, riots, earth quake and fire, revolutions, floods, epidemics, quarantine restrictions, trade embargos, declared general strikes in relevant industries, satellite failure, events not foreseeable but does not include any fault or negligence or carelessness on the part of the parties, resulting in such a situation. In the event of any such intervening Force Majeure, either party shall notify the other in writing of such circumstances or the cause thereof immediately within five calendar days. Unless otherwise directed by the Bank, the Corporate Business Correspondent (CBC) shall continue to perform/render/discharge other obligations as far as they can reasonably be attended/fulfilled and shall seek all reasonable alternative means for performance affected by the Event of Force Majeure.

In such a case, the time for performance shall be extended by a period(s) not less than the duration of such delay. If the duration of delay continues beyond a period of 180 days, the Bank and the Corporate Business Correspondent (CBC) shall hold consultations with each other in an endeavor to find a solution to the problem. Notwithstanding above, the decision of the Bank shall be final and binding on the Corporate Business Correspondent (CBC).

#### 15. OTHER TERMS AND CONDITIONS

1. The CBC have to provide banking services from their own outlet set up at identified locations in consultation with our link branch/es in metro/urban/semi urban/rural areas.
2. The CBC have to procure the required hardware, connectivity and equipment's that may be required for providing banking services through SP's outlets, the cost of which would be borne by the CBC. After the readiness of the site, bank will issue operator code to start banking services through kiosk.
3. The CBC have to furnish the list of authorized agents proposed to be employed by them with details of their bio-data containing photograph, address, age,

educational background, etc. duly verified and conducting due diligence about the character and good conduct of their agent/operator

4. Bank to issue I-card to approved field Business Correspondents only and not to be agent/employees of said field Business Correspondents.
5. The CBC have to render the BC services to the bank purely on contract basis with commercials agreed upon by the company and there will be no employer-employee relationship between the bank and the BC or any of its employees.
6. It is the sole responsibility of the company to manage cash of their own at each service outlet/kiosk Centre approved by the bank and reconcile the same with the amount of transactions processed at each outlet on daily basis.
7. The Company has to implement decentralized cash management system i. e. a separate settlement account should be maintained for each outlet with respective link branch assigned to the outlet.
8. It is sole responsibility of the CBC to ensure the cash in transit and overnight retained cash is adequately insured by obtaining insurance cover for adequate amount.
9. The bank may be provide an overdraft facility for settlement account per BC Point-wise against securities on the usual commercial terms and conditions and the bank shall have the discretion to sanction or reject the same.
10. The scope of services would be subject to revision from time to time with mutual consent and depending on the need of the bank.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first hereinabove written.

For \_\_\_\_\_

(Bank)

For M/s \_\_\_\_\_

(Corporate Business Correspondent (CBC))

Witness

1.

Witness

2.

## **Annexures**

Annexure – I	DETAILS OF AREAS OF OPERATIONS TO BE COVERED
Annexure – II (A)	SCOPE OF SERVICES TO BE OFFERED
Annexure–II (B)	STANDARD OPERATING PROCEDURE FOR BCA
Annexure – III (A)	TECHNOLOGY SERVICES
Annexure – III (B)	TECHNOLOGY SERVICE LEVEL REQUIREMENTS
Annexure IV	FIXED CHARGES TO BE PAID TO CORPORATE BUSINESS CORRESPONDENT (CBC)
Annexure - V	ELIGIBLE ENTITIES & GENERAL GUIDELINES
Annexure VI	ADDRESS FOR COMMUNICATION

## Annexure-I

Details of the area of operations shall be the district(s) wherein the District Central Co-operative Bank is operational which is to be covered by the Corporate Business Correspondent (CBC) in the State of Rajasthan

S.No	Name of DCCBs	Areas of operation in Districts
1	Ajmer	Ajmer
2	Alwar	Alwar
3	Banswara	Banswara
4	Baran	Baran
5	Barmer	Barmer
6	Bharatpur	Bharatpur, Dholpur
7	Bhilwara	Bhilwara
8	Bikaner	Bikaner
9	Bundi	Bundi
10	Chittorgarh	Chittorgarh, Pratapgarh
11	Churu	Churu
12	Dausa	Dausa
13	Dungarpur	Dungarpur
14	Hanumangarh	Hanumangarh
15	Jaipur	Jaipur
16	Jaisalmer	Jaisalmer
17	Jalore	Jalore
18	Jhalawar	Jhalawar
19	Jhunjhunu	Jhunjhunu
20	Jodhpur	Jodhpur
21	Kota	Kota
22	Nagaur	Nagaur
23	Pali	Pali
24	SawaiMadhopur	SawaiMadhopur, Karauli
25	Sikar	Sikar
26	Sirohi	Sirohi
27	Sri Ganganagar	Sri Ganganagar
28	Tonk	Tonk
29	Udaipur	Udaipur, Rajsamand

## ANNEXURE II (A)

### SCOPE OF SERVICES TO BE OFFERED

1. The Corporate Business Correspondent (CBC) will provide the following services.
  - a. **Business Correspondent Agent (BCA) activities:**
    - a. Enrollment of customers, including collection of biometric and other details and to distribute card (ID Card, Debit Card, Credit Card), PIN on behalf of banks.
    - b. Provide transaction facility
      - i. Deposit of money in an account with any bank.
      - ii. Withdrawal of money from an account with any bank
      - iii. Remittances/Fund transfer from an account with a bank to an account with the same or any other bank
      - iv. Balance Enquiry and issue Receipts/ Statement of Accounts.
    - c. Disbursal of credit facilities to borrowers involving small amounts strictly as per the instructions of the Bank.
  - b. **Other activities:**
    - a. Identification of borrowers and classification of activities as per their requirements
    - b. Collection and prima facie scrutiny of loan applications including verification of primary data.
    - c. Creating awareness about savings and other products offered by the Bank and education and advice on managing money & debt counseling.
    - d. Preliminary scrutiny of data and submission of applications to the Bank for its review.
    - e. Promotion, nurturing, monitoring and handholding of Self Help Groups and/or Joint Liability Groups and/or Credit Groups and others.
    - f. Facilitating the repayment of dues owed to the Bank by its customers/guarantors.
    - g. Sale of third party financial products

2. The above services are in respect of the following.
  - a. **To be offered at the CSP (BCA activity):**
    - a. No Frills Savings Bank accounts
    - b. Recurring Deposit Accounts
    - c. Remittances
    - d. Fixed Deposit
    - e. Overdraft/Retail loans
    - f. KCC/GCC/ST & MT Loan accounts
    - g. Third party financial products
  - b. **Sourced for the branch (as permitted by RBI in Business Facilitator guidelines)**

Some of the products are:

    - a. Loans against TDR/NSC/ KVP etc.
    - b. Gold Loans
    - c. General purpose Credit card (GCC)
    - d. Kisan Credit Card (KCC)/ ST & MT Loan
    - e. Current Account
    - f. Savings Bank account (other than No Frills Account)
    - g. Term Deposits
    - h. Recurring Deposits
    - i. Mutual funds on a referral basis
    - j. Insurance (Life and Non-Life), Pension and any other third party financial product
  - c. **Subject to meeting the eligibility criteria mandated by RBI, the BC/BCA shall be engaged as Recovery Agent and separate agreement(s) may be signed by each bank with SP/BCA.**
3. **Cash Management:** Banks will not be responsible for any cash management at the CSP. The SP/BCA may, however, apply for an overdraft facility from Banks on the usual commercial terms and conditions and the Banks shall have the discretion to sanction or reject the same.
4. The above scope of services would be subject to revision from time to time with mutual consent and depending on the need of the banks.



## ANNEXURE II (B)

### STANDARD OPERATING PROCEDURE (SOP) FOR BUSINESS ORRESPONDENTS

#### A. Logistics at the BC/BCA / CSP outlets -

- a. Display of signage as approved by the Bank.
- b. Display of BC certificate as an authorized Bank's BC.
- c. ID card for BC and BCA to be issued by the Bank and BC respectively.
- d. Ensure availability of required Stationery – Account opening forms, loan application forms, check lists, publicity materials / pamphlets / job cards for banking products.
- e. Display of Phone numbers of Help line, Bank officials (link Branch / Channel Manager/Regional Office)
- f. Maintenance of Registers:
  - Records of customers enrolled;
  - Account opening forms sent to link branch;
  - Account opening forms pending to be sent;
  - Customer contact register;
  - Applications received and disposals register; and,
  - Visitors/Bank officials visitregister.
- g. Name of grievance redressal official and contact no. to be displayed.
- h. Ensure provision like box, almirah for safe upkeep of finger print scanner / deviceetc and other stationery registers.
- i. List of Do's and Don'ts for customers to be displayed.
- j. Provide enough space to bank officials to work at outlet during his visit.

#### B. Image building and trust -

- a. BCs to create awareness about the channel among the public.
- b. BCs to market the banking products and a pull for the customers.

- c. BCs to do due diligence for CSP selection.
- d. Arrange mass enrollments to reduce cost.
- e. Arrange for training of CSPs.

### **C. Technical Requirement -**

- a. Safe upkeep of frontend device viz. PoT / PoS, Mobile, PC Kiosk.
- b. Keeping the device battery charged / in ready mode for providing services.
- c. Maintaining help line number of technology / device provider.
- d. Downloading the updated versions of the frontend applications.
- e. Uploading the transactions on daily basis.
- f. Downloading the card summary / account balances on the device as per the process which may differ channel to channel.
- g. Keeping the PIN / CSP cards secret to obviate any possibility of unauthorized use of the technology device.

### **D. Operational Requirement –**

- a. Approval from the Bank for establishing a CSP outlet at any centre.
- b. Account opening form filling up and collection of required KYC documents / photograph of the customer.
- c. Enrollment of the customer as per the process approved by bank.
- d. Digitization of customer details within 2 days of customer enrollment and transmission of data to the bank.
- e. Sending account opening forms to the link branches.
- f. Coordinating with link branches for expedite verification and upload of customer data in CBS for account creation.
- g. Distribution/delivery of card / CBS account number to the customers after account creation in bank's CBS.

- h. Arranging removal of objections raised by the link branches in account creation.
- i. Maintaining secrecy about customer account information.
- j. Maintenance of sufficient balance in the BC settlement account to support customer transactions and fund settlement with the bank.
- k. Expedite increase of BCA electronic limits to ensure continuity in customer services.
- l. Arrange for availability of sufficient cash at CSP outlets.
- m. BCs will ensure replenishing / collection of surplus cash from the CSP outlets.
- n. BCs will ensure to regular payment of remunerations to the CSPs.
- o. BC will not collect any interest free deposit from BCAs
- p. BC will not collect any non-refundable deposit from BCA
- q. BCs will ensure availability of consumables like printing paper etc. at the CSP outlets.
- r. BC will arrange for reconciliation of customer account balances with the bank.
- s. BCs to ensure issuance of PoS / technology device generated receipt to the customers on successful transaction.
- t. To define dispute resolution mechanism
- u. Forwarding any feedback / complaint received from the customers to the bank.
- v. Risk mitigation process in operations
- w. Arranging insurance for cash and devices at the CSP outlets.
- x. In case of temporary / permanent termination of CSP at any outlet, BC to make alternate arrangement to ensure continuity of banking services to the customers.

**E. Legal Requirement –**

- a. Persons / BCAs engaged by BC shall not be the employees of the bank and the bank shall not be responsible in any manner for payment of wage remuneration nor payment for PF, EPF due to such persons.
- b. BCs will have to enter into an agreement with the bank.

## **Annexure III (A)**

### **TECHNOLOGY SERVICES**

1)

a) The Technology Services include that BC shall ensure availability and maintaining devices (laptop computers, hand-held devices, mobile phones, etc.) required for day to day operations by BCA.

b) Devices should have capability to connect directly to Bank's system in the mandated standard format.

c) For customer enrollment, including biometric capturing, devices must support ISO templates generation and verifications as per standards mentioned at technical specification in Para 8 below.

d) Devices must have capability for making transactions, using Bank's central biometric authentication/any other central authentication system, through switch of National Payment Corporation of India (NPCI) or any other agency approved by the Banks.

2. The solution should

a. Conform to open standards.

b. Provide multichannel support (Biometric POS, Internet operated devices, Mobile, etc.).

c. Have standard interface capabilities (standards like ISO, XML, web services).

d. Multiple backend systems interfacing capabilities.

e. Be on open architecture i.e. multiple OS and hardware supported,

i.e. Windows/ Linux; Database Oracle.

f. Be capable of supporting transactions in 'on line' mode with CBS systems of the Bank(s).

g. Have necessary software, with common Key Management

System(KMS) one or multiple banks to support minimum of following banking products

- i. cash in /cash out
- ii. Basic Saving Bank Account with built in Overdraft
- iii. Recurring Deposit/Fixed Deposit Account
- iv. Remittance Module
- v. Credit module
- vi. KCC /GCC / ST & MT Loans
- vii. Overdraft
- viii. Retail Loans

3. The front end devices should support magnetic stripe cards and non card operations with central biometric authentication. The cards would be issued by the respective banks.

4. The Corporate Business Correspondent (CBC) shall also provide direct connectivity between the KIOSK/PoS/Micro-ATM device and Bank Server. Customer account, including biometric details, shall reside on CBS server of the Bank and not at the backend of the SP.

5. Provide central platform for digitization of data for account opening by the BCA.

6. Solution should provide facility of

- a) Business Correspondent /Agent Maintenance
- b) Biometric authentication for agent and customer
- c) Audit trail of all administrative/ transactional activities
- d) POS/ other terminal authentication
- e) Role based access - Service level restriction for agents Centralized financial parameters (or limits) maintenance.
- f) Centralized non-financial parameters maintenance.
- g) BCA limit management
- h) Online transaction posting

- i) Voice acknowledgement in various languages for the customer ( if Delivery Channel can play it)
- j) Capability to levy variable /fixed , different types charges on the customer transactions on the basis of customer type, transaction type, geographies, general or restricted manner, various plans of charges.
- k) Log of all transactions.
- l) Secure Sockets Layer (SSL) mode of communication.
- m) Report of all transactions processed during the day (filtered by BC, user and date).
- n) Scalability.
- o) Holding the entire customer profile, user profile, access rights, authentication methods, rules etc.
- p) Centralized application management
- q) Customized MIS as per banks' requirement

7. Technical Specifications: The technology should be compatible with UIDAI Standards on Micro ATM/biometric and support inter-bank interoperability through NPCI switch. The Indian Bank's Association (IBA) and Institute for Development and Research in Banking Technology (IDRBT) have come up with

'Open Standards for Smart Card Based Solutions for Financial Inclusion' (hereinafter called 'The Standards'). The version 1.2 of 'The Standards' has been published and is available on the internet at [www.iba.org.in](http://www.iba.org.in) and [www.idrbt.ac.in](http://www.idrbt.ac.in). The technology solution proposed by the technology service provider must meet the standards as mentioned above.

Technology should also meet standards defined by NPCI/ IBA/ any other agency acceptable to the Banks, for interoperable transactions between the Banks based on Bank level authentication other than UIDAI.

The Corporate Business Correspondent (CBC) should upgrade the technology, at its own cost, to meet the standards as may be set by IBA and/or IDRBT or RBI in future.

The scope of services may be expanded by individual banks at mutually agreed terms and conditions.

Every bank shall have its own intermediary server / middleware and the Corporate Business Correspondent (CBC) shall have to integrate their devices with the

intermediary server / middleware of the bank in such a way that the authentications / transactions emanating from the front end devices directly hit the bank's intermediary server / middleware on real time basis.

In case a Bank has a technology solution, Corporate Business Correspondent (CBC) / agents may use the same for delivery of service using front end devices as per technology solution. Bank and Corporate Business Correspondent (CBC) will have to enter a separate agreement for use of the technology and fee for technology payable by Corporate Business Correspondent (CBC) to the Bank will be decided with mutual consent. Devices should be able to use application

software provided by the Bank or Corporate Business Correspondent (CBC)s own applications meeting all standards as mentioned in the document. Front end Devices will be supplied and maintained by the Corporate Business Correspondent (CBC)s at their cost.



## ANNEXURE III (B)

### TECHNOLOGY SERVICE LEVEL REQUIREMENTS

#### Scope

1. This section applies to the “Technology Based Financial Services” to be rendered by the Service Provider to Co-operative Banks comprising the following –

2. The business correspondents may use any or all the undernoted frontend device based on the technology channel opted by them in view of type of level / type of connectivity available in the area of operation of the BC / BCA.

- i. Biometric PoS device in combination with Smart / Plain Plastic Card
- ii. Internet operated device, printer and FP capturing machine.
- iii. Mobile device with biometric identification.

The obligations of the technology service provider under this agreement are –

#### **Biometric PoS/ Mobile based / Internet operated-**

CBC shall make available a set of equipment for carrying out transactions at the PoS/ mobile/internet enabled device by the BCA at the direction of the Bank. It would be the responsibility of CBC to keep the equipment in working order ensuring an overall uptime of 98% on a quarterly basis (Taking into consideration the uptime of all equipment in the field) and an uptime of 95% on a quarterly basis for individual sets of equipment in the field. To attain this uptime, CBC would store adequate number of spares at convenient Nodal Points and arrange to replace and make operational the set within 4-12 working hours from the time of reporting depending upon the distance of the CSP outlet location from the Nodal Point. SP, however, shall not be responsible for the apparent non-functioning of the equipment due to non-availability of connectivity.

#### **Incident Management -**

CBC shall provide a 12x7 help desk with adequate numbers of phone lines for incident management. On finding an equipment to be not functioning, the BCA would advise on the pre-designated number of help desk regarding the

same. CBC Help Desk representative would then issue a ticket number to the BCA which he will quote in all subsequent communications till resolution of the issue. The defective part of the equipment would be replaced by a representative of the CBC under a sign off from the equipment operator.

## **Maintenance and Support**

At the time of operationalising the PoS/KIOSK technology channel, training is to be provided to the Operators clearly delineating the Do's and Don'ts and Best Practices for maintaining the equipment. It would be the responsibility of the CBC to ensure that the equipment is handled carefully. However, CBC would provide 12x7 active Help Desk facilities for reporting of all such field incidents. For the passive hours there would be a facility to log the call on an IVR. However, the time for turnaround would be counted from the time the Help Desk becomes active next time.

## **Software Management**

In order to provide more and better service, the Banks may require an upgrade in the software. However, all newer versions of software for the frontend device should be released with the prior permission of the Bank. These releases would be informed to the Headquarters of the CBC through release notes for further dissemination to the BCAs. The Bank shall prepare, in consultation with the BC, a schedule for upgrade on the field and the BC would be obliged to ensure download and installation the new version at each CSP outlet connected to that Bank. BC helpdesk would be available to assist in the scheduled implementation and overseeing of the upgrade.

## **Consumables**

The BC would maintain sufficient inventory of Consumables at each district headquarters in the State.

## **Centralized Monitoring**

BC would have a dedicated team of minimum two resources who would be monitoring the uptime, problem resolution and consumable requirements of all the BCAs.

## **Help Desk**

BC will set up a Help Desk on its own or through its Technology Service Provider. All the BCAs would register their requirements and problems between 8 am and 8 pm everyday (including Sundays and Holidays). Helpdesk would register the request and issue a ticket. The Helpdesk would also provide a timeline in which the problems would be attended to. All problems reported should be resolved within 24 hours of reporting.

## **MIS reports**

CORPORATE BUSINESS CORRESPONDENT (CBC) should provide reports as desired by the bank concerned.

### Annexure-IV FIXED CHARGES

Fixed Charges to be paid to the Corporate Business Correspondent (CBC)

For the activities mentioned in Column 1 below, Corporate Business Correspondent (CBC) will be paid remuneration at the following rates.

Activity	Remuneration
<b>Customer mobilization (for BC activities)</b>	
Savings Bank Account opening	Rs. 15.00 per account
Recurring Deposit account opening	Rs. 4.00 per account
Fixed Deposit	Rs. 4.00 per account
Overdraft/Retail Loans/KCC/GCC (except OD allowed in SB account)	0.4% of loan amount sanctioned subject to a minimum of Rs. 25.00 and maximum of Rs. 5,000.00; 50% of the amount payable shall be paid after the first disbursement of the loan and the rest 50% shall be paid one year thereafter if the account continues to be standard asset till then.
Cash Handling Charges	0.37% of the amount of cash transaction processed by BC. No charges will be paid for round tripping of transactions.
3 <sup>rd</sup> Party financial products like Insurance (Life and Non-Life), Pension etc. (subject to regulatory approvals and the product not being sold by the bank)	20% of the commission bank earns
<b>SHG and JLG</b>	
For formation and promotion including credit linkage	Not exceeding Rs. 800.00 per SHG/JLG formed and credit linked with the Bank in stages as under.
For stationary and overhead expenses after saving linkage of SHG	Rs. 240.00
4 months after saving linkage of SHG	Rs. 240.00
Immediately after credit linkage of SHG	Rs. 240.00

<b>Noncash transactions</b>	
Remittance/Fundtransfer	Rs. 4.00per transaction
BalanceEnquiry	Nil
<b>FollowupandRecovery (subject tomeeting regulatory requirements)</b>	
Repayments in standard assets (paymentwillbeeffectonlyif theaccountremains 'standard')	Term Loans: 0.25% of amount RecoveredCash Credit/Overdraft: 0.5% of interestrecovered
RecoveryofNPAs  (Subject tomeetingregulatory requirements, theSP/BCA will be responsible for recoveryofall NPAsin theareaof operation, both sourcedbytheBCAas well asothers Thebankswillappoint the SP/BCAsasrecoveryagent strictlyasperthe guidelinesof RBI).	Substandard: 1% of amount recovered  Doubtful:2%ofamountrecovered  Loss&Writtenoff:10%ofamount recovered.

There will be an increase of 10% in the above remuneration after 3 years from the date of commencement of operations. In case the contract is extended beyond five years from the date of starting of regular operations, the fixed charges would be increased by another 10% over the level prevailing at the end of five years. Bank shall reserve the right to allow CBC to undertake above all transactions

List of services and Products offered by the Banks may be added from time to time with mutual consent.

### **Cash Handling Fee:**

Cash handling fee will be paid at the rate of 0.37% of the total amount of cash.

Cap on Business/Commission: Reserve Bank has expressly prohibited sourcing of Bulk deposits, NRE/NRO FCNRB deposits, and deposits from Public Sector Companies/Government Departments by this channel.

## ANNEXURE V

### ELIGIBLE ENTITIES AND GENERAL GUIDELINES

#### **I. Entities eligible to be appointed as Business Correspondent Agents (BCAs):**

The Service Provider would be required to appoint from among the following as the Business Correspondent/BCA. This list would be revised from time to time based on Reserve Bank of India directives.

1. Individuals operating e-Mitra KIOSKs established by Local Corporate Business Correspondent (CBC)s under e-Mitra project.
2. Identified BCA should not have been defaulters to any financial institutions or blacklisted by any bank in last two years for deficiency of services.
3. NGOs/MFIs set up under Societies/ Trust Acts
4. Cooperative Societies registered under Mutually Aided Cooperative Societies Acts or the Cooperative Acts of States/ Multi State Cooperative Societies Act.
5. Section 25 companies.
6. Post Offices.
7. Retired Bank employees
8. Ex-Service men.
9. Retired Govt. Employees.
10. Individual owners of kirana/ medical/fair price shop owners.
11. Individual Public Call Office (PCO) operators.
12. Agents of small savings schemes of Government of India/ Insurance Companies
13. Individual who own petrol pumps.
14. Retired teachers.
15. Authorized functionaries of well-run Self Help Groups (SHGs) linked to banks.
16. Individual members of Farmer's Clubs.
17. Individual operators of Rural Multipurpose kiosks/ Village Knowledge Centers
18. Individuals/ proprietors/ owners who manage Agri Clinics/ Agri Business Centers.
19. Retired Post Masters.
20. Individuals such as auto dealers, tractor dealers and FMCG stockists.
21. Insurance agents including of private insurance companies (IRDA certified) and postal agents.
22. Individuals operating Common Services Centers (CSCs) established by Service Centre Agencies (SCAs) under the National e-Governance Plan (NeGP).
23. Any other individual considered suitable by the banks.

24. Companies registered under the Indian Companies Act 1956 with large and wide spread retail outlets, excluding Non-Banking Financial Companies (NBFCs).
25. Identified Business Correspondents and BCAs should not have been defaulters to any financial institution.
26. Identified Business Correspondents should not have been blacklisted by any bank in the last two years for deficiency of service.

**II. While appointing Business Correspondent Agents (BCAs), following general guidelines should be followed by BC:**

- i. It is better to appoint an existing entrepreneur as BCA so that it is an additional income to him/her. This will improve the viability of BCA.
- ii. While approving location of CSP, the place should be such that it is easily accessible and be preferably the place of weekly local 'Haats' etc.
- iii. The selection of BCA must be done by the CBC with the consent of the concerned Branch Manager in whose service area the CSP is located. Preference should be given to such persons who are already doing some activity in the village.
- iv. The device available with BCA should be interoperable through the gateway of NPCIL so that the customer can access to any bank by using the device. The device must have biometric facility plus card or password plus card. The BCA must have on-line connectivity.
- v. The BCA must be responsible to receive and pay money, to transfer money from one to another. Each BCA must necessarily be appointed as Business Facilitator (BF) for all activities permitted by the RBI. BCAs may also be used for deposit mobilization and as recovery agents as per the terms and conditions laid down by RBI for this purpose. Where a BCA has to work as a recovery agent, a separate agreement for this purpose shall be entered into by individual PSB.
- vi. The BCA will also be acting as an extension staff for micro insurance, animal insurance, crop insurance and micro pension. The banks will ensure coordination with the agencies, viz., LIC and other agencies dealing with these products.
- vii. An officer of the concerned branch of the bank will be visiting the CSP once in a week on a fixed time and day and will use this visit to collect application for opening account, loans of all types, recovery follow-up and any other banking issues. This will install greater confidence among the customers and facilitate increased banking transactions through BCAs.

- viii. The BCA must be responsible for routing all transactions of all villages in the assigned villages so that effective marketing and follow up, can take place.
- ix. It is necessary to ensure that there is a continuous improvement in the quality of services through the BCAs. There should be regular training and capacity development programmes of the BCAs.
- x. Though the BCA will be usually expected to operate from his own location where he should have sufficient space so that the Bank's officers visiting the CSP may also operate from there, the BCA should also be willing to operate from Gram Sabha building or AtalSewa Kendra or any location if the bank desires so.

## Annexure VI

Address for communication to be stated under :

The Managing Director	M/s. _____