

**GENERAL AGREEMENT FOR AVAILING OF FINANCE FROM THE
NATIONAL MINORITIES DEVELOPMENT AND FINANCE CORPORATION**

(On stamp paper)

MEMORANDUM OF AGREEMENT made between

(Name of the Channelising Agency) having its registered/principal/head office at _____.

(hereinafter referred to as "the Channelising Agency") of the one part and the National Minorities Development and Finance Corporation registered under Section 25 of the Companies Act, 1956 and having its office at 1st Floor, Core 1, Scope Minar, Laxmi Nagar, Delhi – 110 092 hereinafter referred to as "NMDFC" on the other part.

WHEREAS

- I. The Channelising Agency is desirous of extending concessional credit to members of notified religious Minority communities for the purpose of income generating economically viable projects/schemes set up/to be set up and for such other activities as may be approved by NMDFC.
- II. The Channelising Agency has requested the NMDFC to extend concessional credit for income generating, viable & economically viable economic activities run/to be run by members of Minority communities on terms and conditions to be mutually agreed upon.
- III. The NMDFC has agreed to these proposals, which may be with such modifications from time to time, as NMDFC may deem fit and proper. The terms of the Channelising Agency's application in respect of the said financial assistance and its appraisal by NMDFC will constitute the basis of the agreement and of the finance granted hereunder. NOW IT IS HEREBY AGREED by and between the parties hereto as follows:-

1. The NMDFC may sanction financial assistance to the Channelising Agency in the form of loans, margin money (seed capital) and advances (hereinafter referred as the said financial assistance) whether before or after the date of this agreement for income generating economic activities, schemes/projects appraised, approved and agreed to be financed by NMDFC on such terms and conditions including the rate of interest/service charges as the NMDFC may from time to time decide.

2. The financial assistance sanctioned by the NMDFC shall be disbursed in accordance with the schedule of disbursement stipulated by the NMDFC. The said financial assistance shall be repaid by the Channelising Agency in accordance with the schedule of repayment indicated by the NMDFC. The said schedule of disbursement and of repayment may be varied by mutual agreement.

3. a) Advance of loan, after conversion to Term Loan shall carry interest at the prevalent rate (This rate may change & any change will be communicated by NMDFC) of 3.5% p.a. with a rebate of 0.5% for punctual and timely payment and the margin money loan shall carry service charges at the minimum rate of 1% p.a. provided that the Channelising Agency shall pay such higher rate(s) of interest and service charges as are fixed by NMDFC from time to time with the minimum lending and service charges/rates mentioned hereinabove. The higher revised rate(s) of the interest/service charges shall become effective from the date/dates intimated by NMDFC to the Channelising Agency in writing. Such revised higher rate(s) of interest fixed by NMDFC shall not at any point of time exceed the rate of interest at which term loans are advanced by Commercial Banks. All dues shall be payable on quarterly, half yearly or yearly basis as specified in the Letter of Intent. In the event of default in payment of principal or interest, NMDFC reserves the right to charge penal interest.

- b) Interest in Term Loan to be charged from ultimate beneficiaries by the Channelising Agency will not exceed 6% p.a. The service charges/interest on margin money loans to be charged from the ultimate beneficiaries shall not exceed 3% p.a. (For the sake of convenience the term 'interest' is collectively used hereinafter both for interest and service charges) provided that in the event of increase in the rate(s) of interest:-
- i) In such event Channelising Agency may charge interest by adhering to equal increase in rate of interest charged from the ultimate beneficiaries.
 - ii) The Channelising Agency shall have an option to prepay to NMDFC forthwith on receipt of such intimation the entire outstanding interest thereon.
 - iii) In the alternative to (II) above the Channelising Agency shall have an option to make such prepayment together with interest at the increased rate(s) as intimated, at any time during a period of two years after receipt of such intimation.
- c) If the Channelising Agency draws or receives any loan or financial assistance from the NMDFC and does not disburse it further to the ultimate beneficiary or utilize it for the purpose for which it was drawn within a period of three months, the Channelising Agency will pay interest @ 6% per annum to the NMDFC on the undisbursed or unutilized amount for the period it is not disbursed or utilized after the expiry of six months and in the event of the funds remaining unutilized even after the expiry of six months NMDFC will have the right to call back the funds.

- d) On the basis of annual sanctions, SCAs can draw required amount of funds as advance preferably on quarterly basis. Subsequently drawals will be in the form of replenishment of advance after it is converted into loan, in full or in part, on the basis of utilization details submitted by the SCAs. NMDFC will make disbursements to SCAs on the basis of annual sanctions subject to actual availability of funds. On case to case basis, NMDFC may consider request of the SCAs for drawal of higher amount of advance with justification.

The funds are released to the SCAs as an advance at interest rate of 3.5% (rebate of 0.5% on timely repayments). The funds remaining unutilized after three months attract interest rate of 6.5%. The funds remaining unutilized after six months attract interest rate of 8.5% till the funds are refunded. The penal interest is charged on accrual basis. The advance is required to be converted into loan by the SCAs by way of loaning to the eligible beneficiaries under the Scheme of Term Loan, Educational Loan, Mahila Samridhi Yojana and Micro Financing. From the date of utilization, the interest rate of the respective scheme in which funds have been utilized will become applicable. After utilization of funds, the interest rate of the scheme for which the funds have been utilized shall prevail.

4. Channelising Agency shall arrange the guarantee of the State/UT Govt. ofor a guarantee of a Bank approved by NMDFC for timely repayment of instalments of term loan and margin money assistance sanctioned under this Agreement together with interest thereon and other moneys as may become due and payable by the Channelising Agency in terms of this Agreement. The guarantee may be invoked by NMDFC in the event of default by Channelising Agency either for the whole of the amount advanced under this agreement or for the amount advanced for scheme/project specified under this agreement.

5. The Channelising Agency shall hold the securities mentioned in the Channelising Agency's application or any other correspondence pertaining thereto (including the properties particulars whereof are given in the security documents) as security for the said financial assistance.
6. The Channelising Agency agrees and undertakes that if and whenever it realises the said securities (including the properties) referred to in clause 5 above or any part thereof, it shall forthwith pay over to NMDFC all such realizations to the extent required to repay the Channelising Agency's obligations hereunder and shall pending such payment, hold all sums so realised for and on behalf of the NMDFC.
7. The Channelising Agency agrees:
 - a. That it shall not allow any operation inconsistent with the said financial assistance or likely to jeopardize the said financial assistance.
 - b. To inspect periodically the schemes/project of the beneficiaries and to submit a report of such inspections to the NMDFC on a monthly basis may be impractical looking at the poor infrastructure with the SCA. We may increase the periodicity to (6 months) during implementation of the programme duly indicating the progress made by the schemes/project and whether the said financial assistance have been utilised by the beneficiaries for the purpose for which they were granted.
 - c. To furnish to the NMDFC all such information as the NMDFC may require from time to time regarding the beneficiaries.
 - d. The NMDFC shall have the right to inspect the accounts of the Channelising Agency relating to the projects/scheme undertaken with the financial assistance of NMDFC.

8. The Channelising Agency shall ensure that the ultimate beneficiaries of the Scheme(s)/project(s) are well within the eligibility criteria laid down by NMDFC. The Channelising Agency shall provide a list of beneficiaries by mentioning their names, family income, complete postal addresses and communities etc., alongwith the necessary certification/authentication. The SCA shall also prepare a list of beneficiaries alongwith their photographs and signature. This list may be retained at the H.O. of the SCA and provided to NMDFC whenever required for inspection purposes. The Channelising Agency shall provide such other particulars about the beneficiaries as required by NMDFC from time to time.

9. The Channelising Agency agrees that notwithstanding anything contained in this Agreement, the NMDFC shall have the right by notice in writing to require the Channelising Agency forthwith to discharge in full or in part its liabilities to the NMDFC in respect of any of the said financial assistance provided by the NMDFC, whether due or otherwise in case of any of the following eventualities:-
 - a. The Channelising Agency committing any default in making any payment or repayment in accordance with this Agreement or any other agreement between the Channelising Agency and the NMDFC.

 - b. The (Channelising Agency committing any breach or default in the performance or observance of this Agreement and/or the Channelising Agency's application and/or the provisions of financing schemes of NMDFC and or any instructions issued by the NMDFC from time to time.

 - c. The Channelising Agency's Application or any enclosure thereto containing any false or untrue statement or information turning out to be wrong or untrue as a result of supervening circumstances. On the question whether any of the above events has happened, the

decision of the NMDFC shall be final, conclusive and binding on the Channelising Agency.

10. The Channelising Agency shall, notwithstanding any enquiry made by or information furnished to the NMDFC in respect of the credit of its constituents, remain always liable as a principal debtor to the NMDFC for the due repayment of any finance granted by the NMDFC in respect of the said financial assistance. The Channelising Agency agrees that in case it fails to repay on due date(s) the installment of principal and /or interest accrued thereon, it shall be liable to pay gross interest (without rebate) compounded as per schedule of payment/ repayment.
11. The Channelising Agency shall furnish guarantee from State/UT Government or any other institution as agreed to by NMDFC indicating that repayment of loan and interest/service charges thereon shall be made as stipulated in the schedule of repayment and interest/service charges of each scheme(s)/project(s).
12. Channelising Agency agrees that in the event of default of repayment of dues as intimated by NMDFC beyond a period of one quarter, then NMDFC will charge liquidated damages from SCA all inclusive interest rate of 5% per annum on the overdues. The liquidated damages are charged on accrual basis.
13. The Channelising Agency shall repay the dues in time and if the dues are not paid in time a show cause notice can be issued by NMDFC to the Channelising Agency for asking the Channelising Agency to submit the reasons within a month as to why the financial assistance should not be recalled. If no communication is received within a month from the Channelising Agency, the NMDFC has the liberty to take necessary action including invocation of guarantee in part or full and will presume that the channelising Agency has no reasons to submit.

14. The Channelising Agency agrees that NMDFC shall have right to appoint/change and/or withdraw from time to time atleast one Director on the Board of Directors of the Channelising Agency at any time during the Currency of this Agreement.
15. The instruction/circulars issued by the NMDFC from time to time and the Letters of Intent of various scheme(s)/project(s) sanctioned/to be sanctioned shall be deemed to form part of this agreement.
16. Channelising Agency shall take prior approval from NMDFC in case of engaging consultant(s) for the execution of scheme(s)/project(s).
17. In case of cost over run of scheme(s)/project(s) Channelising Agency shall arrange required funds to the satisfaction of NMDFC.
18. Any advertisements related to scheme(s)/project(s) with the financial assistance from NMDFC would cover the name of NMDFC to the effect that scheme(s)/project(s) financed by NMDFC.
19. This Agreement shall become binding on the Channelising Agency and the NMDFC on and from the date the SCA signs the agreement and it shall be in force till all the amounts due and payable under this agreement be fully paid off
20. That any dispute arising between parties hereto shall be refereed to the sole Arbitrator to be appointed by the chief Executive of NMDFC and the decision/award of such Arbitrator shall be binding upon the parties hereto.
21. That the Delhi Courts will have the sole and exclusive Jurisdiction to decide the issue of any dispute between the parties hereto.

IN WITNESS WHEREOF the Channelising has caused its Common Seal to be affixed hereto and to a duplicate hereof and NMDFC have caused the same and the said duplicated to be executed by the hand of Shri.....

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as hereinafter appearing.

THE COMMON SEAL of the
Channelising Agency has
Pursuant to the Resolution
of its Board of Directors passed
In that behalf on theday
of 200 hereunto been
affixed in the presence of

1. Shri.....
Director and Shri.....
Director who have Signed
these presents in token thereof

2. And Shri.....
Secretary
Authorised person who has signed/
Countersigned the same in token
thereof