

THE MANIPUR STATE COOPERATIVE BANK LTD., ADMINISTRATIVE OFFICE, IMPHAL.

Policy on financial inclusion by extension of banking services-Use of Banking Correspondent (BC)

1. Objective:

- i. To achieve financial inclusion in the state in a holistic manner and bring the vast majority population within the banking fold.
- ii. To provide access to banking market, access to credit market and financial education to people in unbanked areas.
- iii. To increase outreach of the Bank with the need of substantially increasing our market shares in rural and semi-urban areas.
- iv. To reach to the vast number of untapped small and marginal clients at the bottom of the pyramid to increase the business, enhance the profit and spread risks.
- v. To provide comprehensive financial services to the underprivileged encompassing Savings, Credit, Remittance, Insurance, and Pension products in a cost effective manner particularly in untapped/ unbanked areas.
- vi. To reduce transaction cost as well as increasing efficiencies by providing linkages between existing network of our branches and the informal and formal agencies engaged with poor, by adopting Information Communication Technology(ICT) based solutions.

2. Eligible individuals/entities:

2.1 Business Correspondent:

- i. Societies registered under MCS Act, 1976/Mutually Aided Cooperative Societies Act (MACS).
- ii. NGOs registered under Societies Registration Act, 1980.
- iii. MFIs set up under Indian Societies/Trust Act/ Societies Registration Act, 1980/NBFCs.
- iv. Companies registered under section 25 of the Companies Act 1956(provided that section 25 companies in which NBFCs, Banks, Telecom companies and other corporate entities or their holding companies do not have equity holding in excess of 10 %).
- v. Post offices.
- vi. Retired Government Employees and Ex-servicemen.
- vii. Retired Bank employees who have retired on superannuation.
- viii. Farmers Clubs.
- ix. Retired School/college teachers.
- x. Authorised functionaries of well run Self Help Groups (SHGs) linked to banks.

3. Eligibility Criteria for BC

The identification process shall be based on, inter-alia, the reputation of the individual/entity in terms of commitment, integrity and competency, governance structure, capability for proper maintenance of records and accounts, capacity to provide social support to poor and marginalized sections, grass root presence in the area proposed to be served by them and experience of prior relationship with the bank. The source of funds, if any of the entity, its deployment, etc, should be examined.

3.1 Business Correspondent:

- i. Should know Manipuri/local language/dialect.
- ii. Should satisfy the norms of due diligence.
- iii. Should have knowledge about the area.
- iv. Should not affiliate to any political party /religious organisation.
- v. The organization/office bearers/members should not have any criminal record which should be verified from police record.
- vi. The BC in case of individual should be referred by two customers of our bank having satisfactory dealings or two reputed persons of the locality known to the bank.
- vii. In case of an organisation, it should have satisfactory track record so as to ensure that they have the aptitude and capability to perform the role of business facilitator.
- viii. Should not be a defaulter borrower to any bank.
- ix. Should not a BC of any bank.
- x. Persons/organizations with satisfactory dealings with the bank should be preferred.
- xi. Minimum education qualification for individual Business Correspondents should be Xth standard pass.
- xii. The Individual BC should be a permanent resident of the area in which he proposed BC to operate and must have resided there for a period not less than 10 years.
- xiii. Age in respect of individual BC should not be less than 25 years and not exceeding 65 years at the time of selection. Individual BC should continue till the age of 70 years subject to annual review.
- xiv. In case of individual, he should not be a Director or officer/ employee of the bank or a relative having the same meaning under section 6 of the Companies Act, and in the case of an entity, it should not be owned or controlled by such persons.
- xv. Should enjoy good reputation and stature and have the confidence of the local people.
- xvi. Should have the capability for proper Synthesizing of information, documentation, maintenance of records and accounts.
- xvii. Should have the capacity to provide social support and guidance to poor and marginalized sections.

- xviii. Should have commitment for social action and capacity building, should be non-discriminative, secular, non-exploitative, transparent and have good governance structure (Code of ethics).
- xix. Should have significant rural/ semi-urban presence.
- xx. The entity should have satisfactory track record and should be able to generate the funds required for rendering the services.
- xxi. Ability to invest in Point of Service (POS) devices and other equipment.
- xxii. Ability to retain the required cash balance at Point of Sale and the balances in the Current account on continuous basis.
- xxiii. Preference should be given to well regulated entities.

Due diligence should involve an evaluation of all available information about the service provider, including but not limited to:

- i. Past experience and expertise to implement and support the proposed activity over the contracted period.
- ii. Financial soundness of the service provider and ability to fulfil commitments even under adverse circumstances.
- iii. Business reputation and culture, compliance, complaints and outstanding or potential litigation.
- iv. Security and internal control, audit coverage, reporting and monitoring environment, Business continuity management.
- v. External factors like political, economic, social and legal environment, of its jurisdiction in which the service provider operates and other events that may impact service performance.
- vi. Ensuring due diligence by service provider of its employees.

3.2 Appointment of Sub-agents by BCs:

- a) In case, duly appointed BCs as entity of the bank desire to appoint Sub-agents at the grass root level to render the services of a BC, Bank have to ensure that:
 - i. The Sub agents of BCs fulfil all relevant criteria stipulated for BC in terms of the extant guideline.
 - ii. The BC appointed carries out proper due diligence in respect of sub agents to take care of the reputation and other risks involved.
 - iii. The distance criteria of BCs as applicable from the place of business and base branch in rural, semi urban and urban centres should invariably be fulfilled in case of all sub agents.
- b) Individual BC is not permitted to appoint Sub-agent.

3.4 Adoption of appropriate technology:

The Bank may utilise the following available ICT solutions for financial inclusion:

- i. Micro ATM.
- ii. EMV card.

Bank will however also explore to avail the future technological developments in this area. However security, confidentiality, integrity, interoperability among the systems adopted by different banks, etc will be guiding factor for adoption of ICT based solution.

4. Activities to be undertaken

4.1 Activities to be undertaken by the Business Correspondent.

The scope of activities to be undertaken by the Business Correspondent will include:

- i. Opening of "No- Frill" deposit accounts under ICT based financial inclusion.
- ii. Accepting of small value deposits.
- iii. Paying for small cash withdrawals.
- iv. Disbursal of small value credit.
- v. Collection of small value deposits per month.
- vi. Receipt and delivery of small value remittances/other payment instruments.
- vii. Payment/Receipt in respect of e-governance activity.
- viii. Recovery of principal/collection of interest subject to the fulfilment of conditions as stipulated in RBI guideline on engagement of Recovery Agent.
- ix. Sale of Micro insurance/mutual fund products/pension/other third party products.
- x. In respect of all such transactions, the BC/its agent will be authorized to accept/deliver cash either at the place of work or any convenient location subject to ceiling of Rs.10,000/-per customer per day. The total transaction in a year should not exceed Rs.1.00 lakh per customer.
- xi. Furnishing of mini account statement and other account information.
- xii. Any other services on behalf of the Bank, duly authorized by the appropriate authority.
- xiii. The activities to be undertaken by the Business Correspondents would be within the normal course of the Bank's banking business, but will be conducted through and by the entities indicated above at places other than Bank's premises. The BC will be linked to a nearby branch (link branch/base branch).
- xiv. Preliminary processing of loan applications including verification of primary information/data.

5. Selection procedure for Business Correspondent:

- i. The selection will be made at Head Office level and the selection committee will consist of Managing Director/CEO, Deputy General Manager, Assistant General Manager (Accounts), Assistant General Manager (Loans & Recovery) and Chief Officer (Information Technology). The Managing Director will act as Chairman of the Committee and Deputy General Manager will act as member secretary to the Committee.
- ii. After formation of the committee, advertisement will be inserted in a widely circulated local daily newspaper containing the salient features for selection and engagement of BCs. In the advertisement, it should be made clear that calling an application shall not be construed as right for selection and the Bank reserves its right to select/reject the application on merit.
- iii. The advertisement may be waived at the discretion of selection committee in the following cases.
 - a) Reputed corporate having IT enabled rural outlets or entities with an established presence. (i.e. Reliance, ITC etc.)
 - b) When BC is a government Department (e.g. India Post).
 - c) PACS/Societies/NGOs/MFIs already financed by the bank whose repayment and performance is satisfactory.
- iv. The applicant for BC will submit his/her application in the prescribed format to Head Office through any of the branch in its area of operation. Application form may be available at Bank's Head Office or branches.
- v. The Deputy General Manager with assistance of other officers at Head Office will scrutinise the applications for selection of BC, carry out due diligence.
- vi. Local enquiries and field survey will be conducted by involving officials, as decided by the Selection Committee and may include officials of Head office, Branches of bank to assess the availability of infrastructure, equipment, manpower as well as reputation of the applicants.
- vii. The Selection Committee at their discretion may call short listed candidates for personal interview.
- viii. Based on above selection process, the Selection Committee will select the most suitable entities/individuals. The number of entities/ individuals will be selected based on eligibility/potentiality of the business.
- ix. During the selection process, it will be made clear to the selected entities that they/their agents will render services to the bank on contract basis with payment of service charge/fee depending on work/performance and there will be no employer employee relationship between the bank and the BC.
- x. The selected BCs will be enrolled by the Managing Director with exchange of an engagement letter along with code of conducts in details.

- xi. An agreement will be entered into by the BC with the bank. The Agreement will be signed by the Managing Director on behalf of the Bank. The agreement will contain the terms and conditions, incentives, structure and such other details of the engagement.
- xii. A suitable Fidelity/secretcy undertaking shall be obtained from BCs.
- xiii. The original Agreement with BC will be kept at Head Office, and the copy should be kept at Branch offices where the service of the BC will be utilised.
- xiv. The BC will furnish a list of authorized agents proposed to be employed by him with details of their bio-data containing photograph, address, age, educational background, present occupation, monthly income details, details of existing banking arrangements (should not be a defaulter with any bank), area of operation and past experience, if any, related to banking & insurance. The lists of agents so proposed will be received by the Head Office where their services will be utilised and after getting examined by the concerned branches for suitability, the approval will be advised to the BC by Head Office.

6. Security Deposit.

(i) To mitigate agency risks, the Bank will obtain security deposit as mentioned below:

BC as entities: As a fixed percentage determined by the respective Selection Committee in terms of their expected business volume in a year with a minimum of Rs.1.00 lakh.

BC as individual: As a fixed percentage determined by the respective Selection Committee in terms of their expected business volume in a year with a minimum of Rs.0.25 lakh.

The security deposit should be kept in the form of RIP for a minimum period of 5 years at the rate applicable from time to time and should be kept lien with the concerned Branch. The safe custody receipt will be kept free of cost at the concerned branch.

(ii) Notwithstanding anything contained in Para No. 6(i), the Security Deposit requirement may be exempted if the responsibilities and duties of the BC is restricted to (i) Cash withdrawal and (ii) Remittance of funds only.

7. Service charge/fee for BC:

7.1 Loans and advance:

- i. For disbursement of loan, service charge should be @ 0.50% of total loan amount subject to maximum Rs.1000/- to be paid in the following schedule.
- ii. Recovery in standard loan account: 0.50 % of recovered amount.
- iii. Recovery in NPA up to Rs.1.00 lakh : 2 % of recovered amount
- iv. Recovery in NPA for loss and written off account up to Rs. 1.00 lakh: 5% of recovered amount.

7.2 Deposit account:

- i. Savings/RD account: Rs.5/- per account.
- ii. New Term deposit: 0.5 % of the deposit amount for term deposit of minimum six months tenure.
- iii. Proportionate service charge will be realized from the BC if the term deposit is prematurely closed before six months.
- iv. No service charge for deposit above card rate.
- v. No service charge for Bulk deposit, public sector, government deposit.
- vi. No service charge for NRE,NRO, FCNR deposit
- vii. No service charge for transfer of deposit from one branch to another.
- viii. No service charge for renewal of deposit.

7.5 Cash withdrawal: 0.5 % of the transaction amount.

7.6 Cash deposit: 0.5 % of the transaction amount.

7.7 Cash Management: 0.5 % of daily cash deficit at CSP level (Cash withdrawal-cash deposit)

7.8 Remittance: 1 % of the transaction amount.

7.8 Sale of Mutual fund/Bank insurance products/pension/any other 3rd party product: 10 % of the commission earned by bank.

7.9 The other charges payable by the Bank to BC are as under:

- i. BC having less than 500 customers - Rs.2,000/- per month.
(Customer handling & maintenance Fee)
- ii. BC having 500 customers or more - Rs.2,500/-per month.
(Customer handling & maintenance Fee)
- iii. USB Maintenance cost of BC
 - (a) BC having less than 500 customers - Rs.500/- per month.
 - (b) BC having 500 customers or more - Rs.750/- per month.

8. Duties and responsibilities of BC

- i. BC will be accessible to the account holder minimum 8 hours from 9 AM to 5 PM
- ii. BC will ensure that the outlets are manned by reliable and knowledgeable persons so that the business continuity is maintained.
- iii. BC will provide permitted Banking services on behalf of the bank.
- iv. BC will visit the households in their area of operation regularly.
- v. BC will maintain a Register to keep records of the persons contacted with full details of name, address, date of contact and outcome of the visit.
- vi. BC will carry with him the stationery items/brochures etc. relevant to Bank's Deposit/loan products and other financial products relating to cross selling.

- vii. BC will carry Identity card issued by the bank and produce the same before the customer on demand.
- viii. BC will explain the salient features of the Bank's products to the prospective customers.
- ix. BC will assist the prospective customer for completing the account opening form/loan application.
- x. BC will brand his name & code number on every application sourced by them.
- xi. BC will verify the primary information/details given by the applicant, will identify the customer and will make a recording of his verification /identification on the account opening form/loan application form.
- xii. The concerned BC, after the account is opened at the branch, will collect the chip based photo personalized prepay card against dated acknowledgement in a register maintained at the branch for the purpose.
- xiii. The BC will upload the details of the applicant enrolled during the day to pre-paid host from a web based interface/CBS or any other manner as may be specified.
- xiv. BC will deliver the account opening forms (after accounts are opened by him) and loan applications to the identified link branch against acknowledgement.
- xv. BC will accept /disburse cash by undertaking transaction through ICT based solution.
- xvi. BC will issue system generated printout of cash transaction immediately and mini statement to the card holder on demand.
- xvii. BC will ensure that the daily cash withdrawal limit does not exceed the threshold limit fixed for such accounts by the bank and advised to him from time to time.
- xviii. List of Dos & Don'ts will be displayed by the BC at their outlet and a copy to be provided to the customers along with the account opening forms/loan applications.
- xix. BC will display the Bank's products at their outlets.
- xx. BCs will obtain suitable cash insurance cover for holding cash overnight and in transit and also to obtain fidelity insurance cover for their agents.(BCs only)
- xxi. BC will claim the commission/service charge due from the respective link branch at the end of every month.
- xxii. BC is prohibited from charging any fee from the customer directly for services rendered by them on behalf of the bank.
- xxiii. BC will educate customer about terms of sanction of loan, repayment and recovery.
- xxiv. BCs will account for and reflect the transaction in the Bank's book by the end of the day or next working day of the transaction. The transaction should be accounted for in the Bank's book latest by the end of the second working day from the date of transaction.
- xxv. BC or its agent will handle their responsibilities with care, diligence and sensitivity.

- xxvi. BC should ensure that their agent conduct all financial transaction on line. If transaction are conducted off-line mode, in case connectivity is temporarily not available then they should ensure to account for and transfer all the receipts and payments to the pre-paid host server as soon as connectivity is restored. Under no circumstances transfer to pre-paid host server of such off line transaction beyond 24 hours of the connectivity being restored.
- xxvii. During recovery procedures, BCs will adhere to Bank's Fair Practice Code for Lenders. The BCs will refrain from any action that could damage the integrity and reputation of the Bank and observe strict customer confidentiality.
- xxviii. BC will not resort to intimidation and harassment of any kind, either verbal or physical against person in their recovery process.
- xxix. BC should adhere to the Code of Conduct in letter and spirit failing which penal provisions including termination of agreement would be attracted.
- xxx. A complaint book will be maintained by the BC at their outlet to enable the customers to records their complaints, if any.

9. Duties and responsibilities of Base branch:

- i. To develop contacts with NGOs, MFIs, working Co-Operating Societies, Post Office, community based organisations, etc and seek their help in identifying suitable BCs.
- ii. To identify potential villages for BC initiatives.
- iii. To help the Head office in selection of BC by undertaking field visit and local enquiry to verify the particulars of the BC, to assess the availability of infrastructure, equipment, manpower as well as reputation of the applicants.
- iv. To maintain a list of all BCs and their authorized agents attached to it and to display their names and address prominently in the notice board.
- v. To ensure wide publicity for engagement of BCs
- vi. To designate a suitable officer to deal with the implementation and operation of BC model, closely monitor the activities and performance of BCs and to bring to the notice of the branch head the lapses/violation of terms and condition of the BC, if any. However branch head will also remain equally responsible for proper monitoring, follow up and supervision of the functions of the BCs of the Branch.
- vii. To appraise the empanelled BCs about bank's brand equity, product features, KYC norms, expectations & Goals.
- viii. To explain the roles and responsibilities of the BC and to clear their doubts.
- ix. To supply adequate number of account opening forms/loan applications to the BCs for their use.
- x. To receive back completed account opening form along with documents for compliance for KYC norms.
- xi. To ensure compliance of KYC formalities.
- xii. To keep custody of account opening form received from BC.
- xiii. To upload the account opening information to prepaid host/CBS server through web interface, wherever warranted by the process.
- xiv. To provide support to the BCs for inflow and outflow of cash for operation purpose.

- xv. To arrange payment of service charge/fee to the BCs on the basis of their actual performance on monthly basis after deducting TDS and issuance of TDS certificate.
- xvi. To watch the performance of accounts brought in by BC and to rate the agencies on the basis of performance of the account. The assessment shall include the remoteness of the accounts brought in, the types of the client, the regularity of the savings/credit usage and repayment, upkeep of records etc
- xvii. The supervision/monitoring at the initial stage should be on weekly basis at least for six months, thereafter on monthly basis and advise controlling offices accordingly.
- xviii. To obtain feedback on each BC, from minimum 10 customers to be selected at random, per quarter to obtain feedback.
- xix. To recommend termination of inactive BCs
- xx. Ensuring list of Do's and Don'ts is made available to the customer in vernacular language.
- xxi. To undertake customer awareness and education programme regarding the BC Models.
- xxii. To undertake regular visit to outlets of BC, verify books and records of BC by the Branch Manager or authorized officer and to take necessary steps for improvement, keeping record of the same and reporting to controlling offices. These visits should initially be more frequent preferably once in a week and later could be fortnightly/monthly.
- xxiii. To Report any adverse feature/act of BC not in the interest of the bank to the controlling offices.
- xxiv. To control, supervise and monitoring of BC

10. Duties and Responsibilities of Head Office (General)

- i. To prepare corporate level action plan for BCs as well as action plan for implementation of financial inclusion by use of BCs.
- ii. To prepare and communicate Branch wise business plan for mobilizing business through BC.
- iii. To select and engage BC following procedure mentioned in the guideline.
- iv. To accord approval of agents to be employed by BCs for the branches after carrying out necessary due diligence.
- v. Act as process owner /planning.
- vi. To review the policy and procedures of BC model and suggestion for any modification, addition/deletion in the same.
- vii. To issue circular and communication to the branches for implementation of BC facility.
- viii. To review performance of the branches for implementation of BC model progress of financial inclusion.
- ix. To review and monitor the volume of the business generated by BCs.
- x. To look into the functioning of BC during the visits of the officials from Head Office to the branches.
- xi. To oversee the branch level monitoring mechanism for BCs.

- xii. To arrange training of agents of BCs through retired bankers, experts, specific training institutes etc.
- xiii. To keep custody of agreement with BCs and diarizing for renewals etc.
- xiv. To monitor and review branch wise performance of BCs.
- xv. MIS-collecting, collating and forwarding to Board/RBI/NABARD/Government as the case may be.
- xvi. Review code of conducts of BFs.
- xvii. To review the performance of BCs engaged and renewal of agreement.
- xviii. Review and re-fixing of threshold business limit at periodical interval.
- xix. To control, supervision and monitoring of BCs with the assistance of branches.
- xx. To ensure compliance to RBI, NABARD, Government guidelines and communicate with them.
- xxi. To maintain a central record of all engaged BCs.
- xxii.. To undertake audit of BCs engaged by the bank.
- xxiv. Launching of products and services suitable for financial inclusion.
- xxiv. To ensure prompt and proper Redressal of grievances of customers for the outsourced activities.

11. Duties and responsibilities of Head Office (computer department):

- i. Selection of appropriate technology to scale up financial inclusion efforts with necessary care to ensure that solutions are highly secure, amenable to audit, and follow widely-accepted open standards to allow inter-operability among different systems adopted by different banks.
- ii. Selection of Technology vendor for hard ware, soft ware and connectivity under ICT based financial inclusion involving BC.
- iii. To facilitate selection of BC
- iv. Signing of MOU with technology provider.
- v. Supervision and Monitoring of ICT solution under financial inclusion with BC Model.
- vi. Provide support for verification of enrolled data and uploading data in link Branch for opening of No-frills account
- vii. To ensure the preservation and protection of the security and confidentiality of customer information in custody or possession of BCs under ICT solution.
- viii. To ensure appropriate checks and control for technology related operational risks like failure, fraud, error, etc.
- ix. Co-ordination with technology vendors for all data/IT/ CBS related issues
- x. To review the performance of the technology vendors and renewal of service contracts at regular intervals.
- xi. Audit of the technology vendor.
- xii. Payments of bills of technology provider.

12. Compliance with Know Your Customer (KYC) norms.

- i. Bank will be responsible for compliance of KYC norms. RBI has, however provided sufficient flexibility, especially in case of BCs. In addition to introduction from any person on whom KYC has already been done, any certificate of identification issued by the Business Correspondent (Who is an existing account holder), Block Development officer(BDO), head of village panchayat, Post Master of the Post office concerned or any other public functionary known to the bank.
- ii. Simplified KYC norms as proposed by RBI and modified from time to time will be observed in respect of accounts opened by BC under this model for no-frill accounts.
- iii. On receipt of Application Forms in respect of Account opened by the BCs, link branch will arrange verification of particulars of the account holders in respect of minimum 5 % of the accounts so opened, through arranging personal visits.
- iv. Detailed KYC norms will be observed by Bank if the balance crosses the threshold limit of Rs.50,000/- or yearly credit in all the accounts taken together exceeds Rs.1.00 lakh

13. Monitoring of performance of BC

- i. The BCs will submit village wise performance report to the link branch at monthly interval office in standard format containing the following reports.
 - a) No. & amount of new deposit accounts sourced (SB/TD)
 - b) No. & amount of loan application sourced – of which loan application sanctioned, loan application disbursed, loan application rejected, loan application pending.
 - c) Cross selling: No. & Amount
 - d) Receipt & Payment of cash (No. & amount)
 - e) Recovery of loan (No. of accounts & amount)- of which recovery from live account, NPA and written off account.
 - f) Awareness meeting organised: No. of meeting and No. of person attended the meeting.
- ii. The performance will be measured with reference to the target assigned to the BCs
- iii. The deficiencies both for qualitative and quantitative will taken up with the concerned BCs and to be followed up for improvement.
- iv. The Branches will submit the report to the Head office at monthly interval.
- v. Persistent deficiencies should be separately reported to the Head office for necessary action.
- vi. The Head office will measure the performance with reference to branch level plan for BCs. It will review the performance, working and conduct of BCs and will take necessary steps for improvement of performance of BCs. The Head office will take a view on persistent deficiency reported by Branches.

- vii. Head office will review the performance, working and conduct of BCs on the basis of report received from branches and will take necessary corrective steps for improvement of performance. The Head office will take a view on persistent deficiency of BCs reported by branch offices. Head Office will measure the performance with reference to the corporate level plan for BCs and submit consolidate report to Board on quarterly basis for review.
- viii. To enable reporting on the desired line, a unique reference number should be allotted to the BCs which are to be made a part of every transaction emanating from the BC concerned.
- ix. The reporting format for monitoring performance of BCs will be prepared by Head office. A software meant for monitoring performance of BCs may be identified and put in place with the help of computer department.
- x. The Format for inspection and audit may be developed by head office inspection department.

14. Review / Renewal of services:

- i. In first year : Half yearly renewal of service
- ii. Subsequent Year: Yearly renewal of service
- iii. The review will be carried out by the selection committee.
- iv. The periodicity for renewal of BC may be changed at the discretion of the selection committee.
- v. The Agreement will be renewed on expiry of the same or three years from the date of agreement whichever is earlier.

15. Custody of Agreements/MOU entered into with BCs

- i. The custody of agreement and responsibility of renewal rest with the Head office for all BCs engaged by the bank.

16. Termination of Agreement:

On review, if it is observed that any of the terms and conditions of the MOU/code of conduct was violated by any agent of BC, the bank's approval in respect of the concerned agent will be withdrawn and will be conveyed to the concerned BC, which have to withdraw the agent with immediate effect. If the BC happen to be individual, the arrangement with BC will stand terminated.

The decision in this regard will be taken by the selection committee on recommendation of Branch.

The service of BC's will be terminated on the following ground:

- i. Submission forged documents indicating dishonesty or lack of integrity.
- ii. Leakage of customer's data.

- iii. Failure to meet statutory liabilities, in turn which may fall on the bank as principal
- iv. Involvement of fraud.
- v. Any other action/act of the BC which is detrimental to the interest of the Bank.

The termination of BC will be widely publicised through newspapers, notice in Branches etc. The identity card issued to the concerned BC will be taken back and destroyed and suitable noting should be made in the identity card issue register. The list of such terminated service providers along with reason of termination shall be informed to the IBA so that IBA can include the name in their caution list for sharing amongst the Banks.

17. Payment of Fees to the BFs/BCs:

The BCs will submit the claim of service charge to the link/base branch on monthly basis along with monthly returns. Branch Manager will pay the service charge to the BC as per approved rate after making proper scrutiny of Bills and approval from Head Office. The payment of service charge after deducting TDS will be made by creating a new PL account in CBS system in the name "Service charge paid to BC". The payment of fees will be made by the link/base branch within the first five working days of the month succeeding the completed month by way Banker's cheque or credit to BCs account.

18. Cost of Point of Service (POS) and other equipments:

In terms of RBI circular no.DBOD.NO.BL.BC.63/22.01.009/2009-10 dated November 30,2009 Bank will bear the initial set up cost and other costs of the BC and will extend a handholding support to the BCs, during the initial stages at least for one year.

19. Financial education and consumer protection:

It is the responsibility of the bank to take proactive steps as below to ensure that disputes are kept at minimum:

- i. Bank will educate its clientele in their respective vernacular language regarding the benefits of banking habits.
- ii. Sufficient publicity should be given regarding the appointment of BC and the outlet/agent by holding meetings in the villages and/or through notifications published in the local newspapers in the regional languages. In addition, notices may also be displayed in the village panchayat office and the link branch.
- iii. Information regarding BCs engaged by banks should be placed on the Bank's Website.
- iv. The Annual Report of the Bank should also include the progress in respect of extending banking services through the BC model and the initiatives taken by Banks in this regard.

- v. Bank will take necessary measures to ensure the preservation and protection of the security and confidentiality of the customer information in the custody or possession of the BCs.
- vi. Bank will educate the customers through various print and electronic media about the care to be exercised by them when transacting at the BC outlet, the role of the BC and their obligation towards the customers, in vernacular language.
- vii. While opening accounts, a complete list of Dos and Don'ts relating to their actions with BCs in the local language should mandatorily be made available to the customers at the BCs outlets. These are also to be explained to the customers at the village level meetings to be held by the branches.
- viii. Bank will put in place an appropriate grievance redressal mechanism.

20. Redressal of Grievances:

- i. The grievances of the customers in regard to services provided by the Business Correspondent shall be redressed properly without involving delay as per existing grievance redressal mechanism of the Bank which has been well publicized through notices displayed in branches/offices and placed on Bank's website prescribing time schedule for redressal of grievances are given below:
 - 7 days at Branch level,
 - 21 days at Head Office level
- ii. The Customer shall have the liberty and having option to approach office of the Banking Ombudsman concerned for redressal of grievance, if satisfactory response is not provided for by the bank within 60 days from the date of lodgement of complain.

21. Risk Factor & Risk Mitigation:

Bank's policy on "Managing risks & code of conduct in outsourcing of financial services" identified risks associated with outsourcing of financial services which are as follows:

1. Strategic Risk- the service provider may conduct business on its own behalf, which is inconsistent with overall strategic goals of the bank.
2. Reputation risks- poor service from the service provider, its customer interaction not being consistent with the overall standards of the bank.
3. Compliance Risk- Privacy, consumer and prudential laws not adequately complied with.
4. Operational Risk –Arising due to technology failure, fraud, error, inadequate financial capacity to fulfil obligation and /or provide remedies.
5. Legal risk- includes but is not limited to exposure to fine, penalties or punitive damages resulting from supervisory actions, as well as private settlement due to omission and commission of the service provider.

6. Exit Strategy risks- Risks arising from over-reliance on one firm, the loss of relevant skills in the bank itself preventing it from bringing the activity back in-house and contracts entered into where in speedy exit would be prohibitively expensive.
7. Counter party risks- Due to inappropriate underwriting or credit assessment.
8. Country risk: Not applicable as BC & BF should be permanent resident of the area of operation.
9. Contractual Risk- Arising from whether or not the bank has ability to enforce the contract.
10. Concentration and systemic risk- Due to lack of control of the bank over a service provider, more so when overall banking industry has considerable exposure to one service provider.

It is therefore imperative for the bank to ensure effective management of risks. Some of the elements of checks that will be put in place by the Bank for the management of risks as described above are-

- i. Due diligence to be exercised at the time of selection of BF/BC to assess the capabilities of the service to comply with the obligations in the outsourcing agreement in regard to qualitative and quantitative, financial, operational and reputational factors .Compatibility of the service provider's system with bank's own system and their standard of performance including the area of customer service shall be taken care of. Where ever possible independent views and market feedback on the service provider shall be obtained to supplement Bank's own findings.
- ii. The reputational, financial and fidelity risks involved have to be assessed and managed by the bank through a process of formal rating of the institutions that will act as a support system.
- iii. The performances of the BCs are to be monitored at prescribed interval.
- iv. A well defined contractual agreement duly approved by the legal department of the bank on their legal effect and enforceability to be entered into between the Bank and BF/BC. Every such agreement should address the risks and risk mitigation strategies identified at the risk evaluation and due diligence stages. The agreement should be sufficiently flexible to allow the bank to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations. The agreement should also bring out the nature of legal relationship between the parties- i.e whether agent, principal or otherwise. Some of the key provision of the contract would be.
 - A. The contract should clearly define what activities are going to be outsourced including appropriate service and performance standards.
 - B. The bank will ensure that it has the right and ability to access all books, records and information relevant to the outsourced activity available with the service provider.
 - C. The contract will provide for continuous monitoring and assessment by the bank of the BCs so that any necessary corrective measure can be taken immediately.

- D. A termination clause and minimum periods to execute a termination provision, if deemed necessary, will be included.
- E. Service provider shall ensure access to customer information by its employee on need to know basis i.e. limited to those areas where the information is required in order to perform the outsourced functions.
- F. To ensure confidentiality of the customer data and liability of the service provider in case of breach of security and leakage of confidential customer related information.
- G. Contingency plan to ensure continuity.
- H. The contract should provide for the approval by the bank of the use of subcontractors by the service provider for all or part of an outsourced activity.
- I. The contract will provide the bank the right to conduct audits, on the service provider whether by its internal audit or external auditors, or by agents appointed to act on its behalf and to obtain copies of any audit or review reports and findings made on the service provider in conjunction with the services performed for the bank.
- J. Outsourcing agreements should include clauses to allow the Reserve Bank of India or persons authorised by it to access the bank's documents, records of transaction, and other necessary information given to, stored or processed by the service provider within a reasonable time.
- K. Outsourcing agreement should also include recognising the right of the Reserve Bank to cause an inspection to be made of a service provider of a bank and its books and account by one or more of its officers or employees or other persons.
- L. Maintenance of confidentiality of the customer's information even after expiry /termination of the contract.
- M. Preservation of data and documents by the service provider, in accordance with the legal/regulatory obligations of the bank.
- v. A code of conduct duly vetted by legal department for responsibilities of BC including adherence to banks fair practice code to be signed by BC.
- vi. Security deposit is to be insisted upon in terms of expected business volume in a year. It is proposed minimum security deposit for Rs.5000/- for BF individual and Rs.10, 000/- for a BF other than individual. In case of BC the minimum security deposit is proposed for Rs.0.50 lakh for an individual and Rs.10.00 lakh for others.
- vii. Provision of maximum cash limits both in terms of per client and per day transactions keeping in view, among others , the economic profile of the area, reasonability factors, track record of Business correspondent, etc.
- viii. BC and its agents are to be trained adequately to handle with care and sensitively to discharge their responsibilities in soliciting customers, hours of calling, privacy to customers information and conveying the correct terms and conditions of the product on offer and other relevant areas. Adequate ongoing training is to be put in place.

- ix. As a concentration risk management measures the exposure limit for business developed through an individual BC should not be more than 10 % of the total business developed by BCs collectively. The exposure limit for business developed by a BC other than individual should not be more than 30 % of total business developed by the BCs collectively. The exposure limit may be reviewed periodically on the basis of business developed through correspondent collectively as well as individually.
- x. The portfolio developed through the Business Correspondent may be segregated as easily identifiable in the bank's books/IT system. The portfolio shall be readily available for supervision and monitoring and for statistical compilations.
- xi. The Bank will take the steps to rate the Business Correspondent and only well rated agencies may be engaged. In the case of MFIs, the rating may be undertaken by independent agencies.
- xii. Use of technology based solution (ICT solution) that ensures proper authentication and other security measure to minimise the operational risks.
- xiii. Obtaining suitable cash transit insurance.
- xiv. Educating the customers about their responsibilities and the role of the BF/BC and their obligation towards customers.
- xv. To put in place an appropriate grievance redressal mechanism, this should be widely published and also be placed in public domain.
- xvi. Bank should insist on a to draw suitable business continuity plan, documented and should be made a part of MOU
- xvii. Surprise checks.
- xviii. Audit/inspection

22. Training to BCs

The bank will impart training to the BCs in the local language to provide proper attitudinal orientation and Skills to the BCs.

23. Temporary overdraft to BCs:

Reasonable temporary overdraft may be allowed to BCs to improve the viability of the BC. However, limit should not exceed 25 % of the security deposit or average daily net cash deficit (Cash payment – Cash receipt) whichever is lower.

24. Service charges to be levied from the customers by Bank:

Service charges will be levied by the bank in the following areas.

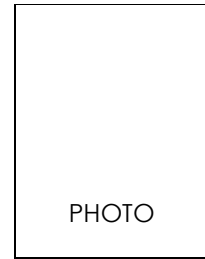
- i. Payment of wages under NREGA, payment of social security pension and payment of other Government benefits, if no transaction fee is provided by the concerned State Government/Central Government: 1 % of the transaction amount subject to minimum Rs.10/- maximum Rs.50/-.
- ii. Remittance of Fund (maximum Rs.10, 000/-): 1 % of transaction amount subject to minimum Rs.10/-.

25. Other conditions for engagement of BC

- i. Customer will also have the freedom to use branch banking facilities even though the Business correspondent are available in their locality or even if they are initially sponsored by Business correspondent.
- ii. All agreement/contracts with the customer should clearly mention that the bank is responsible to the customer for acts of omission and commission by the business facilitator/Business correspondent.

ANNEXURE-I

**THE MANIPUR STATE CO-OPERATIVE BANK LTD., IMPHAL.
APPLICATION FORM FOR BUSINESS CORRESPONDENTS (INDIVIDUALS)**



1. Location (Village/Town) - Location
- District
- State
- PIN
- Distance from Branch
2. Name (IN BLOCK LETTERS) -
3. Father's/Husband's Name -
4. Date of Birth -
5. Gender (Please Tick) - Male Female
6. Marital Status (Please Tick) - Married Unmarried
7. Education (Please Tick) - Below Class X Class X
 Class XII Graduate Post Graduate and above
8. Permanent Address - P. O. - Tehsil -
District -
State - Pin -
9. Communication Address - P. O. - Tehsil -
District -
State - Pin -
10. Telephone No. (With STD Code) - Residence
Office
Mobile
11. E-mail ID, if any -
12. Currently Banking with (Bank) -
13. Bank Account Number, if any -
14. Cheque Facility (Please Tick) - Available Not Available

15. Proof of Name (Please Tick) (Anyone) - Driving License PAN Card
 Voter's ID Card Passport

16. Proof of Address (Please Tick) - Electricity Bill (Latest) NSC (Copy)
 Telephone Bill (Latest) LIC Policy(Copy)
 Letter from Landlord Gas Connection

17. Present Business/
Occupation, if any

18. Computer Literacy Yes No

19. If yes, nature of qualification:

20. If you already own a business or are working your revenue/income per month is

- Less than Rs.1000 Rs.1000 – Rs.2500 Rs.2500 – Rs.4000
 Rs.4000 – Rs.6000 More than Rs.6000

21. Do you have any experience
In selling financial products?
If yes, give details

22. Languages known (say fluent/not so fluent)

Language	Read	Write	Speak
English			
Hindi			
Regional Language (Specify)			
Any other (Specify)			

23. No. of years of stay in the town/village

24. Do you have any police records? If yes, give details

25. Names, address and occupation of two people to whom reference
Can be made 1)
2)

26. Political Affiliation, if any :

27. Default if any to Banks/Financial Institutions :

28. Infrastructure available :(Office, Area, Location, Computer, Internet, Tel. No. etc.

29. Name of the Office from which retired.

30. Position at the time of retirement
(Please give brief of various positions held and role)

31. Any disciplinary action taken against you while in service
(If yes, please give details. Please enclose a certificate of Conduct from your last employer)

32. Particulars of liabilities.

33. Particulars of movable property and Investments

34. Particulars of Immovable Property

(A) Land:	Village	Survey/Patta No.	Area
(B) House/Flat	Location	Built Up Area	Year of Construction

(Property Document's extracts should be attached)

35. Are you willing to invest in the POS machine and other equipment required for carrying out transactions as Business Correspondents?

36. What is the cash balance you are ready to invest for making cash payments/receipt of deposits as Business Correspondent?

I Certify that the above information is true to the best of my knowledge and belief

Signature of the Applicant

Date :

Place :

Address & ID Proof *

* May be obtained from Sarpanch/Pradhan/Gazatted Govt. Servant/
Post Master/Tahsildar/Police Inspector/Govt. Teacher

Address & ID Proof

This is to certify that Mr./Ms./Mrs.....has been a resident of (Complete Address)

.....
foryears and holds a good character in the area. His photograph is herewith attested and I confirm the same. His date of Birth is
The distance between his village/town and Bank is approx.....Km.

Signature :

Name:

Address:

Designation (With Seal)

.....

Reference- I

I hereby certify that Sri/Smt.....has been a resident of
.....Village/Town ofDistrict in
.....State of period ofyears and has been known to me for
period ofyears

(Signature)

Name of Referee :

Address :

Designation/Title:

Reference- II

I hereby certify that Sri/Smt.....has been a resident of
.....Village/Town ofDistrict in
.....State of period ofyears and has been known to me for
period ofyears

(Signature)

Name of Referee:

Address:

Designation/Title:

ANNEXURE-II
THE MANIPUR STATE CO-OPERATIVE BANK LTD., IMPHAL.
APPLICATION FOR ENGAGEMENT AS BUSINESS CORRESPONDENT (ENTITY)

Instructions: Use additional sheets wherever necessary.
 Strike out whichever is not applicable

I. GENERAL INFORMATION

Name of the MFI/NGO/Entity (e.g. US 25 company)	
Legal Status (Registration No./type/FCRA Status & Date of Establishment)	
Name of Chief, Functionary and Designation	
Registered address of The MFI/NGO/Entity	State PIN CODE
Address for Correspondence	State PIN CODE
Telephone Number	
Fax	
E-mail id	
Website Address	
Contact Person's Name	
Phone Number	
E-mail id	

II. GENERAL INFORMATION

Mission
May be furnished in separate sheet
Vision
May be furnished in separate sheet
Objectives
May be furnished in separate sheet
Geographical areas of activity (Villages, district, blocks, taluk/ municipalities and states in India where active)

III. SPECIFIC INFORMATION (Names of members/Designation/Academic Qualification/Experience)

Governing Board				
Name	Designation	Academic Qualification	Background details	Membership in other Boards, etc.
May be furnished in separate sheet				

Executive Board

Name	Designation	Academic qualification	Background details	Membership in other Boards, etc.
May be furnished in separate sheet				

Advisory Board

Name	Designation	Academic qualification	Background details	Membership in other Boards, etc.
May be furnished in separate sheet				

IV. INFORMATION ABOUT MICROFINANCE PORTFOLIO

Microfinance (Qualitative)	
Since when are you offering microfinance services?	
What is/are the lending type(s) you use	<ul style="list-style-type: none"> • Individual lending • Group Lending • Group Assisted Individual lending • Mutual Credit Guarantee • Joint Liability Groups • Self Help Groups • Others (please specify)
Number of branches delivering microfinance services	
Number of staff engaged in microfinance services	
No. of Field staff engaged in microfinance	

Client Profile (as on last Quarter)	
Number of active clients	
Geographical distribution of clients	<ul style="list-style-type: none"> • Urban • Semi Urban • Rural
Percentage of women clients	
Number of borrowers	
Number of active borrowers	
Average Loan Size	
Please specify the percentages of the main enterprises for which the beneficiaries take loans	May be furnished in separate sheet

Microfinance products and Services (as on last quarter)	
Please give brief details about the various types of financial products and services you provide.	
Savings Products (please mention all the products under this category like saving deposits, recurring deposits, fixed deposits, etc.)	
Loan Products (please mention various type of loans that you provide under what category e.g. medical loan under Health)	
Insurance Products (Please give the name of Insurance Companies whose products you offer)	
Any other financial products	

Performance Profile (as on last Quarter)	
Cumulative Amount of Loans Disbursed (in Lakhs INR)	
Cumulative Number of Loans Disbursed	
Amount of Loan Disbursed in last 12 months (in Lakhs INR)	
Amount of Loan Outstanding (in Lakhs INR)	
Number of Loans Outstanding	
Average Interest rate on Loans (Please indicate the flat rate)	
NPA%	

Source of Funds	
Grants (Amounts and %)	
Debt (Amounts and %)	
Internal Funds (Amounts and %)	

For each of the above, please give the names of the Agency/Bank/Financial Institutions

Please Note:

This information should be accompanied with last two years' Audited Financial Statement.

Please feel free to provide any additional information or document in support of the information given below.

V. ORGANIZATIONAL PROCESSES

Please tick any one

Process definition is	<input type="checkbox"/> Done Verbally <input type="checkbox"/> Documented (enclosed copy) <input type="checkbox"/> Not Defined <input type="checkbox"/> Not Understood
Review of processes is	<input type="checkbox"/> Done Verbally <input type="checkbox"/> Documented <input type="checkbox"/> Not reviewed

Do you have process manuals maintained for critical processes? (those processes essential for achieving the core business/goals)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable <input type="checkbox"/> Not Applicable
Are these process manuals understood and implemented by the staff concerned (Tick One)	<input type="checkbox"/> Always <input type="checkbox"/> Never <input type="checkbox"/> Not Applicable
How do you educate your concerned staff members on the correct processes to be followed?	<input type="checkbox"/> Handouts <input type="checkbox"/> Training sessions <input type="checkbox"/> Presentations <input type="checkbox"/> They are put available at the website <input type="checkbox"/> They are put available at the library/files <input type="checkbox"/> Centre <input type="checkbox"/> They are not disseminated <input type="checkbox"/> Others
Do you have a well defined Management Information System (MIS)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
If the answer to the above is "Yes", is your MIS manual or computerized	<input type="checkbox"/> Manual <input type="checkbox"/> Computerized
Mention any best practice developed and implemented by you for microfinance practice (Use Additional Sheets if required)	
Do you have the capacity to handle cash management for the day-to-day operations? If so, please give details of how you will do this?	

VI. OTHERS

1. Do you work with any other Competitor Bank? If so, nature of work undertaken.
2. Are you partially/full controlled by any one who is an Officer/Director or UBI or related to an officer, Director of UBI?

VII. ORGANIZATIONAL STRUCTURE

<p>Please use this space to add your Organizational Structure chart.</p> <p>OR You may furnish separate sheet, if required.</p>

If you would like to add any other information about your activities. Please use this space.
 OR You may furnish separate sheet, if required.

--

VI. SWORN STATEMENT BY THE APPLICANT

I, the undersigned, being the person responsible in applicant entity for the action, certify that:

- i) The information given in this application form is true and correct to the best of my Knowledge, and
- ii) The entity does not fall under any one of the under noted categories -
 - a) Is bankrupt or is being wound up/ is having its affairs administered by the courts/ has entered into an arrangement with creditors/ has suspected business activities/ is the subject of proceedings concerning those matters, or is in any situation arising from similar procedure provided for an national legislation or regulations.
 - b) Has been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata (i.e. against which no appeal is possible).
 - c) Is guilty of grave professional misconduct proven by any means which the Award Partners and Jury can justify.
 - d) Has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provision of India.
 - e) Has been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity.

I am fully aware that any false declaration will lead to the exclusion of the entity from the selection process.

Name:	
Position;	
Signature;	
Date and Place:	
Seal:	

CHECK LIST FOR ENCLOSURES

- 1. Audited Financial Statements for the last two financial years.
- 2. Annual Report for the last 2 years (if printed).
- 3. One copy of photograph (passport size) of the organization's Chief Executive.
- 4. Copies of the certificate of registration authorized by independent authority.
- 5. Rating report from approved Rating Agency has been enclosed

Annexure-III

Indicative Parameters for Due Diligence (Annexure 3.2 of H.R.Khan committee report)

The due diligence on entities to be engaged as the Business Facilitator/Correspondent shall factor the key risks and other risks identified of different capacities of entities. Some of the indicative parameters for due diligence of MFIs/ other entities while considering agency /funding relationship with them are given below.

(A). Due diligence in case of NGO/ MFI

- (a) Charter and Registration – The foremost would be to examine whether the charter and objectives of the MFI / NGO permit it to undertake the kind of activities proposed, especially if it is some form of financial intermediation.
- (b) Presence in the area – MFI / NGOs with adequate presence in the area for a reasonable time period would be preferable, as they would have developed better networking and understanding of local conditions.
- (c) Management and Governance Structure - Many NGO/ MFIs are almost solely driven by the founders. It is essential to examine the composition of the governing body of the entity to assess if it can function independent of the promoter and if there is a second tier of management.
- (d) Manpower Quality and Retention Rates – The quality of manpower from the perspective of undertaking the new task needs to be assessed. If not available in sufficient number, plans of the MFI / NGO to strengthen their manpower through recruitment and training are to be considered.
- (e) Social vs. Profit Orientation – Often MFI / NGOs are social service oriented, which may hamper undertaking a task like financial intermediation. This needs to be carefully assessed as the two are vastly different competencies.
- (f) Accounting Systems – The accounting systems and methods need careful study, especially in case the MFI / NGO is being considered for acting as a financial intermediary.
- (g) Secular and Social Orientation – The MFI / NGOs should preferably be non-discriminatory on caste, gender, political affiliation and religious lines. While its work could focus of specific groups or communities, it should not have any negative discrimination. The commitment of the entity for catering to the unserved, poor, and disadvantaged sections including women, etc. may be seen.
- (h) Assessment of Donors Partners and Peers – Assessment of the MFI / NGO by the donors, partners and peers would be a crucial input in assessing the capabilities of the MFI / NGO. This can be obtained from independent discussions with the donors, partners and peers and the government agencies connected with such programmes.
- (i) Financial Reporting – The financial reporting of the MFI / NGO will indicate both the transparency and compliance to the laws of the land. It is to be seen whether there is consistency in financial reporting to the reporting authority, government, and donors etc.

(B). Due diligence in case of a SHG Federation like Societies under MACS

In the case of the federated structure, the strength of the federation would depend on the health of the constituent SHGs, as the financial assets would be with the members of SHGs. Hence, the due diligence parameters would be a little different from a typical MFI. Some parameters for rating a Federation could be as follows:

(a) Governance Related

- (i) The federation should have a system of rating its constituent SHGs at periodic intervals, preferably six monthly. At least 75% of the SHGs should be rated on all the defined parameters.
- (ii) The federation should be a registered body and have capacity to enter into legal obligations.
- (iii) The federation should have a defined area of operation and have only primary SHGs as members.
- (iv) The federation should have an elected board which should meet at regular intervals.
- (v) The accounts of the federation should have been audited and placed before the General Body within 6 months of the closing of the accounting period.
- (vi) The federation should have filed all the statutory returns before the appropriate authority.

(b) Finance Related

- (i) The federation should be in operating profit from the thrift and credit operations.
- (ii) The thrift collections at the SHG level should be at least 90% of the determined amount.
- (iii) The share capital mobilization should not be in arrears.
- (iv) The federation should demonstrate a repayment performance of 90% or more on a continuous basis.
- (v) At least 95% of the Loan Assets should be in performing category.
- (vi) The federation should have made adequate loan loss provisions.
- (vii) The federation should have defined exposure norms for individuals and groups.

(C). Due Diligence in case of other entities

In case of entities other than MFIs and NGOs, a due diligence may have to be more rigorous. The important aspects which need to be seen are :

- (i) details of incorporation and promoters,
- (ii) details of management staff including qualifications, experience, other business activities, financial status, etc.
- (iii) particulars of employee level expertise.
- (iv) type of infrastructure available,
- (v) financials position,
- (vi) present business relationships and their status and
- (vii) adherence to the various local rules and regulations.



**THE MANIPUR STATE CO-OPERATIVE BANK LTD.
(A GOVERNMENT OF MANIPUR SPONSORED BANK)
HEAD OFFICE: OLD ASSEMBLY ROAD.
IMPHAL-795001 (MANIPUR)**

**Telephone: (0385) 2451540; 2451378.
“MANICOBANK”**

E-mail: mscbltd@gmail.com

Advertisement for Engagement of Business Correspondents (BCs)

Dated, Imphal, the 8th July, 2020.

No. MSCB/301/2020-21/ Whereas the Manipur State Co-operative Bank Ltd. vide its Advertisement No. MSCB/301/2019-20/ dated 9th October, 2019 published in local dailies "POKNAPHAM" and "SANGAI EXPRESS (ENGLISH EDITION)" on 10-11th October, 2019 invites **applications for engagement as Business Correspondents (BCs)** for delivering banking services from individuals/entities;

And, whereas the management of the Bank has decided to invite applications once again from eligible individuals/entities;

Now, therefore, the Manipur State Co-operative Bank once again invites applications in the prescribed format from the following individuals/entities for their engagement as **Business Correspondents (BCs) for delivering banking services:**

- i. Societies registered under MCS Act, 1976/Mutually Aided Cooperative Societies Act (MACS).
- ii. NGOs registered under Societies Registration Act, 1980.
- iii. MFIs set up under Indian Societies/Trust Act/ Societies Registration Act, 1980/NBFCs.
- iv. Companies registered under section 25 of the Companies Act 1956.
- v. Post offices.
- vi. Retired Government Employees and Ex-servicemen.
- vii. Retired Bank employees who have retired on superannuation.
- viii. Farmers Clubs.
- ix. Retired School/college teachers.
- x. Authorised functionaries of well run Self Help Groups (SHGs) linked to MSCB Ltd.

Preference will be given to such entities which have presence and activity throughout the State of Manipur.

The terms and conditions will be as per the agreement to be entered into with the Bank.

The Bank reserves the right to empanel any individual/entity at its discretion. The Bank also reserves the right to reject any application without assigning any reason.

For eligibility criteria, services required to be offered on behalf of the Bank and application form, contact the Head Office of the Bank at Old Assembly Road, Imphal. Interested persons/entities may submit the prescribed application form at the following address:

“The Manipur State Cooperative Bank Ltd., Head Office, Old Assembly Road, Imphal, Manipur”.

The last date for submission of the application will be the **24th July 2020.**

Those who have already submitted their application need not apply.

Sd/-
(A. SUBHASH SINGH, IAS)
Managing Director.