Applications are invited for engagement of Business Associates (BAs) purely on contract basis for a period of One/Two years subject to annual review based on performance of the Business Associate in accordance with the agreement in the Chandigarh Circle having following States/UT: Chandigarh, Punjab, Haryana, Himachal Pradesh, Ladakh and Jammu & Kashmir.

Any Company defined by the Companies Act 2013 with large and widespread retail outlets, including Non-Banking Financial Companies (NBFCs) or Non-Government Organizations (NGOs) and Micro Finance Institutions (MFIs) set up under the Societies/Trust Acts and holding the proper MFI license subject to fulfilling eligibility criteria may apply for engagement as Business Associates for handling collection of Mudra Loans.

Further details regarding Eligibility Criteria, Selection Criteria and Procedure for Engagement of BAs, Category of Loan Accounts for Collection, Allotment of Accounts to BAs, Commission, Application form with documents check list can be obtained by visiting “SBI In the News” section on our official website https://bank.sbi.

Applications complete in all respects as per prescribed format along with relevant enclosures/documents addressed to the undersigned must reach on or before 31/03/2020 by 5:00 PM.

Deputy General Manager (SME)
State Bank of India
SMEBU, Department, 6th floor
Sector 17A, Local Head Office, Chandigarh-160017
1. **Eligibility for Engagement of Business Associates**

   a) **For Profit Companies:** Companies as defined by the Companies Act, 2013 with large and widespread retail outlets, including Non-Banking Financial Companies (NBFCs).

   b) **NGOs/MFIs:** Non-Government Organizations (NGOS) and Micro Finance Institutions (MFIs) set up under the Societies/Trust Acts and holding the proper MFI license as well as having minimum MFI grading & ECR as below:

2. **Selection Criteria and Procedure for Engagement of Business Associates (BAs)**

   **A) Selection Criteria:** The applicant must fulfill the following norms:
   
   i) Having substantial presence in the area, predominantly in rural/semi urban areas.
   
   ii) Should satisfy the norms of due diligence as laid down.
   
   iii) Should have knowledge of the area.
   
   iv) Should not be affiliated to any political party.
   
   v) Should have satisfactory track record of at least 2 years (organization)
   
   vi) Should not be defaulter to any Bank/Financial Institution.
   
   vii) The organization/officer bearers/members should not have any criminal record.

   Past dealings, if any, with the Bank should have been satisfactory.

   viii) Should not be a Director or officer/employee of the Bank or a relative having the same meaning under Section 2 (77) of the Companies Act 2013 and be owned or controlled by such Person(s).

   ix) Should be well established, enjoy good reputation and have confidence of the local people.

   **B) Selection Procedure:** The engagement of BAs at Circle level will be based on the fulfilling of eligibility criteria and Banks Norms and final selection will be sole discretion of the Bank.
3. **Category of Loan Accounts for Collection:**
   a) All standard Term Loan/Dropline OD with repayment under Mudra Loan.
   b) In case of Cash Credit/Overdraft Mudra Loans only RG 3 accounts will be allocated to BAs.

4. **Allotment of Accounts to BAs:** Allotment of Accounts to BAs will be done by the operating units viz., Branch/SMEC/RASMEC/RACC.

5. **Commission Structure and Payment:**

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<th>S N</th>
<th>Loan Category</th>
<th>Proposed Commission</th>
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<tbody>
<tr>
<td>1.</td>
<td>Term Loan/Dropline OD</td>
<td>Rs.200/- per installment (minimum collection to be one installment +overdue interest if any)</td>
</tr>
</tbody>
</table>

*Standard assets allotted to BAs will remain with them for recovery, if accounts turn NPA after allocation.

6. **Review/Renewal/Termination of Agreement:**
   i) Agreement shall be valid for a period of ONE/TWO years from the date of execution, unless terminated by the Bank by notice in writing in accordance with the termination clauses of the agreement. The services of BA will be reviewed after ONE year.
   ii) The Bank shall have the right at its discretion to renew the agreement in writing, for a further term of ONE year on the existing terms and conditions or the modified terms and conditions as may be mutually agreed between the parties unless specifically terminated by either of the parties as provided in the agreement.
   iii) On review, if any of the terms & conditions of the Agreement/Code of Conduct is found to be violated by BAs, the arrangement with the them would be terminated by the Authority Competent to approve the engagement.

7. **Code of Conduct:**
   BAs would follow Code of Conduct (contractual obligations/quality of services) framed by RBI/Bank/Other regulatory Authorities from time to time. It may include among other things, the following:
   i) BAs will handle their responsibilities with care, diligence and sensitivity.
   ii) During collection/recovery procedures, BA will adhere to extant instructions on Bank’s Fair Practice Code for Lending. The BA will refrain from any action that could damage the integrity and reputation of the Bank and observe strict customer confidentiality.
   iii) The BA will not resort to intimidation or harassment of any kind either verbal or non-verbal or physical, against any person in their recovery efforts.
   iv) BA is prohibited from charging any fee to the customers directly for services rendered by them on behalf of the Bank.
   v) BA require prior approval of the Bank for hiring Subcontractors to perform any function under the tie-up.
   vi) The BA will be solely responsible for the acts of their agents who conduct financials/non-financial transactions.
   vii) The BA should adhere to the Code of Conduct in letter and spirit failing which penal provisions including termination of arrangement would be attracted.
   viii) A suitable Fidelity/Secrecy undertaking will be obtained from BA.
   ix) BA should ensure the preservation and protection of the security and confidentiality of all customer information in their custody or possession.
   x) BA has to execute an agreement with Bank for this effect.
Annexure II

Application Form for Engagement of Business Associates (BAs) to Handle Collection of Mudra Loans

1. Applicant Name
2. Constitution: (Company/NBFC/NGO/MFI)
3. Address: Registered Office
4. Address: Corporate Office
5. Date of Incorporation/Establishment
6. Registration Number
7. PAN
8. Name of States/Circles where applicant is having presence.
9. Name of Promoters/Directors/Trustees/Office Bearers etc.
10. Existing Banking Arrangement (With Bank Names and Borrowing Details if Any)
11. External Credit Rating/MFI Grading (With Name of Agency and Expiry date)
12. Experience as MFI handling Asset Portfolio of self or other Financial Institutions (No of Years)
13. Number of IIBF certificate passed Debt Recovery Agents (DRAs)
14. Infrastructure available for collection and recovery (Name of IT systems and Capability to submit MIS)
15. Financial Performance

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Audited 31.03.2018</th>
<th>Audited 31.03.2019</th>
<th>Estimated 31.03.2020</th>
<th>Projected 31.03.2021</th>
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<tbody>
<tr>
<td>Revenue</td>
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<td>Profitability</td>
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<tr>
<td>Net Worth</td>
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Undertakings:
We hereby undertake that:
1. We are having substantial presence in the area of --------------
2. We comply all the KYC/AML/FEMA/Other regulatory guidelines.
3. Our Organization/Promoters/Office Bearers/Members are not affiliated to any political party.
4. We are not defaulter to any Bank/Financial Institution.
5. The Organization/Promoters/Office Bearers/Members are not having any criminal record.
6. Our Organization/Promoters/Office Bearers/Members are not Director or Officer/Employee of the Bank or a relative having the same meaning as defined under section 2(77) of the Companies Act 2013 and be controlled or owned by such persons).
7. All the information provided above are true and correct and no relevant information is concealed.

Checklist for Documents Enclosure:
1. Registration/Incorporation Certificate/PAN.
2. KYCs of Organization/Promoters/Office Bearers/Members.
3. Audited Financials for Last Two Years.
4. Copy of ECR/MFI Grading
5. Copy of IIBF Certificate Passed Debt Recovery Agents (DRAs)

“The Bank reserve the right to cancel/postpone/withdraw/modify/add/delete to this advertisement in whole or in part at its own discretion, at any stage without any notice.”