



BUSINESS CORRESPONDENTS POLICY
(FINANCIAL INCLUSION)

Confidential and Proprietary

(Reviewed on 20/12/2019 as per DBR/CRD/S-218/19-20)

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1. Introduction

In an era of heightened competition, thin profit margins and cost constraints, establishment of conventional bank branches in all locations cannot be a viable proposition. It is, therefore, imperative to explore the possibilities of other cost effective delivery mechanisms to reach out to remote locations and satisfy the financial needs of clientele at an affordable cost. Business Correspondent (BC) has been introduced in the banking sector with this end in mind. This is an efficient and effective tool for implementation of Financial Inclusion programme of Government of India.

Though there are manifold challenges like credit risk, operational risk, legal risk, reputational risk, difficulty in assessing the integrity of the agents, managing cost on low volume of business, and effective supervision and control of the activities, there exists the potential for employment generation, creativity and productivity in rural hinterlands for bringing about a comprehensive economic development in line with our avowed motto “ Experience the Next Generation Banking”, and the resultant benefits to the Bank.

The wholly outsourced BC model should complement our strengths to increase business volume and improve efficiency of operation. We have to ensure that the Business Correspondent meets the benchmark performance standards at all stages of delivery of services, and should not dilute Bank’s values and principles, control mechanisms, business processes or goodwill and reputation.

It is the policy of the Bank to Increase our market share through leveraging the Business Correspondent model of banking in locations where operating a conventional branch is unviable, and also for supporting branches in their endeavor for providing better service to the customers , particularly in rural areas.

2. Objectives:-

- ✚ To increase the outreach of our Services by providing comprehensive financial services such as savings, credit, remittance, and pension products at an affordable cost to the financially underprivileged masses across all under-banked and un-banked areas of the nation.
- ✚ To propagate financial literacy among the masses.
- ✚ To inculcate banking habit among the populace to increase their income and assets and thereby enabling them to contribute to the economic development of the nation.
- ✚ To implement Governments/ RBIs directives on Financial Inclusion and to achieve the targets allotted to the Bank.

3. Scope of Activities

- ✚ BC can be engaged only for activities specified by RBI.
- ✚ The activities of the BCs should be those falling in the domain of normal banking business.
- ✚ While BC collects the Proof of Identity/Proof of Address documents from the potential customers for on boarding from the field, the responsibility for ensuring KYC and AML compliance rests with the Branch officials. However, the BC can be empowered to certify the copies of the documents as "True Copy of Original verified", which is not a decision regarding the sufficiency of the documentation for compliance with KYC guidelines, which will be taken only by the Branch officials.
- ✚ The list of permitted activities for BC are given in **Annexure I**

4. Area of Operation

Area of operation should be based on Sub Service Area (SSA) as decided by State Level Bankers Committee(SLBC) /Lead District Manager (LDM) .

A Business Correspondent shall not be appointed in the village where our branch is located. The field BC / Individual BC may cover 2-3 contiguous villages and cater to 1000-1500 households based on sub service area approach. The Individual BC will be linked to a base branch, which would be our nearest branch to his area of operation, and would be under direct control and supervision of the Branch Manager of the Base Branch. The bank accounts serviced by the BC will have the Base Branch as its Home Branch and Base Branch should provide pass books to FI Customers.

Business Correspondents may also be appointed to assist Branches for serving Customers, other than in SSAs/villages allotted by SLBC, on specific request by branches duly recommended by the Regional Head.

5. Standard Operating Procedure and Logistics for BC:-

The Standard Operating procedure and logistics to be provided at the BCs is attached as [Annexure –II](#)

6. Eligibility Criteria & Selection Procedure:-

Individuals:-

- ✚ Education qualification should be minimum HSC or 10TH standard passed.
- ✚ Age should be preferably between 22 to 45 years (except retired persons- For retired person's age at entry should be less than 62).
- ✚ Person with basic computer literacy & accounting knowledge to be preferred.
- ✚ Candidate should have satisfactory association with Bank.
- ✚ Candidate should be resident of the village/area where he is supposed to be appointed.
- ✚ Knowledge of local area, language & culture is a must.
- ✚ Non affiliation with any political/religious organization.
- ✚ Absence of any criminal record(Police Verification Certificate should be produced)
- ✚ Referred by at least two persons acceptable to Bank.
- ✚ Due diligence involving candidate's reputation, financial literacy, cash handling capability, ability to implement technology to be done.

Other Norms /Guidelines for engagement of BC.

- ✚ The candidate should not be simultaneously working as BC for other Bank/Institution.
- ✚ Any relaxation in eligibility criteria to be recommended by Branch & Regional Head to Head of FIP Cell for approval.
- ✚ BCs shall be personally introduced to the villagers by the bank officials in the presence of village elders and Govt. functionaries in a public meeting so that there is no misrepresentation/impersonation.
- ✚ Bank shall provide village wise details of BCs / in Bank's website.
- ✚ The BC details of the branch shall be displayed in all base branches.
- ✚ Address of Banking Ombudsman shall be displayed at the outlets.
- ✚ No charge shall be levied directly by the BCs from the customer.
- ✚ Bank shall develop suitable training modules in local languages to provide attitudinal orientation and skills to the BCs.

Selection procedure:-

- ✚ HO FIP Cell decide the villages at which BC is required based on extant guidelines from SLBC of respective states.
- ✚ Branches may also represent to Regional Office/ Head office if they find appointment of BC attached to their branches is necessary owing to the circumstances prevailing in their area of operation.
- ✚ Branch office has to advertise in local newspapers through Media cell calling applications from eligible individuals/persons for appointment as BC. Notice for general public may be displayed at Branch Notice Board & Gram panchayat Office of the concerned village.
The format of advertisement is given in **Annexure- III** and can be downloaded from Bank's web site.
- ✚ The applications forms **Annexure – IV** should be submitted by candidates to respective Branch Manager who will send all the applications received to the Regional Office. The applications received from Branches to be sorted out by the concerned officer at Regional office & satisfy that the applications are in conformity with the eligibility criteria. Proper record of all applications received and the same to be persevered carefully up to 5 years after termination of the BC.
- ✚ After scrutiny of the application forms, the eligible individuals are to be shortlisted. Selection and appointment shall be after Interview conducted by Branch Manager who shall put up their final recommendations to Head of Financial Inclusion Department at Head Office through RO. Appointment shall be after due diligence and complying with complete KYC norms, including production of satisfactory police verification certificate.
- ✚ After selection & approval by Head of Financial Inclusion Department, an engagement letter (**Annexure-V**) incorporating terms and conditions of engagement, and duties, etc. to be issued to BC by the base Branch and his / her acceptance to be obtained by the branch.
- ✚ After acceptance of Terms & Conditions by successful candidate, Branch has to execute an agreement (**Annexure- VI**) explicitly incorporating payment structure in stamp paper of requisite value as per the state stamp Act .
- ✚ Necessary Identity Card (**Annexure – VII**) to be provided to BC as per Bank's format by HO FIP Cell.

7. Security Deposit:

A security deposit not less than Rs.50, 000/- per BC or the amount decided by the Bank from time to time shall be obtained from the BC.

The security deposit shall be held as interest bearing Term Deposit Receipt in the name of the BC under Bank's Lien at the base branch till the time BC works with us.

8. Training & Capacity Building:-

- ✚ After selection, the field BC has to be trained to equip him to perform his duties effectively. Technical training in operating Laptop / tablet & any other device will be provided by the HO FIP Cell.
- ✚ BCs are to be encouraged to undergo BCBF certification exam conducted by IIBF.
- ✚ Indicative list of training topics is given in **Annexure –VIII**

9. Access:-

- ✚ Public should have access to the BC point for availing services and there should not be any discrimination based on gender, caste, creed or social stratum.

10. Infrastructure Facilities:-

- ✚ BC has to procure a Laptop either from his own sources or by availing a loan from the bank specially

designed for the purpose so as to enable him to serve the customers through Kiosk Banking model. In case of technology up gradation , bank may decide to procure suitable Hand Held Terminal /Micro ATM and provide it to the BC

11. Suggestions and complaints:-

- ✚ Complaints register to be maintained as per Bank's policy on grievance redressing at Base Branch.

12. Working Hours:-

- ✚ Normally the working hours of the BC should be the office hours of the Bank. It could, however, vary depending on the local needs with prior consent of the base branch. However all the BCs should be present at their established residence or at any other convenient location owned or leased for the purpose of this activity during 03.00 Pm to 05.00 Pm on all working days.

13. Leave of absence of BCs:-

- ✚ The BC would be functional on all days of operation of the Base Branch. The BC's shall be entitled to a day's leave for every month, non-cumulative, with prior approval of the Base Branch Manager. In the event of unanticipated absence of BC due to illness or other untoward incidents the base branch has to carry the routine business until the BC operations resumes.

14. Duties and Responsibilities of BCs:-

- ✚ The BCs are to carry out their assigned jobs on behalf of the Bank duly authorized by Competent Authority with utmost care, devotion, prudence, diligence and with the highest degree of integrity to enhance the Bank's interest and image.
- ✚ Dos and DONT's for BCs are given in Annexure IX

15. Commission package:-

The commission package to BC's is proposed with a view that they need to be incentivized so that individuals with right attitude and skills are drawn to our bank to get engaged as BCs and they are retained in our system. It will also help the Bank to utilize their services for Business development.

Commission package has two components. Fixed and variable.

Fixed commission.

Business Correspondents who do minimum 100 transactions through Laptop/Hand Held Terminal are eligible for fixed monthly commission as decided by the bank from time to time. Those who fail to achieve 100 transactions per month will be receiving one half of the maximum fixed commission.

Variable commission.

In order to encourage Business Correspondents to improve the transaction levels, and to contribute for Business Development, the Bank may pay Transaction Incentives to the Business Correspondent based on the number and amount of transactions done through Hand Held Terminal. Variable incentive will also be paid for lead generation of Deposit/Loan / third party Products/social Security Schemes and also for abetting NPA recovery.

Both fixed and variable commission will be as decided by the Bank from time to time after obtaining approval from MD & CEO.

In event of System Maintenance, Server Down and any other issues:-

In the event of system maintenance or server down and any other issues where the Business Correspondent is unable to service the customers transaction through HHT, Business Correspondent may direct the customers to the nearest or Base Branch of the customer. Branch to follow the normal business rules to deliver the service to the customer.

16. Claim Procedure & Time schedule:

The branches shall submit the incentive claim form to Head Office on or before 05th of the following month. The Head office FIP Cell shall scrutinize the claims, and accord sanction for the same to the branch concerned on before 10th. On receipt of sanction from HO, the branch shall debit the same to General Expense – Manpower supply heads - Business Correspondents (001) and credit to Savings Bank account of the BC, duly obtaining an acknowledgement. All the relevant papers as above shall be kept and preserved in a separate file for verification and record management. The internal Inspectors/ FI coordinator / other visiting dignitaries may verify the correctness of incentives paid to the BCs and report deviations if any.

17. Monitoring of activities of BC by Branches & Regional Offices:-

As Bank runs the reputational risk while managing the BC, branches & Regional Offices must closely watch and monitor the activities of BC engaged by them. In this regard the following points need special attention.

- ✚ The primary role of BC is to provide doorstep services to rural customers of bank. Therefore non-performance by any of the BC should be viewed seriously by Branch Manager & Regional
- ✚ Branches have to ensure that BC does not function from the branches, unless he is appointed specifically to assist the branch in serving customers at the premises. His/ her primary responsibility is to work in the allotted village and to provide doorstep services to customers.
- ✚ It should be ensured that BC is not working in the branch in the place of regular staff.
- ✚ The Branch should take care to ensure that BC does not involve in day to day functioning of the branch and there should be clear demarcation for his area of operation..
- ✚ The designated officer of the base branch should make surprise visit at BC location every month to check physical verification of cash with BC and also to have interaction with the customers for getting feedback on the service quality of the BC.
- ✚ Regional Office executives, during their visit to branches should obtain the feedback about BCs functioning particularly relating to following aspects-
 - ✓ BC visits the branch for cash management, document submission & related purposes only.
 - ✓ BC agreement should be renewed in time
 - ✓ The complaints are dealt with promptly by the Branch.
 - ✓ Branch is properly monitoring the activities of BC.

18. Identity Cards:-

Laminated Photo Identity Cards shall be provided to the BCs. This would be issued by the Head Office-FIP cell and shall be valid for the contract period. Annexure VII

On demitting the job, the BCs has to surrender identity card at the Base Branch.

19. Overdraft Facility to BCs:-

The responsibility of cash management is with BC. However, for carrying out transactions in the field, all BCs

are permitted to retain up to Rs.50, 000/- provided to them in the form of an interest-free, margin-less overdraft. The sanctioning authority of the OD limit is the Branch head of the Base Branch and the sanction is based on the transactions turnover of the BC. HO-FIP Cell is empowered to enhance the OD limit, up to 110% of the average per day withdrawal transactions done by the BC for the previous Month, based on the recommendation of the Branch and the RO. A matching enhancement in the interest bearing security deposit should be brought in by the BC, before availing the enhanced OD limit. All cash transactions done by BC shall be routed through his / her current account. The balance in the current account represents cash held with BC and is reckoned as Cash in Hand for the Bank for all regulatory purposes, which should be used to close the Overdraft account on every Thursday by EOD. The BC should execute DPN **Annexure X** with the Base Branch in order to avail OD.

20. Insurance:-

BCs are required to receive/carry/store and travel with Bank's cash in their normal business activity. Insurance policy covering the risks associated with the attendant risks for the maximum such exposure should be ensured by HO-FIP cell always.

21. Grievance Redressing Mechanism:-

For redressing grievances about deficiency in services rendered by Business Correspondents, a Grievance Redressal Mechanism needs to be setup in our Bank. The grievances may be taken as a feedback on our services and used as a tool to improve the quality of our services.

The escalation matrix of grievance redressal mechanism, which should be made available in the specimen notice board is given in **Annexure XI**.

22. Fraud:-

Immediately on detection or suspicion of any misappropriation or malpractice, a flash report should be sent to Vigilance Department, at Head Office by the Branches through their respective Regional Offices with a copy marked to Financial Inclusion Cell, CR Dept.

23. Period of Engagement & Review:-

Initially, the period of engagement as a BC shall be Six Months, with a clause of termination without assigning any reason at the option of the Bank by giving 30 days advance notice.

Performance will be reviewed on a monthly basis. The ineffective BC should be removed/ replaced. Satisfactorily performing BCs may be allowed to renew for further period of one year each at a time.

The lead indicators of performance would be business mobilization and absence of customer complaints.

24. Disengagement/annulling the services of BC:-

The performance of the BC's shall be reviewed, by the FIP Cell on a monthly basis initially for the first three months from the beginning of operations and thereafter on a quarterly basis. The Bank reserve the right to terminate the contract with any BC at any point of time if:

- a. The services are found to be unsatisfactory;
- b. There is a consistent failure to maintain customer satisfaction;
- c. The desired levels of output by the Business Correspondent are not met;
- d. Misappropriation of funds or fraud committed by the Business Correspondent are reported.
- g. Any other reason which, in the opinion of the Bank is not conducive to the Continuation of the Services of the Business Correspondent.

Before terminating/annulling the contract with BC, Branch needs to serve the BC a prior written notice specifying the defects in services of the BC and ask him/her to rectify the defects within a period of 10 days. In case the defects are not rectified, branch has to take approval from HO FIP Cell on the recommendation of Regional Office for serving 30 days prior Notice for termination of the services of the BC.

- ✚ Branch should ensure that due to annulling of contract with BCs, services to village should not be halted for long. Business continuity plan to be put in place and Branch should immediately find necessary steps to engage an eligible BC.
- ✚ The BCs will also submit the complete reconciliation details of cash, equipment, books and ledger, and surrender them before leaving. Dispensing with the services of the BCs is to be given wide publicity in the Sub Service Area so that the customers do not deal with him as an agent of the Bank after termination of the service by the Bank.

25. Consumer Protection Measures:-

Customer satisfaction is of supreme importance while rendering Banking Services. The Bank would take all steps to protect the interests of the customers and to ensure fair, transparent and prompt delivery of services through BC Channel as explained below.

- ✓ BCs shall be personally introduced to the villagers by the bank officials in the presence of village elders and Govt. functionaries in a public meeting so that there is no misrepresentation/impersonation. Bank shall provide village wise details of BCs / in Bank's website.
- ✓ The BC details of the branch shall be displayed in all base branches.
- ✓ Address of Banking Ombudsman shall be displayed at the outlets.
- ✓ No charge shall be levied directly by the BCs from the customer.
- ✓ Bank shall develop suitable training modules in local languages to provide attitudinal orientation and skills to the BCs.

26. Surprise Verification System:-

Surprise verification system as a monitoring and supervising tool provides unbiased, onsite, firsthand information about the functioning of the BC. The Branch head of the base branch shall devise a surprise verification schedule for the BCs under him. During the surprise verification it has to be verified the Cash on hand with the BC is equal to the drawings from the Overdraft account Plus/minus net of the receipt and withdrawal transactions done by the BC for the day, pending to be entered in the system.

27. FI Coordinators:-

FI coordinators should be appointed by the Head Office-FIP Cell who shall monitor and conduct periodic surprise visits to random BC locations covering at least 3 BC locations in a month. They are bound to inspect the overall functioning of the BC and to organize awareness camps in the Sub Service Area and to find out the untold grievances from the public. Role and Responsibilities of FI Coordinators is listed in **Annexure XII**.

28. Transaction Limit by Customers through BC:-

In KIOSK banking model through which BCs do AEPS transactions, maximum amount of transactions in a day for a customer is restricted to Rs 15,000 for credit and Rs 9000 for debit

However, the cash transactions should be within the overall limit prescribed by KYC/AML guidelines pertaining to the account.

29. Audit:-

Audit is necessary to ensure compliance to systems and procedures, and to sense warning signals about weak links. This is an effective supervisory and monitoring tool for risk mitigation.

The Inspecting officials shall conduct a surprise audit of the BC activities during the inspection of base branches by visiting at their established residence or at any other convenient location owned or leased for the purpose of this activity during 03.00 Pm to 05.00 Pm on all working days. Comments on BC and lapses if any noticed during the inspection should be incorporated in the Inspection Report.

Yearly once field level inspection of Sub Service Area should be conducted by Financial Inclusion Cell, Head Office. The inspection should be conducted by an officer other than the FI coordinator.

Annexure I

List of permitted activities for BC:-

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

- ✓ Cash receipt and cash payment of bank accounts maintained with any Bank within the prescribed limit per transaction.
- ✓ BCs should not be allowed to recover the amount from NPA borrowers directly. They can facilitate recovery.
- ✓ Collection of small value deposits up to 10000/-.
- ✓ Lead generation for micro insurance/ pension products/ other third party products.
- ✓ Receipt and delivery of small value remittances and other payment instruments.
- ✓ Any other service on behalf of the Bank, duly authorized by the appropriate authority.
- ✓ The activities to be undertaken by the BC would be within the normal course of the Bank's banking business.
- ✓ The BC will be authorized to accept / deliver cash either at his place of work or at any convenient location subject to the ceilings per day / per customer as laid down.
- ✓ BC can make payment for the public in the village undertaking various works under various Central & State Government Schemes like OAP, MNREGS, Gas Subsidy, and Group Salary Accounts.
- ✓ To initiate the enrollment process by collection of master data, filling up of forms, preliminary processing of loan applications / account opening forms for deposits including verification of data.
- ✓ To submit duly filled in application forms and other support documents at the Base Branch in physical form and without any delay, as specified by the Bank for authentication of the customer data and authorizing the beneficiary for opening the account.
- ✓ Collection of Aadhaar seeding request form from the customers to link the Aadhaar Number in their accounts.
- ✓ To identify the potential customers and fitment of activities.
- ✓ To promote and nurture Self Help Groups (SHGs) / Joint Liability Groups (JLGs), wherever relevant.

Annexure II

Standard Operating Procedure (Sop) For Business Correspondents

A. Logistics at the BC outlets -

- a. Display of signage as approved by the Bank.
- b. ID card for BC.
- c. Display of Phone numbers of Help line, Bank officials (Base Branch / Regional Office / Nodal Office)
- f. Maintenance of Registers:
 - + Records of customers enrolled;
 - + Account opening forms sent to base branch;
 - + Account opening forms pending to be sent;
 - + Customer contact register;
 - + Applications received and disposals register; and,
 - + Visitors/Bank officials / other regulator visit register.
- g. Name of grievance redresses official and contact no to be displayed.
- h. Ensure safe upkeep of finger print scanner / device etc. and other stationery registers.
- i. List of Do's and Don'ts for customers to be displayed.
- j. Provide enough space for a bank officer to work at the outlet during his visit.

B. Technical Requirement -

- a. Safe upkeep of frontend device viz POS, PC / Laptop Kiosk.
- b. Keeping the device battery charged / in ready mode for providing services.
- c. Maintaining help line number of technology / device provider.

| SL NO | Component | Minimum Requirement |
|-----------------------------|------------------|--|
| Hardware Requirement | | |
| 1 | Operating System | Windows 7 & above |
| 2 | RAM | 2 GB |
| 3 | Hard disk | 500 MB free space |
| 4 | Port | 11100 to 11120 (RD Service run in any one port) |
| 5 | Rights | Administrator right |
| 6 | Browser | Internet explorer 8 & above, google chrome, Mozilla Firefox, opera |
| Software Requirement | | |
| 1 | .Net Framework | 4.5.1 |

Annexure III

Draft Advertisement for Business Correspondents

Offers are invited from the following individuals for their engagement as Business Correspondents (BCs) delivering banking services:

- ✚ Individual kirana/medical/fair price shop owners
- ✚ Individual Public Call Office (PCO) operators
- ✚ Agents of Small Savings Schemes / Insurance Companies.
- ✚ Individuals who own Petrol Pumps.
- ✚ Retired Teachers.
- ✚ Retired Bank Officials.
- ✚ Retired Govt. Employees.
- ✚ Ex-Servicemen.
- ✚ Authorized Functionaries of well-run Self-Help Groups (SHGs) linked to Banks.

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 at its discretion. The Bank also reserves the right to reject any offer without assigning any reason. Interested persons may submit their application at the following address within 10 days in the prescribed application form.

Application forms can be collected from the address below:

Address of the Base Branch:-

The South Indian Bank Ltd

Annexure IV

Application Form for Business Correspondents (Individuals)

To

The Manager,
The South Indian Bank Ltd.,
Branch:
Region:

Dear Sir,

I request you to engage me on contract basis to act as a Business Correspondent for an initial period of six months, (which may be renewed for such further periods) based on bank's discretion. The required personal details are given as per Annexure to my application.

Declarations:

1. I have read and understood the terms & conditions of the Business Correspondent scheme of the Bank and I am fully aware of the roles and responsibilities of a Business Correspondent. Further, Branch Manager Sri / Smt. has clarified my queries on the scheme to my full satisfaction.
2. I have not been found / pronounced to be of unsound mind by any competent authority and declared / adjudicated as insolvent by any competent court.
3. I have not been found guilty of any criminal offence by any court of competent jurisdiction.
4. I have not been found guilty of or to have knowingly participated in or connived at any fraud, dishonesty or misrepresentation.
5. I have not violated the code of conduct specified by any bank or declared as a willful defaulter by any bank or / financial institution.

Undertakings:

1. I accept the rules & regulations as binding upon me and I hereby declare that all the information provided is correct to the best of my knowledge and belief.
2. I promise not to share the customer details with others and use the details only for the purpose of canvassing business of The South Indian Bank Ltd.
3. I agree to enter into an Agreement with The South Indian Bank Ltd. and execute the required documents at my cost in the event of my selection for appointment as Business Correspondent.
4. I understand that in case I am selected to act as a Business Correspondent, I will have to make a security deposit of **Rs.50, 000/-** in the form of **Term Deposit** with the Bank which shall be refundable on termination of the contract and duly settling all the transactions made through me.
5. As part of the above settlement, I will also return the documents, finger print scanner and the hand held terminal which came to my custody in the capacity of a Business Correspondent.

In consideration of my above application, declarations and undertakings, I request you to appoint me on contract basis to act as a Business Correspondent for an initial period / further period of six months from..... to in the following village /center:

Village / Center :
Block :
District :
State :

Country : India.

Yours faithfully,

(Name & Signature of the Applicant)

Date:

Place:

I apply for engagement as Business Correspondent for The South Indian Bank Ltd

- | | |
|------------------------------|---------------|
| 1. Location (Village / Town) | - |
| 2. Name (IN BLOCK LETTERS) | - |
| 3. Father's / Husband's Name | - |
| 4. Date of Birth | - |
| 5. Gender | - Male/Female |

- 6. Marital Status - Married/Unmarried
- 7. Education qualification -
- 8. Permanent Address -

- 9. Address for communication -

- 10. Telephone No -
- 11. E-mail ID -
- 12. Currently Banking with -
- 13. Bank Account Number -
- 14. Proof of identity -
- 15. Proof of address -
- 16. Present Business/Occupation -
- 17. Computer Literacy -
- 18. Present monthly income -
- 19. Languages known -

- 20. Period of stay at the current address -
- 21. Infrastructure available -
- 22. Details of previous employment -
- 23. Details of assets in own name -
- 24. Details of liabilities -
- 25. Police Verification Certificate -
- 26. Names, addresses and occupation of two persons who know me.

*Space for
BC's recent
photo*

- i.
- ii.

I certify that the information given above is true to the best of my knowledge and belief.

Signature of the applicant

Place:

Date:

References:-

Please give any two references, names of persons of repute in the location with full address and Phone Number.

- 1.
- 2.

I enclose the following documents in support of my education qualifications, previous experience and proof of residence.

- i)

ii)

iii)

Notes:

Copy of Passport / Voter Identity Card / Latest Telephone / Electricity Bill / income / Wealth Tax Assessment Order / Ration Card, Bank A/c Statement to be produced as proof of residence address. Letter from the employer, subject to the satisfaction of the Bank, should be submitted as proof of work place address. In the absence of PAN, the applicant should submit Form 60 / 61 in duplicate as the case may be. Enclose latest income tax return, wherever applicable. Please produce original documents for verification by the bank.

To be filled & forwarded to Dealing Officer / Regional Head, by the Manager of Base Branch

1. Applicant was interviewed by me on for the purpose of appointing him / her as a Business Correspondent on contract basis.
2. Particulars of identification verified with the originals and copies obtained.
3. Recommendation:

Recommended & forwarded to Dealing Officer / Regional Head, RegionalOffice, for approval.

Name of the Branch Head:

Signature with code:

Branch:

Date:

Disposal by Dealing Officer / Regional Head, Regional Office

Based on the recommendation of the Branch manager dated _____, the appointment of the applicant as Business Correspondent (BC) is approved / rejected for the village attached to our Bank's Branch.

Name of Dealing Officer/ Regional Head

Signature

Comments / Recommendation / disposal by Head Office:

FIP Head

Signature

| | | | | |
|-----|-----|----|--|------|
| CRD | FIP | BR | | xxxx |
|-----|-----|----|--|------|

Annexure V

Letter of Engagement of Business Correspondent:-

(For first time appointment- To be issued by Head office)

Ref. No.

Dated:

(Name & Address of BC)

Dear Sirs,

Sub: Appointment of Business Correspondent on contract basis.

Ref: Branch Recommendation dated DD/MM/YYYY

In consideration of your application DATED.....For Appointment As Business Correspondent Of Our Bank we hereby engage you as our Business Correspondent (BC). For this purpose, you will be attached to and under control of The South Indian Bank Ltd., branch (Base Branch). This is an arrangement on contract basis for an initial period of 6 months, which may be renewed / extended further at the sole discretion of the Bank.

You are hereby authorized to extend basic banking services as per the terms & conditions and the Agreement entered into with the Bank, to the following village/s under the financial inclusion initiatives of the Bank:

Name of village Block District State

We have issued an ID card in your name which shall be used as a proof of identity / authorization while offering the services to the customers / public. For your information and compliance, we have appended your most important roles and responsibilities as a BC along with the details of reimbursement / commission payable to you by the bank. Please note that only the most important terms & conditions are mentioned here and hence it is not an exhaustive one.

You are advised to return the duplicate of this letter, duly accepted and signed by you as an evidence of your willingness to discharge the roles and responsibilities as a BC.

Yours faithfully, Received & accepted the terms & conditions

FIP Head (Name & Signature of BC with Date)

Roles and responsibilities as a BC and Commission Structure of Services

- Cash receipt and cash payment of bank accounts maintained with any Bank within the prescribed limit per transaction using AePS, Non – AePS, Card Based, IMPS.
- Lead generation of Savings Banking Product, Fixed Deposit, Recurring Deposit, and Retail Loan Products.
- Lead generation of micro insurance/ pension products/ other third party products.
- Facilitate recovery of loans and advances.

- Any other service on behalf of the Bank, duly authorized by the appropriate authority /RBI from time to time.

Commission Structure

| | |
|-------------------------|------------------------------|
| Fixed monthly Incentive | Rs 5000/- |
| Account opening. | Rs 25/- Per account |
| Transaction Incentive | Rs 1/- Per transaction |
| Transaction value | 0.20 % of transaction amount |
| Internet connection. | Rs 600 Per month |

Note: - Fixed incentive will be paid only if BC does a minimum of 100 transactions through Laptop / Hand Held Terminal in a month.

Recovery of loans by BCs

| S.No | Category | Incentive |
|-------------------------------------|--|----------------------------|
| 1 | NPAs under Doubtful/Loss Assets category | 1% of the recovery amount. |
| 2 | Written off Accounts | 5% of the recovery amount. |
| ***Subject to Maximum of Rs.10000/- | | |

Fresh Enrollments in Social Security Schemes

| S.No | Scheme | Incentive Received by Bank | Incentive to be given to BC |
|------|--------|----------------------------|-----------------------------|
| 1 | PMSBY | Rs.2/- per application | Rs.1/- per application |
| 2 | PMJJBY | Rs.41/- per application | Rs.30/- per application |
| 3 | PMAPY | Rs.100/- per application | Rs.50/- per application |

(For renewal - To be issued in the letter head of Base Branch)

Ref. No.

Dated

(Name & Address of BC)

Dear Sirs,

Subject: Your application dated for the appointment of Business Correspondent on contract basis.

In consideration of your application as cited above and the respective Agreement executed by you with the bank on , we hereby extend the Business Correspondent (BC) arrangement with you for a further period of 1 year w.e.f

All other terms in our letter dated _____ appointing you as Business Correspondent shall continue as such.

You are advised to return the duplicate of this letter, duly accepted and signed by you as an evidence of your willingness to discharge the roles and responsibilities as a BC.

Yours faithfully, Received & accepted the terms & conditions

Manager. (Name & Signature of BC with Date)

Agreement:-

(TO BE STAMPED AS AN AGREEMENT AND INDEMNITY AS
PER THE APPLICABLE STATE STAMP ACT)

This agreement made on _____ date of _____.

Between

The South Indian Bank Ltd., constituted under the Companies Act, 1956 having its head office at “SIB House”, T. B. Road, Mission Quarters, Thrissur, Kerala State, 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

Mr. /Mrs. _____, S/o/W/o _____ residing at _____, _____ P.O. _____ Village, _____ Taluk, _____, _____ District hereinafter referred to as Business Correspondent / Business Facilitator (BC/BF) which expression shall unless repugnant to the context or meaning thereof shall include its successor & permitted assigns of the Second Part.

WHEREAS the Bank has undertaken to expand its banking operations extensively in accordance with the Guidelines dated July 1, 2014, Issued by the Reserve Bank of India and the related constraints therein, with such further changes as may be initiated by the RBI from time to time, and

WHEREAS pursuant to the aforesaid guidelines, the Bank is desirous of availing services of the Business Correspondent / Business Facilitator (BC/BF) on principal to principal arrangement to facilitate its business growth and the BC/BF has offered to undertake such assignment / provide professional services as may be required by the Bank.

NOW THEREFORE this agreement witnessed as under.

1. Scope of Services:

The BC/BF agrees to provide the services as detailed hereunder, as per the scope and as may be required by the Bank from time to time.

Nature of Services:

PART ‘A’

- (a) Identification of prospective customer / borrowers & fitment of activities.
- (b) Collection and preliminary processing 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) Processing & Submission of applications to the Bank.
- (e) Promotion, nurturing, monitoring and handholding of Self Help Groups / Joint Liability Groups / Credit Groups and others.
- (f) Post sanctions monitoring in case of advances / loans granted by the Bank.
- (g) Follow up of Recovery.

PART 'B'

- (a) Recovery of principal / interest from the borrowers and prompt deposit of the same with the Bank.
- (b) Collection of small value deposits & prompts deposit of the same with the Bank.
- (c) Lead generation of Micro / insurance / mutual fund / pension and other third party products as may be decided by the Bank.
- (d) Receipt & delivery of small value remittances / other payment instruments.
- (e) Any other service as may be advised by the Bank in writing to the BC / BF.
- (f) BC / BF agrees and confirms that they and also their agents / employees, sub-contractors are properly trained to perform the BC/BF's obligations under this agreement, maintain, privacy of customer information and informing the correct terms and conditions of the products offered etc.
- (g) 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
- (h) 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.
- (i) BC/ BF shall treat all the customers with dignity and respect. BC/BF 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 customer's / borrowers' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.
- (j) BC/BF shall adhere to the performance standards in respect of services and products as detailed in schedule 'A' hereunder written, which forms part & parcel of this agreement. The Bank reserves the right to change / vary / the contents of schedule 'A' by advising the same to BC/BF in writing and upon such advise, the amended Schedule 'A' shall become effective.
- (k) BC / BF is fully aware that failure to observe as above shall attract penal provisions including termination of the agreement without any notice. If any complaint arises from customers of Bank or members of the public against the BC/ BF or its employees of having used unethical or coercive measures in the process of recovering the dues, BC/BF alone shall be liable and answerable for the same and the Bank shall in addition be entitled to recover such damages or compensation that the Bank may be constrained to pay as per any order of Reserve Bank of India, Courts, Tribunals or Statutory Authorities in this regard.

2. Maintenance of Records by BC / BF AND Monitoring / Inspection by the Bank

- a) BC/BF 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. BC shall account for all the monies received and paid by the BC/BF to the Customers. The transactions and cash position shall be reported to the Designated Branch on daily basis. The maximum cash that can be retained by the BC/BF shall be intimated by the Bank and BC/BF shall not retain cash in excess of the said limit. BC/BF shall promptly deposit the cash with the Designated Branch within the time frames stipulated by the Bank.
- b) BC/BF and /or its employees or any other person engaged by them shall not embezzle or misappropriate the funds in any manner.
- c) BC/BF specifically agrees that the Bank shall be entitled to inspect and audit the records maintained by BC/BF through its officers/employees or agents / auditors as may be decided by the Bank at its sole discretion and BC/BF hereby undertakes to promptly produce all records and information for the purposes of inspection and audit. BC/BF 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 BC/BF in connection with the services performed by BC/BF for the Bank.

- d) Further, BC/BF 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 BC/BF within a reasonable time. The persons authorized by RBI shall have right to obtain copies of the records, information etc. in possession of BC/BF. BC/BF 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, BC/BF shall be liable to reimburse to the Bank such fees including any penalty, interest levied and recovered by RBI.
- e) BC/BF or its agents, as the case may be, shall bear all expenses / costs & charges in connection with the inspection and audit either conducted by the Bank or by RBI.
- f) BC/BF specifically agrees that the Bank has full right to monitor and assess the performance of services by BC/BF and wherever the Bank discovers any deficiency or non-performance of the services up to the mark, the Bank shall instruct the BC/BF in writing and BC/BF agrees to rectify the deficiencies or to ensure compliance of the instructions of the Bank.

3. Business Continuity and Recovery Plan

BC/BF agrees to prepare and have in place / produce a 'Business Continuity and Recovery Plan' for the purposes of ensuring continued rendering of services undertaken by the BC/BF to the Bank simultaneously with the execution of the agreement or latest within one month from the date of execution of the agreement. BC/BF 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 BC/BF. BC/BF shall also test the Business Continuity and Recovery Plan periodically.

4. Additional covenants

- a) The BC/BF appreciates and fully understands that the services of its employees are not exclusive to the Bank and that it will stipulate the freedom and non-exclusivity of the Services of the persons employed/engaged/assigned in their respective contract of Appointment, a copy of which will be furnished to the Bank.
- b) BC/BF shall act prudently in accordance with the terms of this Agreement and shall exercise all due diligence in carrying out its duties and obligations under this Agreement. The BC/BF agrees that they will preserve the documents and data in accordance with the legal/regulatory obligation of the Bank in this regard.
- c) BC/BF agrees that they shall always have commitment for social action and capacity building, which shall be non-discriminative, secular, non-exploitative and transparent.
- d) BC/BF is fully aware that public shall have the freedom to use banking facilities by approaching the Bank directly even though the BC/BF is available in their locality. Hence the BC/BF shall not directly or indirectly convey or create an impression among the public that the Bank cannot be approached other than through the BC/BF.
- e) While the BC/BF can act for more than one Bank, BC/BF shall at the point of customer interface or at retail outlet, represent and provide banking services of one bank only. BC/BF shall also ensure that customer data base and accounts details are kept separate and there is no comingling of data.
- f) BC/BF shall not introduce any product/ process without the written approval of the Bank. BC/BF

also agrees that the financial services offered by the retail outlets/ sub-agents of the BC/BF shall not be tied to the sale of any product of the BC/BF.

- g) BC/BF shall not adopt any restrictive practice such as offering savings or remittance functions only to its own customers and forced bundling of services offered by the BC/BF. BC/BF shall undertake the activities at places other than the Bank premises/ ATMs unless otherwise specifically allowed.

5. Confidentiality :

- a) BC/BF is aware that all information disclosed to the BC/BF by the Bank and/or accessed by BC/BF or its agents and all records, accounts, documents maintained by BC/BF 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 BC/BF would ensure for its own confidential & sensitive information. BC/BF shall ensure that appropriate and suitable undertaking / agreements are obtained and maintained from its employees, agents, representatives and Sub-Contractors as the case may be to ensure compliance with confidentiality obligations of BC/BF.
- b) BC/BF 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 5(a) above by BC/BF or its employees, agents, representatives, Sub-Contractors. BC/BF 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 BC/BF.
- c) BC/BF specifically agrees that the confidentiality obligations of the BC/BF in terms of this agreement shall survive termination of this agreement.

6. RELATIONSHIP BETWEEN THE PARTIES.

- a) It is specifically agreed that this arrangement is on a principal to principal basis and on a non-exclusive basis 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 having regard to the nature of the transactions or by implication. BC/BF shall perform its obligations under this Agreement as an independent party. Neither this Agreement nor the BC/BF's performance of obligations under this Agreement shall create an association, partnership, joint venture, or relationship of principal and agent, principal employer-contractor, master and servant, or employer and employee, between the Bank and the BC/BF or its employees, its Sub Agents.
- b) The BC/BF has agreed to employ his/her/its/their own workmen for providing services under this agreement. The employees of BC/BF/or its agents will be under the total control, both administrative and supervisory, of the BC/BF.
- c) The BC/BF can have similar arrangements with other banks through the same employees at the point of customer interface if the technology available with such other banks, who have also appointed the BC/BF to render services similar to all or any of the services provided under this agreement:
- i. Support interoperability ,
 - ii. The transactions and authentications of such retail outlets or sub-agents of the BC/BF are carried out on-line,
 - iii. The transactions are carried out on Core Banking Solution (CBS) platform; and

- iv. Such other Banks follow the same standard operating procedures to be advised by the Indian Banks' Association.
- d) Neither BC/BF nor its employees, agents, representatives, Sub-Contractors shall hold out or represent as agents of the Bank.
- e) In the event any legal proceedings are initiated by the employees, staff, agents of the BC/BF against the Bank or the Bank is made a party in any proceedings, the BC/BF shall implead itself as a party therein and ensure that the claim/case against the Bank is defended/extinguished/ dismissed immediately. All costs and expenses in this regard including Attorney's fees shall be borne by the BC/BF. The BC/BF shall indemnify and keep indemnified by the Bank in this regard to the full extent.
- f) The BC/BF shall verify the antecedents of the personnel it desires to engage for provision of the Services and shall ensure that it does not engage or continue to engage any person with a criminal record / conviction and shall bar any such person from participating directly or indirectly in the provision of Services.

7. Compliance of Laws

- a) BC/BF hereby agrees and declares that it shall be the sole responsibility of BC/BF to comply with the provisions of all the applicable laws, concerning or in relation to rendering of services by BC/BF as envisaged under this agreement.
- b) BC/BF shall procure and maintain all necessary licenses, permissions, approvals from the relevant authorities under the applicable laws throughout the currency of this agreement.
- c) BC/BF shall be solely liable & responsible for compliance of applicable Labour Laws in respect of its employees, agents, representatives and Sub-Contractors 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.
- d) The BC/BF shall, on demand by the Bank, produce any document in proof of statutory payment payable by the BC/BF in compliance of the provision of any labour or other statute, and supply copies of the same as may be required by the Bank.
- e) BC/BF 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 BC/BF have full authority and power to execute this agreement and bind BC/BF.
- f) BC/BF shall not violate any proprietary and intellectual property rights of Bank and / or any third party, including without limitation, confidential relationships, patent, trade secrets, copyright and any other proprietary rights.

8. Fees, Taxes Duties & Payments:

- a) BC/BF shall be paid fees and commission in the manner detailed in Schedule 'B' hereunder written subject to deduction of TDS thereon wherever required under the provisions of the Income Tax Act, etc. by the Bank.
- b) All other taxes including GST, duties and other charges which may levied shall be borne by the BC/BF and the Bank shall not be liable for the same. No costs / expenses shall be payable/

reimbursed by the Bank against conveyance, traveling expenses, boarding, lodging, out of pocket expenses, liaising etc.

- c) The BC/BF shall not demand, collect/recover any commission/service charges or other monies from the Customers, directly for the services rendered by them.
- d) All expenses, stamp duty and other charges expenses in connection with execution of this agreement shall be borne by BC/BF.
- e) In case of customer complaints, deficiency in service on the part of BC/BF etc., the Bank shall be within its rights to withhold or demand return of the fees, commission paid.

9. General Indemnity and Liability :

- a) BC/BF 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 BC/BF or any acts of commission / omission on the part of employees, agents, representatives or Sub-Contractors of BC/BF. BC/BF 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 BC/BF.
- b) BC/BF shall be liable under the relevant statute, civil and/ or criminal as the case may be, for any malicious acts, negligent acts, wrongful acts, fraudulent acts and/ or offline transactions committed (including those committed by any of its employees, agents, representatives and/or sub-contractors) in the performance of the Services under this Agreement and shall not be deemed to be acting on or behalf of the Bank in any manner whatsoever to the extent of such acts and/or transactions.

10. Security Deposit

The BC/BF shall deposit with the Bank an amount of
or a Bank guarantee for the equal amount in lieu of the Security Deposit or any the amount that shall be arrived at mutually, to be given as security as and by way of a deposit or security for the due performance and observance by the BC/BF of all the stipulations, conditions and agreements contained in the Contract.

11. Term & Termination

- (A) The agreement shall be valid for a period of 6 months from the date of its execution and may be renewed for such further periods as may be mutually agreed between the parties.

The Bank as well as BC/BF shall have right to terminate the agreement by giving a month's notice in writing to the other party. In the event of termination of the agreement by BC/BF, all records, information including documents, etc., shall be returned by BC/BF to the Bank as per instructions of the Bank.

The Bank shall have a right to terminate the agreement immediately by giving a notice in writing to BC/BF in the following eventualities:

- b) If any Receiver/Liquidator is appointed in connection with the business of the BC/BF or BC/BF 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 BC/BF .If BC/BF applies to the Court/Tribunal or passes a resolution for voluntary winding up/insolvency resolution etc. of BC/BF or any other creditor / person files a

petition for winding up or dissolution/insolvency resolution of BC/BF.

- c) If BC/BF in the reasonable opinion of the Bank is unable to pay its debts or discharge its liabilities in normal course of business.
- d) If BC/BF 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 BC/BF as envisaged under this agreement.
- e) If any officer/employee/director of BC/BF or their relatives as defined in Section 2(77) of the Companies Act, 2013 becomes a director/officer or employee of the Bank.

(B) Notwithstanding anything contained herein, the bank reserves its right to terminate the agreement immediately without assigning any reason.

In the event of the termination of the agreement by either party pursuant to clause ____

Hereinabove, BC/BF shall be liable and responsible to return all records and information in its possession.

12. Micro ATMs:

- (I) Bank will provide the BC/BF with a specific model of Micro ATM where proprietary application of the Bank will be uploaded for undertaking various banking transactions on the terms stipulated hereunder.
- (II) All Services stipulated hereunder shall be provided by the BC/BF to the customers solely through the Micro ATM and the BC/BF shall not in any circumstance undertake any off-line transactions. In the event the BC/BF is found and/or discovered doing any such malicious/wrong/fraudulent acts and/or offline transactions, it shall be liable and charged for such civil/penal and criminal acts in terms of any laws in force and will not be deemed to be acting on or behalf of the Bank in any manner whatsoever.

13. Governing Laws & Jurisdiction:

- a) The agreement shall be governed and construed in accordance with the Laws of Republic of India.
- b) 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. (Mediation & Arbitration can be considered as an alternative to Court remedies)

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 sent forth below 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 facsimile) or fifteen (15) clear days after posting.

Address for Notice /Correspondence

with the Bank

Address for Notice /Correspondence

for BC/BF

14. Miscellaneous :

- a) 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.
- b) 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.
- d) 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. 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.
- e) The BC/BF 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.
- f) 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.
- g) 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.
- h) The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation thereof.
- i) If this Agreement is signed in counterparts, each counterpart shall be deemed to be an original.
- k) The BC/BF shall not assign or transfer all or any of its rights, benefits or obligations under this Agreement without the approval of the The South Indian Bank. The Bank _____ may, at any time, assign or transfer all or any of its rights, benefits and obligations under this Agreement. The BC/BF agrees that they shall not use the logo, trademark, copy rights of other proprietary rights of the Bank in any advertisement or publicity materials or any other written communication with any other party, without the prior written consent of the Bank.
- l) 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.

SCHEDULE `A`

(Details of specific services & products to be rendered by BC/BF be shared under Schedule 'A')

(A) BC/BF activities:

- a) Enrollment of customers, including collection of biometric and other details, provide card (ID Card, Debit Card, Credit Card), PIN.
- b) Provide transaction facility
 - (i) Deposit of money in on account with any bank
 - (ii) Withdrawal of money from on account with any bank
 - (iii) Remittances from on account with a bonk to an account with the some or any other bank
 - (iv) Balance Enquiry and issue Receipts/ Statement of Accounts.

(B) Other activities:

- a) Identification of borrowers and classification of activities as per their requirements.
- b) Collection and primo 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.
 - f) Promotion, nurturing, monitoring and handholding of Self Help Groups and/or Joint Liability Groups and/or Credit Groups and others.
 - g) Lead generation of Deposit/Advance/Third party financial products/ with prior approval of the concerned Bank.
 - h) Assisting the branch for NPA recovery.
 - i) Additional products may be added by mutual agreement. Products may be amended from Time to time.

SCHEDULE 'B'

(Details of the fees and commission to be paid and the manner in which it will be paid should be incorporated here)


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

For The Business Correspondent

for BANK_____ (Bank)

Identity Card:-

Specimen of Laminated Identity Card To Be Issued To The BC

| | | | |
|--|--|--|--|
|  | |  | |
|  | | BANK MITRA | |
| Authorised Signatory | | Name : VIVIAN DIVAGARAN Base Branch : THRISSUR Sub Service Area (SSA) BC Code : 10020001 Valid Upto : | |
| Blood Group | | Date of Birth | |
| Address | | | |
| Branch Address | | | |
| Emergency Contact No. | | | |
| If this card is found anywhere kindly mail to The South Indian Bank Ltd., Regd. Office : SIB House, Mission Quarters, Thrissur - 680 001. Ph : 0487 - 2420020 (385) E-Mail : ho2003fipcell@sib.co.in Web : www.southindianbank.com | | | |

Indicative list of topics for training

The first phase of training programme should include:

- ❖ Brief Profile of the Bank
- ❖ Introduction to Financial Inclusion and the core product.
- ❖ Introduction to Banking Services
- ❖ General Banking Including Deposits
- ❖ Principles of Lending with special reference to Rural and Retail Lending
- ❖ Role of Business Correspondents.
- ❖ Filling up of Application Forms (incl. KYC guidelines)
- ❖ Reconciliation and preparation of daily reports
- ❖ Cash Handling and Security Measures

The second phase of training programme shall include:

- Attitudinal enhancement
- Customer Relationship Management
- Customer Query Handling

Apart from the above, BC's should be trained by the Technology Service Providers on the operation and maintenance of Hand Held Devices / Enrolment Kits.

BC's should be encouraged to undergo the BCBF certification course compulsorily.

DO's and DONT's for BCs:-

Do's

- Treat every customer with due respect
- Maintain friendly relation with the Bank's Branch Manager
- Protect oneself well while traveling to and from Bank with cash
- Maintain the cash registers and transaction receipts carefully
- Read the manuals carefully and clarify doubts
- If there is any problem with the terminal or branch, report to FI Coordinator Immediately.
- Keep the terminal clean, safe and well charged

Do's For Disbursal

- Complete the disbursals effectively and efficiently
- Before the disbursal period starts, ensure the terminal is ready for disbursals
- Take measures to protect the cash meant for disbursal
- Disburse the amount to all the intended recipients. If required, take the terminal to the customer's location and facilitate transactions then and there.

Ensure that passbooks are issued to the customers and it is updated periodically.

Don'ts

- Do not discriminate the customers based on religion, caste, creed, political party, family feuds, social status, and personal friendship.
- Do not charge the customers for any transaction or providing any help
- Do not exploit customers – do not solicit or extract any favor in return for services you provide in cash or kind
- Do not give an impression that you are a benefactor of a customer, you are doing your duty
- Do not encourage informal borrowing or lending
- Do not reveal transaction details of the customers to anybody else
- Do not complete a cash transaction in the terminal until cash actually changes hands
- Do not mix up personal money with Bank's or customers' money
- Do not keep large amounts of cash for long time
- Do not leave the cash or terminals in unsafe places
- Do not keep customer's card or customer's copy of transactions with you.

Demand Promissory Note

Received (**Rupees**) from The South Indian Bank Ltd., Branch an interest free advance to meet the operating limit requirement for the Business Correspondent activities, for which I have entered into a separate agreement with the Bank on

The amount will be returned / remitted to the Bank on demand in full and without any interest thereof.


Space for
Revenue
Stamp

Place: (Signature of Business Correspondent)

Date:

Grievance Redressing Mechanism:-

Specimen of Name Board at BC Point

| | | |
|---|---|-------------------------|
|  SOUTH INDIAN Bank EXPERIENCE NEXT GENERATION BANKING | The South Indian Bank Ltd Customer Service Point (In English) (In Local Language) Gram Panchayat: | Name of the BC |
| | Base Branch: | |

In case an Ultra Small Branch opened at the BC Location, the Name Board specified for Ultra Small Branch has to be given.

Grievance Escalation Matrix

| Sl No. | Level | Officer in charge |
|---|---|---|
| 01 | All complaints/ grievances of FI customers first to be addressed to | Base Branch Manager Name of BM: Phone Number: |
| If not satisfied with the reply/action taken by the above, they can escalate the matter to: | | |
| 02 | Regional Office | Regional Manager, with contact details Name of RM:..... Phone Number:..... |
| 03 | Central Office | Asst. General Manager-FI Department, SIB House , Head Office , TB Road Mission Quarters , Thrissur – 680 001 Mob:+91 Email: ho2003fipcell@sib.co.in |

Other mandatory displays required at BC's Point:

1. Name and contact No. of BC
2. Working days and working hours of BC.
3. Address and Phone No. of Banking Ombudsman.

Role and Responsibilities of FI Coordinators:-

- ✓ Submission of the tour plan to Head Office in advance and visit the allotted villages in the Districts allotted.
- ✓ Surprise visits to villages to ascertain the activities of BCs.
- ✓ Verification of cash holding with BCs.
- ✓ Monitoring of data file upload related with transactions and account opening based on TSP report.
- ✓ Coordination with Panchayat Head / Mukhiya for maximum enrolment in villages.
- ✓ Organizing awareness camps and to increase financial literacy among rural people
- ✓ To facilitate monthly meeting of BCs at Base Branch.
- ✓ Quarterly meeting with all the BCs in a district for way forward with District Coordinator.
- ✓ Coordinating FI Mela in the districts.
- ✓ Handling grievances of FI customers.
- ✓ Ensuring opening of accounts of all households in all the service area villages allotted to the Bank.
- ✓ Training and hand holding of BCs.
- ✓ Guide the Branch staffs in issues relating to Financial Inclusion.
- ✓ Overall monitoring of FI implementation and control of BCs engaged by our Bank in the Region.
- ✓ Participating in the selection process of BCs for the allotted villages
- ✓ Arranging training to Base Branch Managers and BC's
- ✓ Taking initiatives to increase the number of transactions
- ✓ Coordinating with SLBC, state government, RBI etc
- ✓ Arranging monthly review meeting of all the BCs in the Region
- ✓ Reconciliation of Transactions.

Abbreviations used

A/c: Account
AOF : Account Opening Form
BC : Business Correspondent
BM : Branch Manager
FI: Financial Inclusion
FIP- Financial Inclusion Plan
GoI: Government of India
HHD/HHT: Hand Held Device / Terminal
IBA : Indian Banks Association
KYC: Know Your Customer
LDM : Lead District Manager
MoF : Ministry of Finance
OD : Overdraft
POS: Point of Service / Sale
RBI: Reserve Bank of India
SLBC: State Level Banker's Committee.