

**MODEL MEMORANDUM OF AGREEMENT (MOA) TO BE EXECUTED BETWEEN IMPLEMENTING AGENCY (IA) AND BANK UNDER SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI)**

**MEMORANDUM OF AGREEMENT (MOA) TO BE EXECUTED BETWEEN  
IMPLEMENTING AGENCY (IA) AND BANK**

**MEMORANDUM OF AGREEMENT**

MEMORANDUM OF AGREEMENT made at ....., this ..... day of ..... 2019 between ..... Bank, having its office at ....., hereinafter called “**Bank**” (Which expression shall, unless repugnant to the context or meaning thereof be deemed to mean and include its successor and assigns) of One Part AND ....., a Society registered under the Societies Registration Act and having its office at ..... hereinafter called “**SFURTI Cluster**” (Which expression shall, unless repugnant to the context or meaning thereof be deemed to mean and include its successor and assigns) of the other Part.

WHEREAS the bank as part of functioning is promoting and assisting the rural entrepreneurs and institutions/NGOs engaged in rural development activities in the rural areas of the nation. The main object behind this function is to create employment opportunities in rural area and to support rural development in its widest sense for improving the quality life by accelerating employment generation programmes.

AND WHEREAS the SFURTI cluster being actively involved in the activities for the development of Khadi/ village industries /rural employment, particularly \_\_\_\_\_ industry, is undertaking the

projects under SFURTI Scheme for the setting up of \_\_\_\_\_ cluster and acting as the Implementing Agency of the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) launched by the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India.

AND WHEREAS considering the common objectives of both the parties, it has been decided to have a collaborative arrangement between both the parties and accordingly, it has been decided to have a Memorandum of Understanding between the parties.

NOW this indenture witnesseth and it is hereby mutually agreed by and between parties hereto as follows:

1. **Responsibilities of Bank –**

- i. The bank shall assess the financial requirement of the SFURTI cluster, particularly in terms of working capital and artisans' salaries.
- ii. The bank Shall render necessary advice to the SFURTI Cluster with regard to fund management, preparation of repayment schedule, investment of surplus funds etc.,
- iii. The bank shall accord priority in providing financial assistance to the SFURTI Cluster and its Artisans, in accordance with the norms and policies of the bank/Reserve Bank of India.
- iv. The bank shall accord priority to SFURTI Cluster while extending its various supports under CSR scheme.

- v. The bank shall also cooperate with the SFURTI Cluster for conducting awareness camps concerning the importance of traditional and other village industries programmes.
- vi. Providing Artisan Credit card to the Artisans covered under the cluster.
- vii. Temporary surplus fund in the dedicated account to be placed under Flexi Account for earning better interest.

## **2. Responsibilities of SFURTI Cluster –**

- i) SFURTI Cluster shall open its dedicated Bank Account with the Bank and all the funds received from KVIC shall be deposited in the said account for its utilization for the Scheme.
- ii) SFURTI Cluster shall invite the representative of the Bank for all its important meeting.
- iii) SFURTI Cluster shall avail the loan for meeting its financial requirement, wherever necessary from the Bank.
- iv) SFURTI Cluster shall associate the Bank for conducting awareness camps concerning the importance of traditional and other village industries programmes.

## **3. The Period of Association**

The period of association shall be till the project period and beyond the project period, as required.

**4. Co-ordinating Official -**

While from the side of the Bank its representative, Mr.\_\_\_\_\_ will co-ordinate the activities and from SFURTI Cluster ..... shall co-ordinate the activities.

**5. Settlement of dispute -**

Any dispute, difference or question which may arise at any time hereafter between the Parties hereto or there representative touching these presents or the subject matter thereof or arising out of in relation thereto and whether as to the true construction of this Memorandum of Understanding or the role and responsibilities of the parties hereto shall be sorted out by mutual consultation between the Branch Manager of the Bank and the Secretary of the SFURTI Cluster.

IN WITNESS WHEREOF the parties hereto have executed these present on the day and year first herein above written.

For & on behalf of Bank

Witness:

1

2

For and on behalf of SFURTI Cluster

Witnesses –

1.

2.