

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MoU) has been made and executed at _____ on _____ day of _____, 2014 between:

The National Housing Bank (NHB), a principal agency established under an Act of the Parliament, viz. the National Housing Bank Act, 1987, as a wholly owned subsidiary of Reserve Bank of India and is engaged in promoting housing finance institutions both at local and regional levels by providing financial and other support to such institutions and for matters connected therewith or incidental thereto.

AND

_____ which is a Primary Lending Institution, now called for the sake of brevity, called the "PLI".

Whereas the Government of India, Ministry of New and Renewable Energy (hereinafter referred to as ("MNRE")) has launched the "Jawaharlal Nehru National Solar Mission" (hereinafter referred to as the Solar Mission) *inter alia*, to promote ecologically sustainable growth while addressing India's Energy Security Challenge and to meet the challenges of climate change;

And whereas as a part of the Solar Mission, the MNRE has designed a Capital Subsidy Scheme under the National Clean Energy Fund (NCEF) for installation of Solar Water Heating Systems and Solar Lighting Systems issued the "Guidelines for Off-grid and Decentralized Solar Applications" (hereinafter referred to as the Guidelines);

And whereas the MNRE, Government of India, has appointed NHB as a Nodal Agency to implement the Scheme. The capital subsidy will be released by the Nodal Agency to the Primary Lending Institutions on quarterly basis in respect of financial assistance extended by them to the various beneficiaries for purchase and installation of solar water heating and solar lighting equipments in homes in accordance with the provisions of the scheme.

NOW, THEREFORE the above mentioned parties have agreed to the terms & conditions as mentioned hereinafter :

(A) The National Housing Bank has formulated the **Capital Subsidy Scheme for Installation of Solar Water Heating and Solar Lighting Equipments in Homes**, which is part and parcel of this MoU. The terms of subsidy reimbursement, selection of beneficiaries, roles and responsibilities of various agencies under the scheme and monitoring of scheme etc. will be as per the provisions of the Scheme.

(B) Role & Responsibilities of National Housing Bank

NHB shall be responsible for release of capital subsidy to the PLI out of the funds provided by MNRE, Govt. of India and in terms of the capital subsidy scheme. On receipt of information regarding the total loan disbursed by the PLI to the beneficiaries during one quarter, NHB will release the subsidy amount to them directly. MNRE, Govt of India, shall be at full liberty to amend / modify / terminate the scheme of capital subsidy.

(C) Role & Responsibilities of the PLI:

- (1) The PLI hereby undertakes to pass-on the entire benefit of the scheme of capital subsidy to the beneficiaries on front-ended basis by reducing the subsidy amount from the principal loan amount.
- (2) The PLI hereby undertakes to implement the scheme of capital subsidy as per the terms & conditions of the scheme.
- (3) The PLI hereby undertakes that it will follow the applicable guidelines and Regulations of RBI / NHB (both general guidelines as well as specific guidelines for the Scheme).
- (4) The PLI will exercise due diligence in appraisal of beneficiaries.
- (5) The PLI will adhere to all extant guidelines issued by the MNRE as also NHB under the Scheme including modifications / amendments to such guidelines from time to time.
- (6) The PLI will provide utilization / end use certificate to NHB on a quarterly basis. In case of default in not

providing utilization / end-use certificate the PLI shall refund the amount of subsidy to NHB. Further, any unutilized amount of subsidy shall be immediately payable by PLI to NHB.

- (7) The PLI shall ensure that the equipment in respect of which capital subsidy is provided under this scheme conforms to the specifications / criteria laid down by NHB / MNRE in this respect from time to time.
- (8) The PLI shall maintain receipts / invoices of all equipment covered under this scheme and shall make them available for inspection / verification as and when required by NHB / MNRE.
- (9) The PLI will provide each beneficiary a statement, which will make him / her understand the amount given as subsidy.
- (10) The PLI shall provide all other information, statements and particulars as may be required from time to time by NHB or by the MNRE, Government of India under this scheme.

(D) Disputes and Jurisdiction

All disputes and differences between NHB and PLI arising part of these presents shall as far as possible be resolved through negotiations. However, if any differences / disputes still persist the same shall be referred to the sole arbitrator appointed by the CMD, NHB under the provisions of the Arbitration and Conciliations Act, 1996. The decision of the

sole arbitrator shall be final and binding on the parties.
Arbitration proceedings shall be held at Delhi.

Signed at _____ (place) on this _____
(date) as mentioned above.

For and on behalf of

National Housing Bank

PLI (Print name)