



Documents

of

**REFINANCE SCHEME FOR PAYMENT OF WAGES AND SALARIES
TO THE WORKERS AND EMPLOYEES OF BUSINESS CONCERNS**



- iii) the eligibility of employers/borrowers and the relevant cost of wages and salaries to be paid by employers/borrowers to their workers and employees against which refinance is applied for has been properly determined by us in accordance with the prescribed criteria/conditions set out in the Scheme in force on the date of the Financing Agreement/Undertaking referred to above;
- iv) the underlying procedure and the mode of payment are in accordance with the procedure prescribed by our bank/DFI, as also guidelines given in the Scheme;

6. We understand that the Infrastructure, Housing & SME Finance Department, State Bank of Pakistan has right to appoint independent consultants for verifying cases of refinance on random basis and agree to reimburse the cost so incurred in case the report of consultants indicates any irregularities on our part. We also agree to pay back any amount of refinance disbursed to us by the State Bank on the basis of this application if the State Bank subsequently concludes that such refinance was wrongfully claimed and also pay fine on such finance @ paisa 60 per day per Rs. 1,000 or part thereof, for the period for which such finance is availed by us immediately, on demand made by the State Bank.

7. We also undertake that in case such irregularities are found to have been committed by the borrower due to negligence of our concerned officials/staff to ensure compliance of the same or that such irregularities have been made by the borrower with the involvement of our staff/officer, besides initiating appropriate action against our staff under our staff regulations or code of conduct, we shall indemnify the State Bank against any losses that it may suffer due to litigation filed by the borrower on account of recovery of amount of refinance and the fine thereof for availing of refinance to which we were not entitled otherwise.

8. We hereby also authorize SBP BSC to recover the full or remaining outstanding amount of refinance alongwith mark up, if any, in case the amount(s) falling due is not repaid by us on the due date(s) agreed to by us as per Agreement on Form WS-2 executed by us.

Yours faithfully,

 (Authorized Signature with
 name and designation)
 Vice President or above

 (Authorized Signature with
 name and designation)
 Vice President or above

Encl: _____



**FORM OF THE AGREEMENT TO BE OBTAINED FROM THE BANK /DFI
REFINANCE SCHEME FOR PAYMENT OF WAGES AND SALARIES
TO THE WORKERS AND EMPLOYEES OF BUSINESS CONCERNS**

(TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE WITH THE
LAW IN FORCE IN EACH PROVINCE)

(Place) _____

Date _____

The Chief Manager,
State Bank of Pakistan,
Banking Services Corporation,
_____ (City)

Dear Sir,

In consideration of your agreeing to make available to us refinance under Section 22 read with Section 17 (2) (d) of State Bank of Pakistan Act, 1956, not exceeding Rs. _____ (Rupees _____ only) under State Bank of Pakistan's Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (subject Scheme), for _____ years vide Letter No.----- dated ----- for which amount we i.e. _____ (concerned bank / DFI) have delivered to you a Demand Promissory Note made by us in your favour.

2. Now, we do hereby agree to the terms and conditions as set out herein under :-

- a. As security for the said refinance on each occasion we intend to avail refinance against finance extended by us, we shall deliver to you, bills of exchange/demand promissory notes duly endorsed in your favour, as are acceptable to you and drawn on and payable in Pakistan, arising out of bonafide finance provided by us to our borrower, an entity eligible for financing as per criteria spelt out in the Scheme, under the subject Scheme and it is understood that the aforesaid accommodation may be made and will continue on the faith of the truth and correctness of such certificates.
- b. We undertake that we shall not extend finance or deliver to you any bill of exchange/demand promissory note in terms of this agreement unless we are satisfied that all parties liable thereon are financially sound and credit worthy.
- c. The maximum rate of mark up to be charged by us from the borrower shall not exceed by ___%p.a. for SME clients and ___%p.a. for corporate clients from the service charges (mark-up) payable to you on refinance as worked out under the provisions of the Scheme.
- d. Service charges shall be payable by us to you on quarterly basis(as on 30th September, 31st December, 31st March and 30th June) or on maturity of the bills or promissory notes, whichever is earlier. Where the above schedule date falls on a public/weekly holiday we shall make payment of the due amount of service charges on next working day after such due date. It shall be open to you to reimburse yourselves with the amount of service charges by charging the same to our current account with you in case we fail to make payment on the due date in full, as required under the Scheme without seeking any debit authority from us. You shall also be entitled to charge fine on us, at a rate specified in the Scheme from time to time, on our failure to make payment on account of inadequate balance in our account.



- e. The maximum amount of finance that you shall provide to us would be equal to the amount actually disbursed by us under the Scheme.
- f. The Demand Promissory Note (notice of dishonour of which Promissory Note is hereby waived in terms of Section 98 of Negotiable Instrument Act, 1881) furnished by us with this agreement and the demand promissory notes delivered to you in terms of clause (i) below shall, notwithstanding the existence of a credit balance at any time or any partial payments or fluctuations of accounts or withdrawal of any part of this security, be a continuing security for repayment of all sums due or found due under this agreement, alongwith Service Charge due thereon to you, and all costs, charges or expenses, which you may be entitled under the law to recover from us.
- g. We shall neither sanction nor permit any of our customers to use the finances for any purpose other than those prescribed under the Scheme. Any finances provided by us under this Scheme shall be subject to the terms of our Charter. Further, we shall obtain a declaration from our borrower to the effect that he/she shall not utilize the finances or any part thereof except for the purpose spelt out in the Scheme.
- h. No finance under subject Scheme shall be given by us to any of our Directors or to any company, firm or group or association or project in which any of our Director is interested either directly or indirectly except in finance against tangible security which will be provided with the approval of the majority of our Directors excluding the Director concerned.
- i. We shall endorse and deliver to you demand/usance Promissory Notes executed in our favour by our borrower under this financing arrangement with a certificate that (i) the same arises out of bonafide finances provided by us under the Scheme (ii) all parties liable thereon are financially sound, solvent and credit-worthy and that by virtue of such endorsement and delivery, we certify the genuineness of signatures as well as authority of all persons thereon (iii) the finances provided to parties liable on such promissory notes have not been classified as substandard/doubtful/loss.
- j. Without prejudice to your rights as financier against us for the realization of any demand/usance promissory note delivered to you under clause (i) at maturity, we agree, if you so desire, to take at our expense, all steps as may be necessary to realize the money from our customer and forthwith pay the same to you. We agree that the fact of your not taking steps to endorse payment of such demand/usance promissory note or any of them against the signatory or signatories thereon shall in no way release us from our liability thereon and we agree that it shall not be necessary for you to give any notice of dishonour of such Promissory Note.
- k. In addition to clauses (i) & (j), we shall hold upon trust securities/security documents presently held by us or which may be obtained by us from our customers to whom finance is made available under this Scheme as security for due repayment of finance with return/profit thereon. Further, on your demand we undertake to assign to you all such securities and secured documents, and agree that upon such assignment the provisions of clauses (i) and (j) shall, mutatis mutandis, apply.
- l. In addition to the preceding three clauses, we agree that as and when you demand, we shall create valid legal charge on any or all of our assets as may be demanded by you.
- m. We expressly understand that you are entitled to cancel or recall or advance the date of repayment of this finance at any time and for any reasons without any prior notice to us and that you are not obliged to provide any finance to us any time and for any reason against this



Scheme and that by executing a promissory note in your favour of lodging demand/usance promissory note under clause (i) or by providing finance to any customer on the faith of this agreement, we have acquired no right or claim to demand finance from you under this Scheme. We also expressly agree that you have the sole right to vary, amend, alter or add to the terms and conditions of this agreement without any reference to us and we agree to invariably comply with the same.

- n. We agree that on default of repayment by us on any promissory note tendered under this agreement, you have our authority to debit without further reference to us, all of our accounts now held or held hereafter or adjust any moneys worth which may, howsoever, become due from you or come into your possession or control to the extent of the amount due from us under any such promissory note or in terms of the clauses referred herein before or otherwise under this agreement.
- o. We agree that notwithstanding anything contained elsewhere in this agreement, the amount of this finance alongwithService Charge due thereondue to you will become due and payable, if we commit breach of any of the terms and conditions of this agreement.
- p. No indulgence or delay in exercising any of your rights hereunder shall be deemed a waiver of any right and no waiver of any of your right hereunder shall be construed as a waiver of any other rights you may have.

Yours faithfully,

(Authorized Signature with
name and designation)
for _____
(Bank / DFI)
Vice President or above

(Authorized Signature with
name and designation)
for _____
(Bank / DFI)
Vice President or above



DEMAND PROMISSORY NOTE *
(TO BE SUBMITTED BY THE BORROWER)

Place: _____

Date _____

Rs. _____

On demand we (name of the borrower / employer) promise to pay to the (name of the bank / DFI) or order the sum of Rs. _____ (Rupees _____ only) for value received plus service charges @ _____% p.a. determined by (name of the bank / DFI) for financing under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns.

(Authorized signature of the borrower)

(Name & Seal)

Note :- Demand Promissory Note requires to be endorsed by the bank / DFI concerned in favour of its head office / principal office through which refinance is being claimed and further endorsed by them in favour of the office of SBP BSC concerned.

* To be stamped in accordance with the law in force in each Province.



**UNDERTAKING/AGREEMENT TO BE SUBMITTED BY THE BORROWER
UNDER THE REFINANCE SCHEME FOR PAYMENT OF WAGES AND SALARIES
TO THE WORKERS AND EMPLOYEES OF BUSINESS CONCERNS
(TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE WITH THE
LAW IN FORCE IN EACH PROVINCE)**

(Place) _____

Date _____

The Manager,

_____ Bank Limited/DFI,
_____ Branch,
_____ (CITY)

Dear Sir,

I/We do hereby certify and confirm that a finance of Rs. _____
(Rupees _____ only) has been allowed to me/us by you under Refinance
Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (“the
Scheme”) of the State Bank of Pakistan on service charges basis @ _____% p.a.

2. I/We, further confirm and undertake that the aforesaid finance will be / has been obtained by
me/us only for the purpose of payment of salaries and wages to our employees as per the provisions
of the Scheme under reference. Further, I/We, confirm that aforesaid finance or any part thereof shall
not be utilized except for the purpose spelt out in the Scheme.

3. I/We, further confirm and undertake that the aforesaid amount of finance that will be availed
by me/us shall be utilized exclusively to meet the cost of salaries and wages to our employees.

4. I/We, do certify that the finance is being obtained by me/us against bonafide purpose and
I/We submit the requisite documents alongwith this application for your consideration of extension
of finance facility to us from your bank/DFI under the (“the Scheme”).

5. I/we, certify and confirm that I/we have not obtained any finance against the above-
mentioned heading of salaries and wages to our employees from any other Bank/DFI.

6. I/We, hereby confirm and agree that in the event of my/our failure to make payment on due
date you have our Irrevocable Authority without reference to us, to recover from me/us and debit
my/our Account No. _____ maintained with you alongwith fine, if any as
prescribed under the Scheme. I/we, authorize the bank/DFI to reimburse itself with the fine amount
even if we have made a representation to SBP against imposition of fine under the Scheme.

7. I/We agree and understand that in the event that either SBP or PIFI avail their right to
withdrawal from the scheme for any reasons, all financing made as per the terms of the scheme shall
convert to mutually agreed regular terms and conditions of the PIFI and in case of no agreement this
will constitute an event of termination.

8. I/We agree that notwithstanding anything contained elsewhere in this agreement, the
amount of this finance alongwith Service Charge due thereon due to you will become due and payable
immediately, if I/we commit breach of any of the terms and conditions of this agreement.



Yours faithfully,

Authorized Signature of the Borrower/Employer

Signature verified by the authorized
officials of Branch of Bank/DFI

Encl: _____

**Table 1:** Information for Employees/Workers not maintaining any bank account

Sr. No.	Name of Bank	Name of Customer	Type of Customer (Corporate/ Commercial/ SME)	Name of Employee/ worker	CNIC Number	Mobile Number	Amount of Salary Disbursed (Monthly)	Date of Disbursement
1	2	3	4	5	6		7	8

Table 2: Information for facility Repayment Schedule

Sr. No.	Name of Bank	Name of Customer	eCIB Code	Type of Customer (Corporate/ Commercial/ SME)	Limit Allocated	Total Amount availed by customer	Repayment Schedule	First Installment due date
1	2	3	4	5	6	7	8	9
							Quarterly	

Table 3: Information for disbursement of the facility

Sr. No.	Name of Bank	Name of Customer	eCIB Code	Type of Customer (Corporate/ Commercial/ SME)	Limit Allocated	Amount Disbursed during the Week
1	2	3	4	5	6	7