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Dena Bank, Capital Market,
Branch, 17 Marimban Circle,
Mumbai-400623.

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INDIA STAMP DUTY MAHARASHTRA

दुना देना बँक / For DENA BANK
मुंबई, कापल मार्केट / Capital Market Branch
[Signature]
प्रधिकृत हस्ताक्षरकर्ता

AGREEMENT

This Memorandum of Agreement is made on this 24th day of June 2011 at Mumbai between the Reserve Bank of India, a statutory corporation constituted by the Reserve Bank of India Act, 1934 and having its Central office at Mumbai (hereinafter referred to as "the Reserve Bank") (which expression, unless repugnant to the context, shall include its successors, administrators and assigns) of the FIRST PART.

AND

University of Mumbai constituted under the provision of Section 3(i) of the Maharashtra Universities Act, 1994 (Mah. XXXV of 1994), and having its administrative office at Fort Campus, M.G. Road, Mumbai - 400 032 (hereinafter referred to as "University") (which expression shall, unless repugnant to the context, include its successors, administrators and assigns) of the OTHER PART.

Whereas in accordance with the provisions of Section 17(15B) and (16) of the Reserve Bank of India Act, 1934, the Reserve Bank has been operating the Scheme of Corpus Fund in Universities and Research Institutions for promotion of Economic Research, Training in Banking and Economics;

Whereas with effect from April 1, 2002, the Reserve Bank has by an Agreement dated March 27, 2002 established a Corpus Fund of Rs.1,50,00,000/- (Rupees One crore Fifty lakh only) under the Endowment Scheme with a Professorial Chair in the University of Mumbai, for Research in economic and allied subjects and for higher levels of learning;

Whereas being satisfied that the present income earnings of the corpus fund is insufficient for the University for the approved expenditures, on account of changes in interest rates, inflation and implementation of recommendations of the sixth Pay Commission, Reserve Bank has decided to strengthen the corpus fund by enhancing the corpus fund to Rs.4,00,00,000/- (Rupees Four crore only) in the University;

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Whereas the University is desirous of availing the enhanced corpus fund under the scheme as revised and in consideration for the same it has expressed its willingness to accept and be bound by the revised terms and conditions, in substitution of the terms of the existing agreement dated March 27, 2002;

Whereas the previous agreement signed between the University with Reserve Bank dated March 27, 2002 of the corpus fund stands cancelled in all respects as this new Agreement comes into force;

Whereas the said University is already holding the sum (corpus fund + accrual to the fund) of Rs.1,90,06,333/- (Rupees One crore Ninety lakh Six thousand Three hundred Thirty Three only) pursuant to the Agreement dated March 27, 2002 in terms of the RBI Endowment Scheme;

Whereas the said University agrees that the amount of the enhanced corpus fund shall be subject to the conditions hereinafter provided and shall be utilized in the manner specified hereunder:

NOW, THEREFORE, THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

- I. (1) The Reserve Bank shall provide to the University a further sum of Rs.2,09,93,667/- (Rupees Two crore Nine lakh Ninety Three thousand Six hundred Sixty Seven only) which sum shall be held by the University in addition to the sum of Rs. 1,90,06,333/- (Rupees One crore Ninety lakh Six thousand Three hundred Thirty Three only) already held by it, so that the University shall hereinafter hold subject to the condition of this Agreement the total sum of Rs.4,00,00,000/- (Rupees Four crore only) as the corpus fund for the purpose of supporting the Reserve Bank's decision making process on policies through research and promotion of higher levels of learning in the University in monetary and financial economics, banking and real sector issues and related areas of interest to the Reserve Bank.
- (2) The additional Corpus Fund will be released subject to rigorous scrutiny of the track record of the University showing its compliance with all the norms as underlined in the earlier Agreement dated March 27, 2002 in two instalments in the manner provided hereunder:
 - (i) 50 per cent of the said sum shall be paid after satisfactory compliance and declaration about the functioning of the RBI Chair.

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- (ii) The remaining 50 per cent shall be paid after six months from the date of release of the first instalment, on continued satisfactory functioning of the RBI Chair.
- (3) No further contribution to the Corpus Fund shall be made by the Reserve Bank with respect to the University irrespective of change of interest rate on the securities or for any other reason whatsoever. Any requirement of funds for meeting any expenditure over and above the amount generated by the Corpus Fund shall be the responsibility of the University and the Reserve Bank will not entertain any request for any further financing and shall not be liable for the same.
- (4) RBI Chair Professor shall at all times be responsible and be accountable for (i) the functioning of the RBI Chair in accordance with the academic requirements as may be specified by the Reserve Bank from time to time and (ii) for all academic compliances. The University shall at all times be responsible and accountable for administering the Chair and for the timely and regular submissions of financial reports/statements as designed by the Reserve Bank.
- (5) A Committee, constituted by the Reserve Bank, shall undertake an annual review of the research being done under the Corpus Fund, to ensure accountability of the Chair Professor selected in accordance with this Agreement in the University.
- (6) The Reserve Bank shall recommend upon the continuation of the Chair Professor beyond the period of three years which determination shall be based on the recommendations of the Committee set up for the purpose.

II. **IN CONSIDERATION OF** the total funds of Rs. 4,00,00,000/- (Rupees Four crore only) provided by the Reserve Bank, the University hereby agrees and undertakes that it shall continue the Corpus Fund on perpetual basis from the funds contributed by the Reserve Bank and utilise it for the purposes, in the manner and in total compliance with the terms and conditions of this Agreement, and in particular, agrees and undertakes as under:

- (1) (a) Not less than 75 per cent of the said sum of Rs.4,00,00,000/- (Rupees Four crore only) shall be invested in Government of India dated securities, with maturity of more than five years and the balance 25 per cent of corpus fund shall be invested in safe, secured and assured return instruments in public sector undertakings like PSU Navaratna, trustee securities and deposits with PSU banks.

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(b) For this purpose, the University shall maintain a separate account and form an Investment Committee which shall take into account risk-return and cash flow considerations, while making the investment. If G-Secs (minimum 75% of the corpus fund) are purchased by paying premium then the cost of the premium should be adjusted against the interest income generated from the corpus fund. In any case, the total investment in G-Secs and Trustee Securities should be equal to the amount of Corpus Fund allotted.

(c) During the pendency of the investment after the receipt of the Reserve Bank's contribution to the Corpus, the amount shall be kept in interest bearing deposits with the bankers of the University. However, within a period of one month from the date of receipt of corpus fund, the total money should be fully invested as indicated above, under advice to the Reserve Bank.

(d) The said University shall renew or reinvest the amount of the Corpus Fund in the manner as stipulated hereinabove.

(2) The University shall submit to the Reserve Bank annually (i) a utilisation certificate issued by a Chartered Accountant in terms of income and expenditure and balance sheet as per the format issued by the Reserve Bank and (ii) a certificate issued by a Chartered Accountant listing out details of investments in respect of investment of the Corpus Fund (both G-Sec and other trustee securities/approved securities of investments).

(3) Minimum 20 per cent of the interest earnings derived from the investments of the Corpus Fund for the first two years and 15 per cent of the interest earnings in the following years shall be compulsorily apportioned to the Corpus Fund (both G-Sec and other trustee/approved securities).

(4) The unutilised portion, if any, of the interest earnings (both G-Sec and other trustee/approved securities) of Corpus Fund shall be ploughed back immediately after the end of the financial year i.e. March 31 of every year to the Corpus Fund Account. Any surplus ploughed back into the Corpus Fund should be invested as indicated in the Clause II 1 (a).

(5) (a) The University shall be responsible for meeting the expenditure in respect of the research/teaching activities from the interest earning of the Corpus Fund.

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(b) As indicated at Clause II (3), apportionment from income generated out of the Corpus Fund shall be made towards strengthening of the Corpus Fund.

(c) The University shall appoint a Chair Professor for undertaking research/teaching activities as per UGC norms or as prevailing in the University for the staff belonging to the similar categories (Age, Qualifications, Pay etc.) and the income earnings from the Corpus Fund shall in the first instance be utilised for meeting the expenses of the research and teaching activities including the pay and allowances and P.F. Contribution of the Chair Professor. Normally, the minimum tenure of the Chair Professor shall be three years.

(d) The balance of the income earnings from the Corpus Fund [after meeting (b) and (c) above] shall be utilised for traditional expenditure items like pay of supporting staff and such other items which may be permitted by the Reserve Bank.

(e) The selection process of the Chair Professor/supporting staff may be decided by the University keeping in view the thematic area of research required by the Reserve Bank.

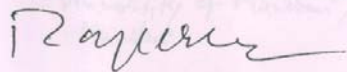
(f) The number of supporting staff should not exceed more than two. The amount of total remuneration payable to both staff should not exceed Rs.50,000/- (Rupees Fifty thousand only) per month.

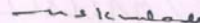
(g) The Contingency expenses (covering travel, stationary, computer usage etc.) should not exceed Rs.2,00,000/- (Rupees Two lakh only) per annum.

(h) The University shall ensure that no Chair Professor position is kept vacant beyond six months from the date of retirement/resignation of earlier Professor. If the RBI Chair Professor position remains vacant beyond the period of six months, University shall not utilise the funds of the Chair for any other purpose.

(6) In no case, the Corpus Fund or the income derived there from shall be utilised for the purpose other than for which it has been established.

(7) The Reserve Bank shall be kept informed about the research/teaching activities of RBI Chair Professor adhering to the theme desired by the Reserve Bank besides ensuring quality in research output by the RBI Chair Unit. The said research activities are to be undertaken out of the income earnings from the Corpus Fund by the University





as aforesaid. The University shall send to the Reserve Bank, an annual plan of research/teaching, etc. to be undertaken during the course of the academic year, prior to the commencement of the period. The said University shall submit to the Reserve Bank an Annual Report adequately reflecting the research/teaching activities which were financed from the income earnings from the Corpus Fund during the course of the academic year. The said University shall through the Annual Report furnish satisfactory evidence of utilisation of the income earnings in accordance with the terms and conditions of this Agreement.

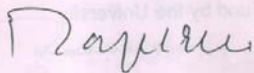
(8) The University is permitted to publish the research work undertaken by the RBI Chair Professor. However, disclaimer clause indicating that the 'views expressed in this paper are strictly those of the authors and are not attributable to the RBI' may be indicated in the publication. A copy of the publication of the research work so undertaken shall be sent to the Reserve Bank.

(9) The University under no circumstances shall combine the Corpus Fund with any other Fund.

(10) The above conditions shall be binding on the University unless otherwise amended as per mutual agreement. The University shall take all necessary steps to ensure that the terms of appointment of RBI Chair Professor include the condition that the research shall be subject to the conditions of this Agreement and ensure compliance thereof.

III. A breach of any term or condition of this agreement or any instruction issued by the Reserve Bank or the issuance of any notice from the Reserve Bank to refund the amount (based on a review of performance by a Committee constituted by the Reserve Bank) shall make the University liable to forthwith refund the entire amount of the Corpus Fund to the Reserve Bank. The University shall upon receipt of any recall notice in writing from the Reserve Bank pay the Reserve Bank, without any demur, the amount or amounts specified in the recall notice within the period of one month from the receipt thereof.

IV. The decision of the Reserve Bank, whether the University has committed breach of any of the terms and conditions of this Agreement or any instruction issued by the Reserve Bank, shall be final and binding on the University. However, the University shall be provided an opportunity to explain the circumstances under which such a breach has occurred.



V. The University has represented to the Reserve Bank by submitting documentary support that the signatory to this Agreement, representing the University, is competent and empowered under the Maharashtra Universities Act, 1994 governing the University to execute this Agreement on behalf of the University.

VI. This Agreement is executed in duplicate and each party will possess a copy of the Agreement. The stamp duty payable on this Agreement shall be borne by the Reserve Bank.

IN WITNESS WHEREOF, the Parties have caused this agreement to be executed on the day and year first above written.

Signed and delivered by the
Within named Reserve Bank of India by
The hands of Shri Rajesh Verma
CGM, RBI, Mumbai

Rajesh Verma
RAJESH VERMA
Chief General Manager
Reserve Bank of India
Mumbai

Duly authorized official in
The presence of
(i) Shri S Arunachalam
Director, DEPR, RBI, Mumbai
ii) Shri D G Kulkarni
Asst. Manager, DEPR, RBI, Mumbai

S. Arunachalam 24/6/11
D. G. Kulkarni 24/6/11

Signed and delivered by the
Within named
University of Mumbai, Fort Campus, M.G. Road, Mumbai - 400 032
By The hands of Dr. Murlidhar Kurhade, Registrar
University of Mumbai, Fort, Mumbai



Murlidhar Kurhade
Registrar
University of Mumbai
Mumbai - 400 032

Duly authorized official in
The presence of
i) *DR. Rajpal S. Hanale*
Director, BCU D
University of Mumbai

Rajpal S. Hanale

ii) *Shri W. P. Shilarkar*
Finance & Accounts Officer,
University of Mumbai,
Mumbai.

W. P. Shilarkar
24/6/2011