

Budget, Financial Control &
Investment Division
5th Floor, Bharat Sanchar Bhawan,
Janpath, New Delhi-110001.



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No. 1-9/BBF/Staff Loan/2011-12 dated at ND, the 17/06/2013

To

All Circles' IFA

**SUBJECT: MOU SIGNED WITH ORIENTAL BANK OF COMMERCE FOR EXTENDING VARIOUS LOAN
SCHEMES TO BSNL EMPLOYEES**

MOU with Oriental Bank of Commerce for extending various loans to BSNL employees has been signed on 14/06/2013. The General Terms and Conditions and Interest Rates for various Retail Credit Loans are annexed as Schedule-I and Annexure-I, respectively.

Copy of the agreement is available on the intranet site at www.intranet.bsnl.co.in under head Director (Finance) and sub-head Budget & Finance Control.

This is for your information please.

Encl: Copy of the agreement.


(C. S. Gupta)
DGM (BF III)

Ph. No. 011-23715103

Copy for information to:

The DGM (Marketing & Retail Credit), Oriental Bank of Commerce, Plot No. 5, Sector-32,
Institutional Area, Gurgaon—122001.



हरियाणा HARYANA

L 818019

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made as of this 14th day of June 2013.

BETWEEN

M/s. Bharat Sanchar Nigam Limited (BSNL), a company incorporated under the Companies Act, 1956, having its registered office/corporate office at 3rd Floor, Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001, through Mr. C. S. Gupta, Deputy General Manager (BF - III), (duly authorised to enter into the present MOU), hereinafter referred to as "BSNL" (which term shall mean and include its successors in title, subsidiaries, associates, affiliates, and assigns) of the **ONE PART**.

AND

Oriental Bank of Commerce, a body corporate, constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1980, having its corporate office at: Plot No. 5, Sector - 32, Institutional Area, Gurgaon - 122001 through Mr. Ravi Taneja, Deputy General Manager (duly authorised to enter into the present MOU), hereinafter referred to as "Bank" (which term shall mean and include its successors in title, subsidiaries, associates, affiliates, and assigns) of the **OTHER PART**.

BSNL and Bank are collectively referred to as "the parties".




चंद्रा शंकर गुप्ता
CHANDRA SHEKHAR GUPTA
ज्य. सहायक प्रबन्ध (बी.एस.एन.एल.)
Dy. General Manager (BSC)
भारत संचार निगम लिमिटेड, पुराणपुर, नई दिल्ली
B. S. N. L. Corporate Office, New Delhi

WHEREAS:

1. M/s. Bharat Sanchar Nigam Limited (BSNL) is a company incorporated under the Companies Act, 1956 and has its registered office/corporate office at 3rd Floor, Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001. BSNL is the largest telecom operating company in India having 3.2 lakhs employees across the country.
2. To benefit its employees, BSNL desires a Special Loan Package for its entire staff strength on All India basis.
3. In pursuance of the above, vide letter no. 1-9/BBF/Staff Loan/2010-11 dated 03.08.2010, BSNL invited Bank's proposal for various loans facilities for its employees on all India basis.
4. Vide letter no. HO/MKT/FGB/2011 dated 26.03.2011 Bank submitted its proposal incorporating the basic terms and conditions governing the loan along with the specimen copies of the agreements/documents required to be signed by BSNL's employee(s) (hereinafter referred to as the "Borrower(s)") at the time of taking the loan.
5. Consequently, Bank had, at the request of BSNL, agreed in principle to lend and provide loan facilities to BSNL employees/Borrower(s), on the terms and conditions set out in the letter of offer no. 1-9/BBF/Staff Loan/2010-11 dated 28.10.2010 which was valid up to 05th April 2012 and further extended upto 05th April 2013. Now this deed has been prepared to extend the validity of MOU with retrospective effect i.e. 06.04.2013 to 05.04.2014.
6. The Loan will be evidenced by the Loan Agreement and other Loan Documents (hereinafter referred to as the "Loan Documents") to be executed between Bank and Borrowers. In consideration of the loan facilities, the parties have agreed to execute the present Memorandum of Understanding on the terms and conditions mentioned below:

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. That Bank shall grant the loan to BSNL's employee(s) under the various head as per their requirement and the same are as follows:
 - (a) Housing Loan including Repair/Renovation/Addition/Alteration Loan & Home Improvement Loan.
 - (b) Car Loan
 - (c) Two Wheeler Loan
 - (d) Personal Loan
 - (e) Educational Loan
 - (f) Natural Calamity Loan

The loans under the various heads as mentioned above are collectively referred to as the "loan facilities".




S. N. L. Capital Office, New Delhi
S. N. L. Capital Office, New Delhi

2. That the general terms and conditions, Purpose of loan, Maximum amount, Margin Money, Multiple of salary, Recovery of installments (EMI+Interest) and Eligibility etc. w.r.t. the loan facilities applicable in respective cases are annexed herewith as Schedule-I.
3. That the Financial Quotations i.e. Floating Rate of Interest and Average time for Loan Sanction, for the loan facilities applicable in respective cases are annexed herewith as Annexure - I.
4. That the loan facilities shall be sanctioned by the appropriate authorities of the Bank with all the agreed concessions and relaxations.
5. That the maximum limits for the loan facilities are subject to the income/repaying capacity of Borrowers.
6. That the security for the loan facilities shall be as applicable on the respective schemes.
7. That salary mandate to be registered by BSNL for recovery of installments from the salaries of Borrowers and remittance to the respective branches.
8. That minimum net take home salary of 25% shall be maintained after meeting the loan installments.
9. That the loan shall be sanctioned in such a manner that at no stage the net take home salary after meeting loan installment is less than 25% of the gross salary after meeting all liabilities/deductions viz. GPF,EMI, Income Tax, Insurance etc. In case of reemployed persons/persons employed on compassionate ground, pension of employee shall be included for calculating 25% carry home salary.
10. That in case of retirement/resignation/termination/death of Borrower, BSNL undertakes not to release terminal benefits without obtaining prior written "No Objection Certificate" from the financing branch of Bank.
11. That the Bank shall not charge processing charges on the loan.
12. That the Bank shall charge the interest on monthly rests on the daily reducing balance basis. DDOs must pay the recovered amount of EMI from the salary of the employee latest by 10th of each month without fail. When the concerned DDO has made payment within due time, Bank shall not pass on interest charges to the borrowers owing to delay on bank's behalf.
13. The Facilities shall be on floating rate of interest basis.
14. That Bank shall not charge penal interest for prepayment/foreclosure of loans in case the employee pays back the loan from his/her own sources.
15. That repayment shall commence one month after disbursal of the loan.
16. That this deed shall be binding upon the parties, their successors and assigns.




 श्री. आनंद कुमार गुप्ता
 Sr. Manager (B.S.N.L.)
 Dy. General Manager (BFC)
 भारतीय स्टेट बैंक, प्रधान कार्यालय, नई दिल्ली
 B. S. N. L. Central Office, New Delhi

17. That any notice, demand or request under this deed shall be in writing, and shall be delivered by personal service or shall be sent by postage prepaid, registered or certified mail, telexed, telecopied or sent by person or overnight courier return receipt requested, addressed, if to the parties, at the respective address set forth in the heading of this deed, or at such other address as the addressee may designate in writing. Each notice, demand or request hereunder shall be deemed given on the date it is delivered, in the case of personal service, or the date it is deposited with the Postal Service, in the case of certified or registered mail.
18. That the parties shall hereby irrevocably submit to the exclusive jurisdiction of the Court and Tribunals in New Delhi for purposes of any suit, action or other proceeding which relates to this deed.
19. That no amendment, notification or release from or waiver of any provision hereof shall be effective unless in writing and signed by the parties.
20. That this deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
21. That this deed and the rights and obligations hereunder shall be construed in accordance with and governed by the substantive laws of the India.
22. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof.
23. In the event of any dispute or difference relating to; arising from or connected with this MOU, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises to be nominated by the Secretary to the Government of India, in charge of Bureau of Public Enterprises. The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside on revision of award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary, whose decision shall bind the parties finally and conclusively. The parties in the dispute will share equally the cost of arbitration as intimated by the Arbitrator.
24. That the bank shall nominate at least one branch (in case their more than one branch of the bank) at each Secondary Switching Area (Telecom Revenue District) for sanction, payment of loan and payment of EMI recovered by BSNL. This MOU shall be binding upon both the parties on all India level.
25. Either party can terminate the MOU by giving a notice of 90 days in writing. However, all the clauses of the MOU shall be binding and enforceable in respect of outstanding loans on the date of termination irrespective of such termination.



[Handwritten Signature]
 Director (Finance)
 Industrial Bank of Commerce and Finance
 Composite Office
 New Delhi
 B-3, N. C. S. Sector (RTO), New Delhi


26. All other terms and conditions as per MOU shall be applicable on both the parties.

27. This agreement shall be valid for a period of twelve (12) months i.e. from 06th day of April 2013 to 5th day of April 2014;


IN WITNESS WHEREOF, the parties have caused their respective Common Seal to be affixed to these presents on the day, month and year first hereinabove written, at New Delhi.

M/S. BHARAT SANCHAR NIGAM LIMITED ORIENTAL BANK OF COMMERCE

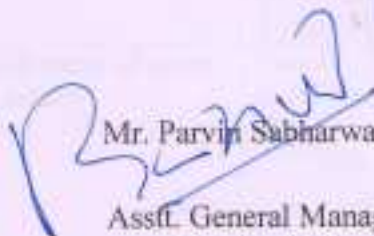
Signatures : 
Name : Mr. C. S. Gupta
Designation: Deputy General Manager (BF - III)
Address : 5th Floor, Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane,
Janpath, New Delhi-110001



Mr. Ravi Janeja
Deputy General Manager
(Marketing & Retail Credit)
Oriental Bank of Commerce
Plot No. - 5, Sector-32,
Institutional Area, Gurgaon -122001

Witness-1

Signatures : 
Name : Mr. James Scott Edwards
Designation: Asstt. Manager
(Customer Initiatives)
Address : 5th Floor, Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane,
Janpath, New Delhi-110001

Witness-2


Mr. Parvin Subharwal
Asstt. General Manager
(Marketing)
Oriental Bank of Commerce
Plot No. - 5, Sector-32,
Institutional Area, Gurgaon -122001



**CUSTOMIZED RETAIL CREDIT SCHEME FOR BSNL EMPLOYEES
GENERAL TERMS & CONDITIONS**

The various kinds of loans along with the general terms and conditions are mentioned below:

Loan	Purpose	Maximum Loan Ceiling	Margin	Eligible Loan Amount	No. of Installments (EMI)	Eligibility
Housing	Purchase of plot, purchase of flat from Housing Board / Development agency / Private builders / construction of house / repairs / renovation / addition / alteration of house / flat	Max. Rs. 40.00 lacs for purchase of flat / construction / addition etc. For purchase of plot, 50% of the eligible Loan amount. & Rs. 10.0 lacs for renovation.	Upto Rs. 20 lacs – 15%, Above Rs. 20 Lacs - 25%	60 times of gross salary	300 EMIs for construction / purchase of Home / Flat / Plot & 120 EMIs for Renovation	Employees in regular service
Car	Purchase of motor Car (new / used)	90% of cost Subject to Max. Rs.10 lacs for New Cars & Rs 7.5 lacs for old cars	New Car: 10% & 30% (Old car)	30 times of gross salary	84 EMI for new cars, For Old Cars 60 EMIs (If car 3 years old) & 36 EMIs (If the car is 5 years old)	Minimum Gross pay – Rs.10,000 / per month with 1 year of confirmed service
Two wheelers	Purchase of scooter/motor cycle/moped	90% of cost including registration, insurance, etc. subject to maximum Rs 2.0 lacs	10%	30 times of gross salary	Max 60 installments	Minimum Gross Salary – Rs.6000 /- pm & 1 year of confirmed service
Education Loan	To finance the study of family members in India and abroad	Rs. 10.00 lacs for studying in India & Rs 20.00 lacs for studying abroad. Rs 20.00	Up to Rs. 4.00 lacs – NIL Above 4 lacs – 5% (India) & 15% (abroad) 5%	As per fee component of the institute	120 EMIs (up to 7.5 lacs) & 180 EMIs (above Rs 7.5 lacs) Repayment period	Confirmed admission to Govt. / Regulatory (AICTE/UGC etc.) approved institutes




 DIRECTOR
 CUSTOMER SERVICE
 (9306421000)
 BSNL
 B. N. L. Customer Office, New Delhi

		lacs for studying in IIMs, IITs, XLRI and ISBs. (Collateral Free)	(IIMs, IITs, XLRI and ISBs.)		includes moratorium period i.e. study period & Grace Period	
Personal loan	Any miscellaneous requirement / contingency except for speculation	A) Rs. 1.50 Lac. B) Rs 5.0 lacs if salary a/c is with Bank	NA	A) Upto 15 months net take home salary, subject to maximum of Rs. 1.50 Lac. B) Upto 20 months net take home salary, subject to max of Rs 3.0 lacs, if salary a/c is with Bank C) Up to 15 months net take home salary, subject to maximum of Loans above Rs 3.00 lacs and up to Rs 5.00 Lacs, if salary a/c is with Bank	60 EMI (subject to remaining period of service)	1. Permanent and regular employees of BSNL 2. Minimum 3 years of service, including service with the previous employer (s), Govt., if any.
Natural Calamity Loan	To the affected employees of BSNL in natural calamities areas	The Bank shall immediately devise suitable scheme if the unfortunate need so arises, taking into account the specific circumstances of the calamity, in the affected area.				

Notes:

1. The recovery of housing loan will start not later than 18 months from the date of first disbursement or immediately from the next month after completion of the house/flat, whichever is earlier.
2. The recovery of education loan will start 12 months after completion of the course or 6 months after getting the job whichever is earlier, for the child whose studies have been financed through loan.
3. Loanees can fore-close the loan account without any foreclosure charges.
4. The interest will be charged on reducing balances of loan on day-to-day basis.
5. No processing charges will be levied by bank.
6. Amount of the loan will be as per eligibility and maximum loan ceiling as detailed above. However, the bank can give loan for a lesser amount also at its own discretion.
7. Borrowing capacity of the borrower shall be considered at the time of the sanction of the loan.
8. Employees desiring to avail loans will furnish their Employee / PF No. duly certified by their Staff Department.



[Signature]
 B. S. N. L. (Bharatiya Samiksha Nigam) Ltd.
 B. S. N. L. (Bharatiya Samiksha Nigam) Ltd.
 B. S. N. L. (Bharatiya Samiksha Nigam) Ltd.

Interest Rates for Various Retail Credit Loans

As a special gesture, the Bank has allowed a concession of 0.50% on its card interest rates in all brackets and schemes(excl. Personal Loan Scheme which is already customized for BSNL employees); and the final rates (Related to Base Rate System) for BSNL Employees are as under:

S. No.	Loan	Rates of Customized Scheme for BSNL Employees Floating rate of Interest* (Present Base Rate is 10.25% w.e.f. 25.02.2013)
1.	Housing	Up to Rs 30.00 lacs BR = 10.25% Above Rs 30.00 Lacs – Rs. 75.00 Lacs 10.25% (Repayment up to 25 years) Above Rs 75.00 Lacs – Rs. 03.00 Crores 10.50% (Repayment up to 25 years)
2.	Car	Up to 3 Years - 10.35% (New Car) 12.75% (Old Car) More than 3 Yrs and up to 7 Yrs- 10.60% (New Car)
3.	Two wheeler	Up to 3 Years - 10.35% More than 3 Years - 10.60%
4.	Personal	12.75%
5.	Education	Up to Rs. 4.00 lacs 12.25% Rs 4 lacs - Rs 7.5 Lacs 12.75% Above Rs 7.5 Lacs 12.25% Scheme for Students of IITs, IIMs, XLRI & ISBs 10.25% *Special concession of 0.5% to girl students / SC /ST / Disabled and special scheme for students of IITs, IIMs, XLRI & ISBs offering collateral free loans at Base Rate i.e. 10.25%.
6.	Natural calamity loan	The Bank shall immediately devise suitable scheme if the unfortunate need so arises, taking into account the specific circumstances of the calamity, in the affected area.

*Floating rate of interest will change as per the changes in the Base rate of the Bank, i.e., increase or decrease in the interest rate by the same basis points as in the base rate of the Bank. However in any case, the proposed rate of interest shall not fall below the Base Rate of the Bank.

Most of the loans are in Branch Managers' powers and will not take any significant time after fulfillment of the documents / formalities.



G. S. N. L. DUGGAN
G. S. N. L. DUGGAN GUPTA
(G. S. N. L. DUGGAN GUPTA)
Gy. General Manager (BFS)
BANK OF COMMERCIAL SERVICES, SECTOR-31, GURGAON
G. S. N. L. DUGGAN GUPTA, SECTOR-31, GURGAON