



दिल्ली DELHI

N 778128

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made as of this 6th the day of April 2011.

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. S. Janardhan Swamy, 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 head office at: Harsha Bhawan, E Block Connaught Place, New Delhi - 110001 through Mr. V. K. Kamboj, 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".


S. Janardhan Swamy
उप महा प्रबन्धक (बीएफ. III)
Dy. General Manager (BF)
भारत संचार निगम लिमिटेड नई दिल्ली
B.S.N.Ltd., New Delhi

कुते ओरियन्टल बैंक ऑफ कॉमर्स
For Oriental Bank of Commerce


महा प्रबन्धक / General Manager
प्रधान कार्यालय / Head Office

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 has, 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.
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


S. Jangarh Swamy
नया नगर प्रबंधक (डी.एम.)
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The loans under the various heads as mentioned above are collectively referred to as the "loan facilities".

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. In case loan is


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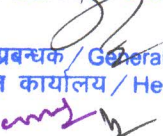

महा प्रबन्धक / General Manager
प्रधान कार्यालय / Head Office

taken over by other bank/institutions prepayment penalty @ 2 % p.a. for the outstanding loan amount will be levied.

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.
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.


S. Janardhan Swamy
ज. न. प्रबन्धक (डी.एम.)
Dy. General Manager (BF)
भारत संघार निगम लिमिटेड नई दिल्ली
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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.
26. All other terms and conditions as per MOU shall be applicable on both the parties.
27. This agreement is valid for a period of twelve months i.e. upto 5th day of April 2012.

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


 S. Janardhan Swamy
 Dy. General Manager (BF)
 भारत संचार निगम लिमिटेड नई दिल्ली
 B.S.N.Ltd., New Delhi

Signatures : S. Janardhan Swamy,

Name : S. Janardhan Swamy,

Designation: Deputy General Manager (BF-III)

Address : Bharat Sanchar Nigam Ltd.
5th Floor, BSNL Bhawan
Janpath, New Delhi – 110001

Witness-1


 Sandeep Suri

Signatures : Sandeep Suri

Name : Sandeep Suri

Designation : Assistant Manager

Address : Bharat Sanchar Nigam Ltd.
5th Floor, BSNL Bhawan
Janpath, New Delhi – 110001

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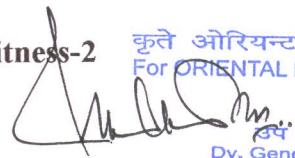

 महा प्रबन्धक / General Manager
 प्रधान कार्यालय / Head Office

V. K. Kamboj

General Manager

Oriental Bank of Commerce
Harsha Bhawan, 'E' Block
Connaught Place, New Delhi-110001

Witness-2


 कृते ओरियन्टल बैंक ऑफ कॉमर्स
 For ORIENTAL BANK OF COMMERCE
 उप महाप्रबन्धक (मार्केटिंग)
 Dy. General Manager (Marketing)
 प्रधान कार्यालय, नई दिल्ली / Head Office New Delhi

S. C. Das

Deputy General Manager

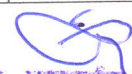
Oriental Bank of Commerce
E – 28, Connaught Place,
New Delhi-110001

Schedule 1

RETAIL CREDIT SCHEME 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	Rs. 30.00 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%	100 times of basic pay	240 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	10%(New car) & 30% (Old car)	20 times of basic pay	60 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 50,000 /	10%	5 times of Basic Pay	Max 60 installments	Minimum Gross Salary – Rs.6000 /- pm & 1 year of confirmed service
Personal loan	Any miscellaneous requirement / contingency except for speculation	A) Rs.1.50 Lac. B) Rs 3.0 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	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


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 डी. जे. प्रबंधक (बी.एफ.)
 Dy. General Manager (BF)
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				salary, subject to max of Rs 3.0 lacs, if salary a/c is with Bank		employer (s), Govt., if any.
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	Up to Rs. 4.00 lacs – NIL Above 4 lacs – 5% (India) & 15% (abroad)	As per fee component of the institute	120 installments	Confirmed admission to Govt. / Regulatory (AICTE/UGC etc.) approved institutes
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 after six months from the date of completion of the course or getting employment of the child whose studies have been financed through loan, whichever is earlier.
3. Loanes 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.


 ए.ए. प्रबन्धक स्वामी
 S. Janardhan Swamy
 डी. ग. प्रबन्धक (बी.ए.ए.)
 Dy. General Manager (BF)
 भारत संचार निगम लिमिटेड नई दिल्ली
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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; and the final rates (Related to the Base Rate System) after 0.5% concession are as under:

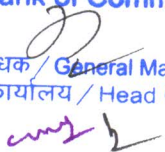
S. No.	Loan	Floating rate of Interest* (Present Base Rate is 9.5% w.e.f. 01.02.2011)
1.	Housing	Payment up to 5 years - BR = 9.50% Above 5 & upto 10 yrs - BR + 0.25% = 9.75% Above 10 & upto 20 yrs - BR + 0.5% = 10%
2.	Car	Up to 3 Years - BR + 1.75% = 11.25% (New Car) & BR + 4.75% = 14.25% (Old Car) More than 3 Yrs- BR + 2.25% = 11.75% (New Car) & BR + 5.25% = 14.75% (Old Car)
3.	Two wheeler	Up to 3 Years - BR + 1.75% = 11.25% More than 3 Years - BR + 2.25% = 11.75%
4.	Personal	BR + 4.50% = 14.0%
5.	Educational	Up to Rs. 4.00 lacs - BR + 2.25% = 11.75% & Above 4 lacs - BR + 3.0% = 12.50% Special concession of 0.5% to girl students / SC /ST / Disabled and concession of 1% to students of IIT & IIM will also be allowed.
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. The change in the interest rate will be effective from the 1st of respective month in which changed base rate has been made effective by the Bank.

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


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 डी. गनरल मैनेजर (बीएफ)
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