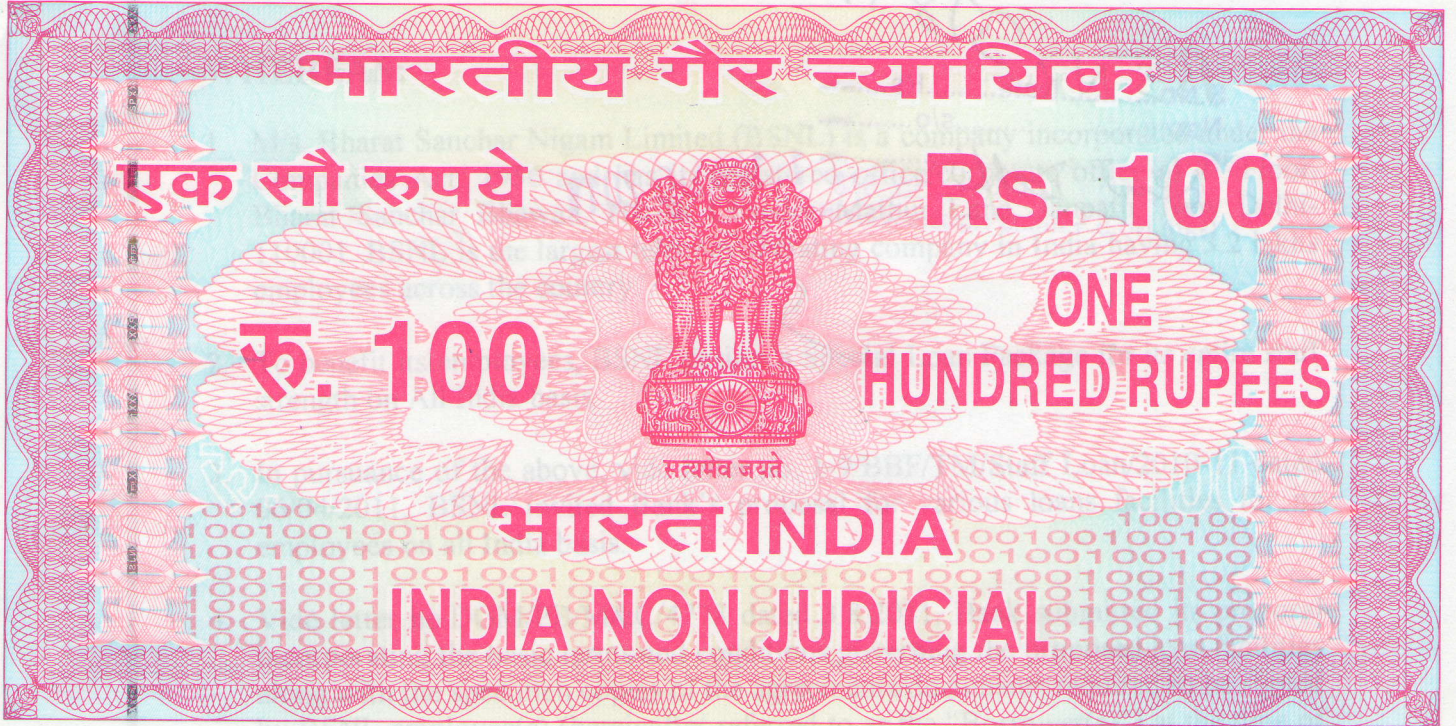




दिल्ली DELHI

P 820782

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MoU) is made as of this 11th day of August 2011.

BETWEEN

M/s. Bharat Sanchar Nigam Ltd. (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, New Delhi-110001, through Mr. S. Janardhan Swamy, DGM (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

State Bank of India, a statutory Corporation, constituted under the State Bank of India Act, 1955, having its Corporate Office at "State Bank Bhavan", Madame Cama Road, Mumbai 400 021 and one of its Local Head Office at 11, Parliament Street, New Delhi 110 001. State Bank of India, through Mr. Rajiv Kohli, DGM (PBBU) (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
Dy. General Manager (BF)
B.S.N.Ltd., 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/TM/Staff Loan/2010-11 dated 06/04/2011, BSNL invited Bank's proposal for various loans facilities for its employees on all India basis.
4. Vide letter no.DGM/PB/M&C/4778 dated 3.8.2011, Bank submitted its proposal incorporating the basic terms and conditions governing the proposed loan facilities along with the specimen copies of the agreements/documents required to be signed by BSNL 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 vide its above referred letter No. 1-9/BBF/TM/Staff Loan/2010-11 dated 06/04/2011, agreed in principle to lend and provide loan facilities to BSNL employees/Borrower(s), on the terms and conditions set out in Bank's offer letter DGM/PB/M&C/4778 dated 03/08/2011.
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.

(b) Car Loan

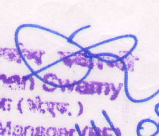
The loans under the various heads as mentioned above are collectively referred to as the "loan facilities".

2. That the general terms and conditions, Purpose of loan, Maximum amount, Margin Money, Multiple of salary, Recovery of installments (EMI + Interest), applicable rate of interest and Eligibility etc. w.r.t. the loan facilities applicable in respective cases are annexed herewith as Annexure - I.

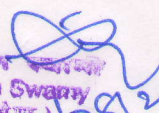

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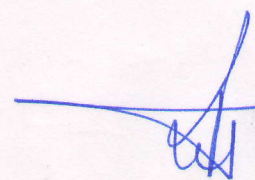
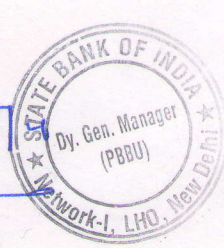


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S. Jaganathan Swamy
Dy. General Manager (PBBU)
B.S.N.Ltd., New Delhi

3. That the loan facilities shall be sanctioned by the appropriate authorities of the Bank with all the agreed concessions and relaxations.
4. That the maximum limits for the loan facilities are subject to the income/repaying capacity of Borrowers.
5. That the security for the loan facilities shall be as applicable on the respective schemes.
6. That salary mandate to be registered by BSNL for recovery of installments from the salaries of Borrowers and remittance to the respective branches.
7. That minimum net take home salary of 25% shall be maintained after meeting the loan installments.
8. 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.
9. 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.
10. That the Bank shall charge processing charges on the loan as per details illustrated in Annexure 'I'.
11. 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.
12. At present, no fixed interest rate option is available for Home Loans.
13. That Bank shall not charge penal interest for prepayment/foreclosure of loans.
14. That repayment shall commence one month after disbursal of the loan.
15. That this deed shall be binding upon the parties, their successors and assigns.
16. 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.


 S. Jaganathan Swamy
 Dy. General Manager (HR)
 B.S.N.Ltd., New Delhi

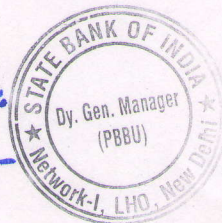

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17. That the parties shall hereby irrevocably submit to the exclusive jurisdiction of the Court and Tribunals in New Delhi for purposes of any suit, action or other proceeding which relates to this deed.
18. That no amendment, notification or release from or waiver of any provision hereof shall be effective unless in writing and signed by the parties.
19. 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.
20. That this deed and the rights and obligations hereunder shall be construed in accordance with and governed by the substantive laws of the India.
21. 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.
22. 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.
23. That the bank shall nominate at least one branch (in case their more than one branch of the bank) at each Area (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.
24. 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.
25. All other terms and conditions as per MOU shall be applicable on both the parties.
26. This agreement is valid for a period of twelve months i.e. upto 10th August, 2012.

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पुनः असाधारण स्वायत्त
S. Jemardhan Swamy
असाधारण प्रबन्धक (असाधारण)
Dy. General Manager (BF)
भारत सेवा निगम लिमिटेड का निदेश
B.S.N.Ltd., New Delhi

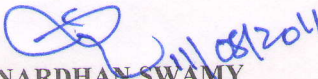
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IN WITNESS WHEREOF, the parties have caused their respective Common Seal to be affixed to these presents on the day, month and year first hereinabove written, at New Delhi.

For and on behalf of

Bharat Sanchar Nigam Ltd.

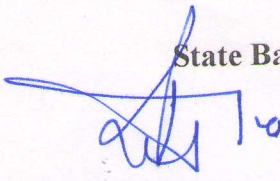

S. JANARDHAN SWAMY
DY. GENERAL MANAGER (BF-III)

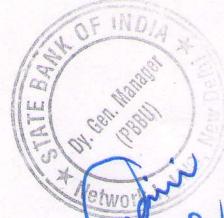

S. Janardhan Swamy
Dy. General Manager (BF)
B.S.N.Ltd., New Delhi

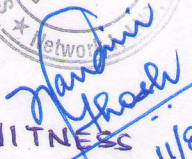

WITNESS 11/8/11
V. VARA PRASAD
AGM (BA), CO, BSNL

For and on behalf of

State Bank of India


11/8
RAJIV KOHLI
DY. GENERAL MANAGER
PBBU, LHO, NEW DELHI

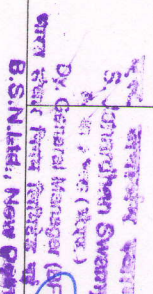


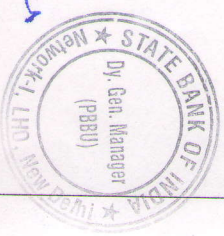

WITNESS 11/8/2011
NANDINI GHOSH
CHIEF MANAGER.

GENERAL TERMS & CONDITIONS OF LOANS PROVIDED BY SBI

Annexure-I

Loan	Purpose	Max amount	Margin	Eligible amount	No. of Installments (EMD)	Eligibility	Processing Fees	Interest Rates
Home	Purchase of Plot/ Construction of house/ repairs/renovation/ addition/ alteration of house/flat	No limit- loan amount depends upon a) EMI/NMI ration b) LTV (loan to value of property- 90%) c) 75% to 85% of project cost.	15 to 25%	80% of project cost EMI/ NMI ratio	Max of 300 months depending upon the age of the applicant (loan should be fully repaid upto the age of 70 yrs Subject to continuity of sufficient income)	2 yrs of regular service	For BSNL Employees having Salary Account with SBI: NIL For BSNL Employees NOT having Salary Account with SBI: 1. Upto Rs.25 lacs- 0.25% of the loan amount 2. Rs.25 lacs to Rs.75 lacs - Flat Rs.10000/- 3. Above Rs.75 lacs-Flat Rs.20000/-	For BSNL Employees having Salary Account with SBI: 1. Upto Rs30lac- 25bps less than Card rate i.e. effective rate will be 10.25% at present. 2. From Rs.30 lacs to Rs75 lacs-25bps less than Card rate ie effective rate will be 10.50% at present. 3. Above Rs. 75 lacs -25bps less than Card rate i.e. effective rate will be 11% at present.
							For BSNL Employees NOT having Salary Account with SBI: 1. Upto Rs.30 lac- 1% above Base Rate ie 10.50% at present. 2. From Rs 30 lacs to Rs.75 lacs-1.25% above Base Rate ie 10.75% at present. 3. Above Rs75 lacs- 1.75% above Base Rate ie 11.25% at present.	


 Dy. General Manager (BF)
 State Bank of India
 B.S.N.Ltd., New Delhi 110029




 M/A

Car	Purchase of motor car(used/new)	No ceiling on maximum amount for new vehicles. Maximum Rs15 lacs for used vehicles. (Loan on on-road price)	15%	EMI/ NMI Ratio**	Max 84 installments	Net income of Applicant/ Co-applicant to be Rs.1,00,000/- and above last year	For BSNL Employees having Salary Account with SBI: NIL	For BSNL Employees having Salary Account with SBI: From 1 to 7 yrs.- 25 bps less than Card rate i.e. effective rate will be 11.50% at present.
							For BSNL Employees NOT having Salary Account with SBI: 0.50% of Loan Amount	For BSNL Employees NOT having Salary Account with SBI : From 1 to 7 yrs.- 11.75% at present.

* LTV (Loan to value of property – 90%, if loan amount is upto Rs20lacs and 80% if loan amount exceeds Rs20lacs.

** EMI/NMI Ration in respect to Car Loans:

Upto Rs. 5 lacs 50%
From Rs. 5 lacs to Rs. 10 lacs 60%
Above Rs. 10 lacs 75%

• Interest rates are subject to change and will vary as per the scheme.

4/11/11
S. Venkatesh Swamy
Dy. General Manager (BF)
B.S.N.Ltd., New Delhi





भारतीय स्टेट बैंक
State Bank of India

वैयक्तिक बैंकिंग, व्यवसाय खण्ड,
10वां तल, स्थानीय प्रधान कार्यालय
11, संसद मार्ग, नई दिल्ली-110 001
Personal Banking Business Unit,
10th Floor, Local Head Office,
11, Sansad Marg, New Delhi-110 001

Tel.: 011-23407135-39 | Fax: 011-23745536 | E-mail : dgmpb.lhodel@sbi.co.in

The General Manager (Finance),
Bharat Sanchar Nigam Ltd.,
5th Floor, B.S.N.L Bhawan, Janpath,
New Delhi 110049

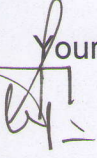
DGM/PB/M&C/ 5186
12th August, 2011

Dear Sir,

MoU OF SBI WITH BSNL for HOUSING LOAN AND CAR LOAN FOR BSNL EMPLOYEES

With reference to the above and in continuation of the MoU signed with BSNL dated 11/08/2011, we are glad to advise you that our Corporate Centre has approved waiver of processing fee for Car loans sanctioned to BSNL employees irrespective of whether they have salary account with us or not.

Kindly make necessary amendments in the 'Annexure I' advised to you earlier so that right information is displayed on your Intranet site and your employees be benefited suitably.

Yours faithfully,


**DEPUTY GENERAL MANAGER &
BUSINESS HEAD (PERSONAL BANKING)**