



No. 1-9/BFCI/Staff Loan/12-13

Dated: 27.01.2014

To

All Circles' IFA

**SUB : MOU Signed with Canara Bank for extending various Loan Schemes to BSNL Employees .**

MOU with **Canara Bank** for extending various loans to BSNL employees has been **signed on 24<sup>th</sup> January, 2014**. This agreement is valid from 01.12.2013 to 31.12.2014. The general terms and conditions and Rate of interest are given in **Annexure- I , II and III** of MOU.

A copy of the agreement has been placed on our intranet web site i.e. [www.intranet.bsnl.co.in](http://www.intranet.bsnl.co.in) under the head Director (Finance) and sub-head Budget & Finance Control.

This is issued with the approval of competent authority.

**Encl: Copy of Agreement**

(Rakesh Kumar)

**Deputy Manager (BA&CI)**

**Ph. 23715103, 23329670**

**Fax: 23734033**

Copy to:

1. The Assistant General Manager, Canara Bank, Retail Assets Hub, New Delhi-1.



Act, 1956, having its registered office/corporate office at 3<sup>rd</sup> Floor, Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001, through Mr. Chandra Sekhar Gupta(Deputy General Manager), (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

Canara Bank, a body corporate, constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970, having its head office at: 112, J.C. Road, Bangalore – 560002, through Mr. Mukesh Mahajan(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”.

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 3<sup>rd</sup> 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. BSNL invited Bank’s proposal for various loans facilities for its employees on all India basis.
4. Vide letter no. DCO/RAH/MKTG/138/2013dated 1.11.13. 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).
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:

शुभ्र. श्री. शंकरन  
V. S. SHANKARAN  
महाप्रबन्धक  
Deputy General Manager  
भारत संचार निगम लिमि. मुख्यालय, नई दिल्ली  
B. S. N. L. Corporate Office, New Delhi



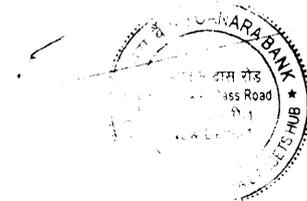
NOW THIS DEED WITNESSETH AS FOLLOWS:

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 and Renovation.
  - (b) Car Loan/ Two Wheeler Loan(Canara Mobile)
  - (c) Personal Loan (Canara Budget)
  - (d) Educational Loan

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

2. That the Purpose of loan, Maximum amount, Margin Money, Multiple of salary, and Eligibility etc. w.r.t. the loan facilities applicable in respective cases are annexed herewith as Annexure - I.
3. That the Financial Quotations i.e. Floating Rate of Interest for the loan facilities applicable in respective cases are annexed herewith as Annexure – II.
4. That the general terms and conditions are annexed herewith as Annexure - III.
5. In respect of Education Loans, the same shall be as per EL scheme norms of the bank.
6. That the loan facilities shall be sanctioned by the appropriate authorities of the Bank with all the agreed concessions and relaxations.
7. That the maximum limits for the loan facilities are subject to the income/repaying capacity of Borrowers.
8. That the security for the loan facilities shall be as applicable on the respective schemes.
9. That salary mandate to be registered by BSNL for recovery of installments from the salaries of Borrowers and remittance to the respective branches
10. Whenever there is revision in the ROI, the proposed revision in EMI to be communicated to M/S BSNL to effect revision in the salary mandate. Revised mandate to be got registered and kept with the loan papers.
11. That minimum net take home salary of 25% shall be maintained after meeting the loan installments.

श्री. वी. शंकरन  
V. S. ANANDAN  
महाप्रबन्धक  
Deputy General Manager (Finance)  
भारत नगर निगम लिमि. मुख्यालय, नई दिल्ली  
B. S. N. L. Corporate Office, New Delhi



12. 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.
13. 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.
14. That the Bank shall not charge processing charges on the loan.
15. 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 15<sup>th</sup> 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.
16. 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 other than Housing Loans is taken over by other bank/institutions prepayment penalty @ 2 % p.a. for the outstanding loan amount will be levied.
17. That repayment shall commence one month after disbursal of the loan.
18. That this deed shall be binding upon the parties, their successors and assigns.
19. 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.
20. 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. However, if there is any default of EMI on the part of BSNL employee/borrower, the legal proceedings can be initiated at the respective place of disbursing branch.
21. That no amendment, notification or release from or waiver of any provision hereof shall be effective unless in writing and signed by the parties.

श्री. वी. शंकरन  
V. S. ANANDAN  
व. महाप्रबन्धक  
Deputy General Manager (R)  
भारत नगर निगम लिमि. मुख्यालय, नई दिल्ली  
B. E. N. L. Corporate Office, New Delhi



22. 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.
23. That this deed and the rights and obligations hereunder shall be construed in accordance with and governed by the substantive laws of India.
24. 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.
25. 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 or 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.
26. 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.
27. 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

श्री. वी. शंकरन  
V. S. SHANKARAN  
महाप्रबन्धक  
Deputy General Manager (Finance)  
भारत पोस्ट निगम लिमि., मुख्यालय, नई दिल्ली  
P. O. N. L. Corporate Office, New Delhi



outstanding loans and interest on the date of termination irrespective of such termination.

28. Other terms and conditions as per MOU shall be applicable on both the parties.

29. This agreement is valid from 1.12.2013 to 31.12.2014

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.

FOR M/S. BHARAT SANCHAR NIGAM LIMITED

FOR CANARA BANK  
कृते कनरा बैंक/For Canara Bank

MR. V.V. SANKARAN  
DGM (BFCI)  
BHARAT SANCHAR NIGAM LIMITED  
CORPORATE OFFICE, NEW DELHI

V. SANKARAN  
उप महा प्रबन्धक (BFCI)  
Deputy General Manager (BFCI)  
भारत संचार निगम लिमि., मुख्यालय, नई दिल्ली  
B. S. N. L. Corporate Office, New Delhi

उप महा प्रबन्धक / Dy General Manager  
9वीं मंजिल, अन्सल टॉवर, 38, मेहता प्लेस, नई दिल्ली-110019  
9th Floor, Ansal Tower, 38, Mehra Place, New Delhi-110019

MR. MUKESH MAHAJAN  
DEPUTY GENERAL MANAGER  
CANARA BANK  
CIRCLE OFFICE, NEW DELHI

WITNESS

WITNESS

MR. RAKESH KUMAR  
DEPUTY MANAGER  
BHARAT SANCHAR NIGAM LIMITED  
CORPORATE OFFICE, NEW DELHI

MR. MUKESH GOEL  
ASSISTANT GENERAL MANAGER  
CANARA BANK  
RETAIL ASSETS HUB, NEW DELHI

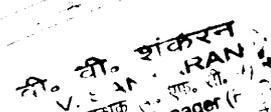
**ANNEXURE I**  
**RELAXATIONS / CONCESSIONS FOR THE BSNL EMPLOYEES UNDER VARIOUS RETAIL LENDING SCHEMES**

SCHEME	PURPOSE	QUANTUM	TO WHOM	MARGIN	REPAYMENT
Housing loans	Purchase of plot and construction of house thereon. Purchase of ready built house. Purchase of flat from Housing board /development agency / private builders. For repairs and renovation maximum of Rs.15 lacs.	60 months gross salary subject to a maximum of RS 75 lacs . For repairs and renovation maximum of RS.15 LACS.	Confirmed employees with 3 years of regular service.	As Per The Norms	Maximum of 360 months or date of retirement of the employee whichever is earlier.
CANARA BUDGET	To meet genuine personal financial requirements	20 times of gross salary subject to a maximum of Rs.10.00 lacs	Confirmed employees	NOT APPLICABLE	60 months or date of retirement of the employee whichever is earlier.
CANARA MOBILE 4 wheeler	Purchase of new / Used Car	Maximum 90% of on road price for new vehicles and 75% for old vehicles. For old vehicles loan maximum loan can be granted upto Rs. 15 lacs only	3 years of regular service with minimum basic pay of Rs.9000/- p.m.	10% on road price for new vehicles and 25% for old vehicles	84 months for new vehicle and 60 months for old vehicle .For old vehicle the repayment will not be more than the remaining life of the vehicle
Two wheeler	Purchase of new 2 wheeler	80% of invoice value.	3 years of regular service with minimum basic pay of Rs.9000/- p.m.	20% on invoice value	60 months

  
**श्री. वी. शंकरन**  
**V. S. ANAND**  
 महाप्रबन्धक (एफ. सी.)  
 City General Manager (F.S.)  
 भारत वायु निगम लिमि. मुख्यालय, नई दिल्ली  
 BSNL Corporate Office, New Delhi

**ANNEXURE II**  
**CONCESSIONAL RATE OF INTEREST PERMITTED IN RESPECT OF VARIOUS RETAIL LENDING**  
**LOANS TO EMPLOYEES OF BSNL ON ALL INDIA BASIS**

Nature of Loan	Loan Amount	Rate of Interest
Housing Loan	Upto RS.30 lacs	Base Rate i.e., presently 10.20% pa floating
	Above RS 30 lacs and Upto Rs.75 Lacs	Base Rate + 0.05% i.e. 10.25% pa floating
Canara Vehicle loans	Four wheeler: 90% of on road price for new vehicles and 75% for old vehicles repayable in 7 years .In respect of old vehicles the maximum loan quantum is restricted to Rs. 15 Lacs  Two wheeler : 80% of invoice value repayable in 5 years	BR +0.50% i.e., 10.70% pa floating
Canara Budget loans	20 months gross subject to a maximum of Rs. 10 Lacs	Base rate+2.75%, presently 12.95% p.a. floating

  
**श्री. वी. शंकरन**  
**V. S. SHANKARAN**  
 महाप्रबन्धक  
 Deputy General Manager (Finance)  
 भारत नार निगम लिमि., मुख्यालय, नई दिल्ली  
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ANNEXURE III  
GENERAL TERMS AND CONDITIONS OF CANARA BANK FOR BSNL EMPLOYEES LOAN ON ALL  
INDIA BASIS

1. Salary mandate to be duly registered with the salary disbursing authority
2. Whenever there is revision in the ROI, the proposed revision in EMI to be communicated to M/S BSNL to effect revision in the salary mandate. Revised mandate to be got registered and kept with the loan papers.
3. The maximum limits for the above loans quoted are subject to the income / repaying capacity of the employees.
4. Except Housing loan, repayment to commence one month after availing the loan.
5. In respect of Housing loan commencement of repayment shall be as per Housing loan scheme.
6. In respect of housing loans, maximum dwelling unit per borrower shall not be more than 2 units to be covered under the package.
7. Minimum net take home salary of 25% to be maintained after meeting the proposed loan installment.
8. The loan will be sanctioned in such a manner that at no stage the net take home salary after meeting proposed loan installment is less than 25% of the gross salary.
9. No processing charges will be charged on the loans.
10. The interest will be charged on monthly rests on the daily reducing balance basis. The rates are linked to Base rate.
11. All the concessions are applicable for fresh loans only.
12. No rollover is permitted.