



BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)
CORPORATE OFFICE (Banking Finance Division)
5th Floor, Bharat Sanchar Bhavan, Harish Chandra Mathur Lane
Janpath, New Delhi-110001

No:-1-9/BBF/Staff Loan/11-12

Dated:26-05-2011

To

All Circles' IFA

Sub: MOU Signed with Corporation Bank for extending various Loan Schemes to BSNL Employees.

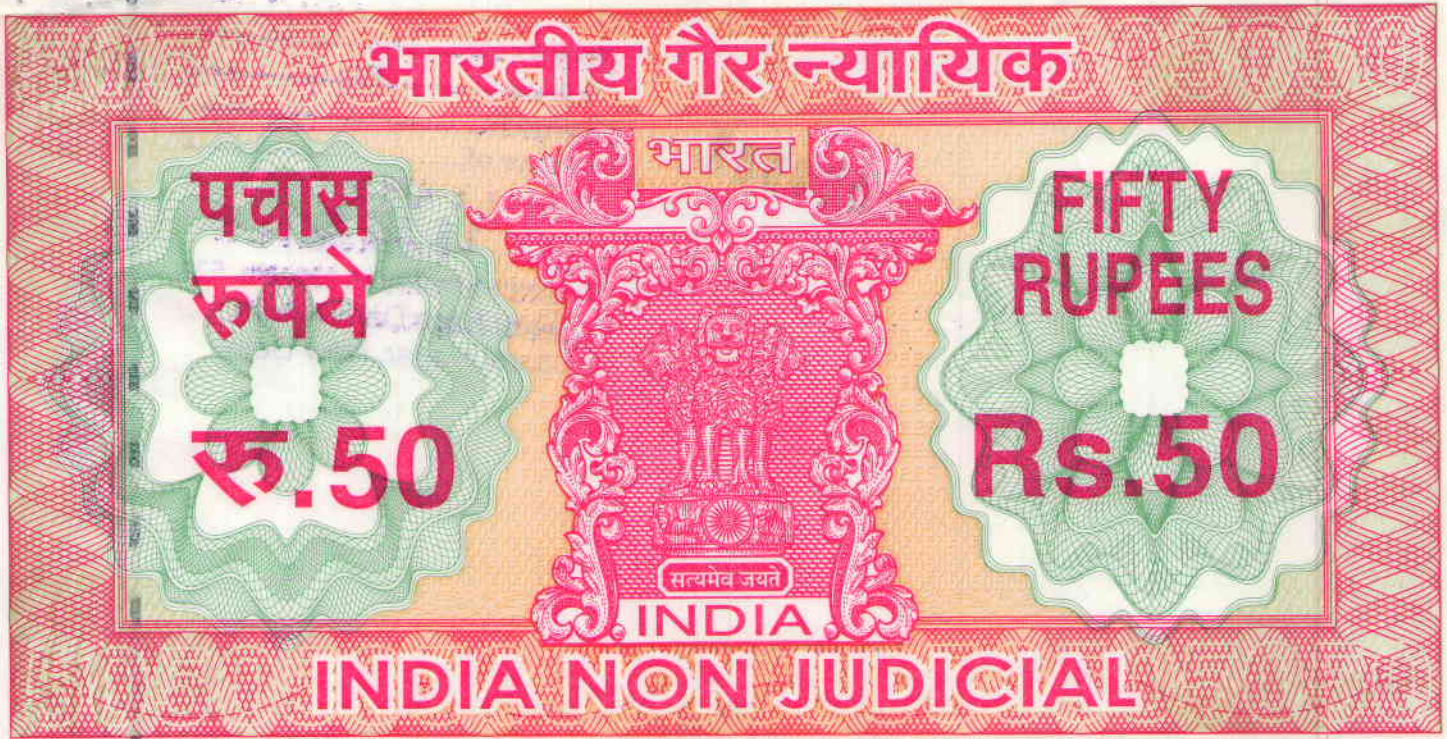
MOU with Corporation Bank for extending various loans to BSNL employees has been signed on 26-05-2011. The general terms and conditions and details of rates of interest are given in Annexure-1.

A copy of the agreement has been placed on our intranet site www.intranet.bsnl.co.in under head Director (Fin) and sub-head Budget & Finance Control.

Encl: Copy of agreement

(S. Janardhan Swamy)
DGM (BF-III)
Phone 011-23329670
Fax 011-23734033

Copy to:
The General Manager, Corporation Bank, M-41, P.B.No.162, Connaught Circus, New Delhi - 110001 for information please.



दिल्ली DELHI

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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made as of this 26th the day of May 20 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

Corporation Bank, a body corporate, constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970, having its head office at: Mangaladevi Temple Road, Mangalore 575001, through Mr. K Pundalika Nayak, Asst. 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.**

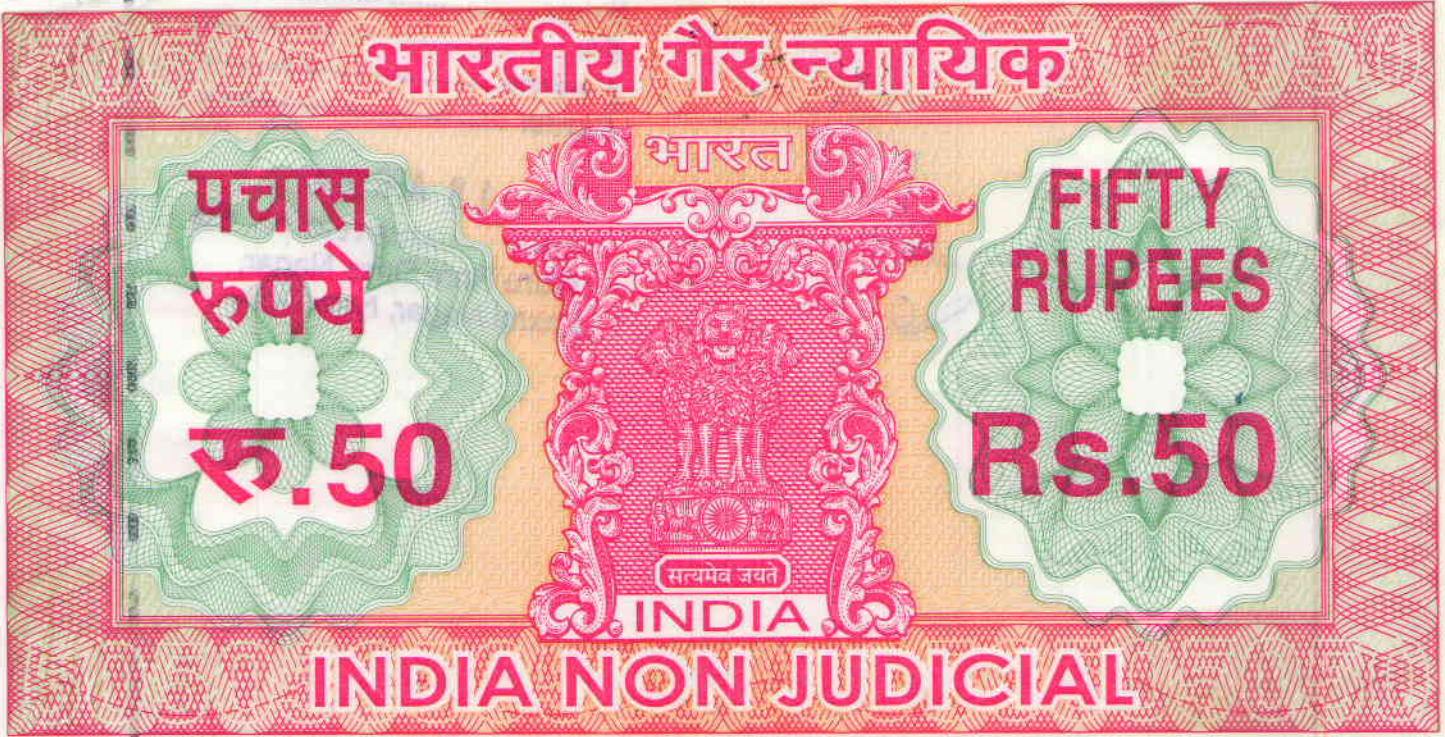
BSNL and Bank are collectively referred to as "the parties".


श. ज. ज. स्वामी
S. Janardhan Swamy
का. ग. प्र. (डी.जी.एम.)
Dy. General Manager (BF)
भारत संचार निगम लिमिटेड नई दिल्ली
B.S.N.Ltd., New Delhi


कृते कॉर्पोरेशन बैंक
FOR CORPORATION BANK
सहा. महा प्रबंधक
Asstt. Gen. Manager



भारतीय गैर न्यायिक




दिल्ली DELHI

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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. OR/CCND/4257/2011 dated 03-5-2011 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.
- 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.


श. जशोधरी स्वामी
S. Jashodhri Swamy
ज. प्र. प्रबंधक (वि.प्र.)
Dy. General Manager (BF)
भारत संचार निगम लिमिटेड का दिल्ली
द.सि.म.द.द., नया दिल्ली


कृते कार्पोरेशन बैंक
FOR CORPORATION BANK
सहा. महा प्रबंधक
Asstt. Gen. Manager

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/Additon/Alteration Loan & Home Improvement Loan.
 - (b) Car Loan
 - (c) Two Wheeler Loan
 - (d) Personal Loan
 - (e) Educational 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) 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, Fixed 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.



श. ज. जंधेन स्वामी
S. Jandhen Swamy
स. ज. प्रबंधक (बी.एफ.)
Dy. General Manager (BF)
भारत स्टेट्स लिमिटेड नई दिल्ली
G.S.Ltd., New Delhi

कृते कार्पोरेशन बैंक
FOR CORPORATION BANK

सहा. महा प्रबंधक
Asst. Gen. Manager

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. That fixed rate of interest shall remain fixed during the entire tenure of the loan subject to reset clause at an interval of every 3 years.
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 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.


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श्री. जयराज स्वामी
S. Jayaraj Swamy
Dy. General Manager (BF)
भारत वाणिज्य बैंक लिमिटेड का दिल्ली
G.S.B.Ltd., New Delhi


कृते कार्पोरेशन बैंक
FOR CORPORATION BANK
सहा. महा प्रबंधक
Asstt. Gen. Manager

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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.
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
25-05-2012


श्री. जगन्नाथन स्वामी
S. Jaganathan Swamy
जि. जनरल मैनेजर (बीएफ.)
By: General Manager (BF)
एन. टी. एस. लि., न्यू दिल्ली


कृते कार्पोरेशन बैंक
FOR CORPORATION BANK

अनिल प्रसाद
Anil Prasad
जि. जनरल मैनेजर
Gen. Manager


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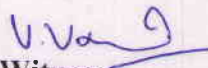
IN WITNESS WHEREOF, the parties have caused their respective Common Seal to be affixed to these presents on the day, month and year first hereinabove written, at New Delhi.

M/S. BHARAT SANCHAR NIGAM LIMITED

Signatures:

Name: S Janardhan Swamy
Designation: Deputy General Manager (BF III)
Address: BSNL
5th Floor, BSNL Bhawan
Janpath, New Delhi 110001

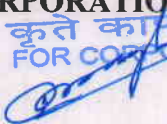

S. Janardhan Swamy
Dy. General Manager (BF III)
BSNL Ltd, New Delhi


Witness
(V. VARA PRASAD)
AGM (BA)
BSNL. CO. ND

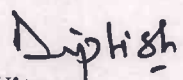
CORPORATION BANK

Signature:

Name: K. PUNDALI RA. NAIYAK
Designation: Asst. General Manager
Address: M 41, Connaught Circus
New Delhi 110001


कृते कॉर्पोरेशन बैंक
FOR CORPORATION BANK

सहा. महा प्रबंधक
Asst. Genl. Mgr.

DIPTISH KARMAKAR

Witness
Managing Officer
Corporation Bank
M41, Connaught Circus
New Delhi - 110001


Annexure 1

GENERAL TERMS & CONDITIONS

The various kinds of loans facilities under respective Corp Scheme with special offer / terms and conditions

| | Housing Loan | Vehicle Loan | Personal Loan |
|--|---|---|--|
| Eligibility | Confirmed employee with a minimum of 5 years of service | Four Wheelers: Confirmed employee with a minimum basic pay of Rs. 20000/- per month Two Wheeler: Confirmed employee | Only confirmed employee |
| Minimum Loan Amount | 100 times of Basic Pay subject to the maximum of Rs. 30 Lakhs. | Four Wheelers: 20 times of Basic pay subject to the maximum of Rs. 5 lakhs. Two Wheeler: 5 times of Basic pay subject to minimum & maximum loan of Rs. 50000/- | 10 times of Basic pay subject to the maximum of Rs. 5 lakhs. |
| Margin | As per the Scheme | Four Wheeler: 10% Two Wheeler: 25% | -NA- |
| Repayment period | General Scheme: 20 years Ghar Shobha Scheme: 10 years | Four Wheeler: 7 years Two Wheeler: 5 years | 3 to 5 years |
| Processing charges | -Nil- | -Nil- | -Nil- |
| Payment charges, if paid from own sources. | -Nil- | -Nil- | -Nil- |
| Rate of Interest [Floating rate] | General Scheme: Loan upto Rs. 20 Lacs: Tenor: 5 to 15 years BR+0.85% [Presently 10.75%] Tenor: 15 to 20 years BR+1.10% [Presently 11.00%] Loan Rs. 20 Lacs to Rs. 30 Lacs: Tenor: 5 to 15 years BR+1.10% [Presently 11.00%] Tenor: 15 to 20 years BR+1.35% [Presently 11.25%] Ghar Shobha Scheme: Base Rate + 1.75% [Presently 11.65%] | Upto 3 years: Base Rate + 1.60% [Presently 11.50%] Above 3 years to 5 years Base Rate + 2.10% [Presently 12.00%] Above 5 years to 7 years Base Rate + 2.60% [Presently 12.50%] | Base Rate + 4.10% [Presently 14.00%] |

Note: Education loan shall be extended as per the extant guidelines of the Scheme


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


सहो महा प्रबंधक
 Asstt. Gen. Manager

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