

दिल्ली DELHI

N 413858

**MEMORANDUM OF UNDERSTANDING**

THIS MEMORANDUM OF UNDERSTANDING is made as of this 23<sup>rd</sup> day of February 2011.


**BETWEEN**

M/s. Bharat Sanchar Nigam Limited (BSNL), a company incorporated under the Companies 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. S. Janardhan Swamy, Dy. 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 – 60002, through Mr. K. S. Chandramouli, Dy. 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".

  
श्री. जनार्दन स्वामी  
S. Janardhan Swamy  
23  
दय. जन. प्रबन्धी (डी.ए.जी.)  
Dy. General Manager (BF)  
भारत संचार निगम लिमिटेड का दिल्ली  
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 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. 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. DCO/RAH/MKTG/236/2010 dated 07.02.2011 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).
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 and Renovation.
  - (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. Anand Swamy  
Dy. General Manager (BF)  
B.S.N.Ltd., New Delhi



2. That the 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 Annexure - I.
3. That the general terms and conditions are annexed herewith as Annexure - II.
4. That the Financial Quotations i.e. Floating Rate of Interest for the loan facilities applicable in respective cases 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. That minimum net take home salary of 25% shall be maintained after meeting the loan installments.
11. 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.
12. 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.
13. That the Bank shall not charge processing charges on the loan.
14. 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 10<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.
15. 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

  
 3/10/2011  
 श्री. जगन्नाथ स्वामी  
 S. Jaganathan Swamy  
 डी.जी. प्रबंधक (बीएम)  
 Dy. General Manager (BF)  
 भारतीय विद्युत नगरी लिमिटेड का दिल्ली  
 Office, New Delhi





