



BHARAT SANCHAR NIGAM LIMITED
CORPORATE OFFICE, BANKING DIVISION ,Room No-509,
Bharat Sanchar Bhavan, H.C.Mathur Lane, Janpath, New Delhi-1

No. 1-9/BBF/Staff Loan/TM/2007-08

Dated 05.08.2010

To

All Head of Circle / IFAs

Subject:- Implementation of the scheme for various Employees' Loans through Union Bank of India

I am directed to inform that a MOU has been signed with Union Bank of India on 04.08.2010 for various loans for BSNL's employee on pan India basis, valid upto 03.08.2011, copy available on BSNL's intranet site. .

2. The following rates will be applicable for various loans:

S. No.	Loan Type	Fixed Rate pa	Floating rate of interest pa
1.	H.B.A.	Not Quoted	Upto 20 years @ Base Rate(8%) + 0.50% i.e. 8.50%pa
2.	Car Loan (New / Old)	Upto 3 years @ 10% Above 3 yrs @ 10.50%	Not Quoted Not Quoted
3,	Two-wheeler loan	Upto 3 years @ 10% Above 3 yrs @ 10.50%	Not Quoted Not Quoted
4.	Personal loan	12.00 p.a.	Not Quoted
5.	Education Loan	10% p. a	Not Quoted
6.	Natural Calamity loan	12.00 p.a.	Not Quoted

At present Base rate of Union Bank of India is 8.00% pa

3. You are requested take necessary action for wide publicity of the scheme in your circle.

(Sushil Sharma)
Asstt. General Manager(BA)

BSNL intranet site; <http://www.intenet.bsnl.co.in/Director> (Finance) /
Budget & Financial Control



दिल्ली DELHI

L 684857

MEMORANDUM OF UNDERSTANDING

P. Venugopal
P. Venugopal THIS MEMORANDUM OF UNDERSTANDING is made as of this
...*4th* day of *August* 2010

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. P. Venugopal, Dy. General Manager (B&F), (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

Union Bank of India, a body corporate, constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970, having its head office at: Mumbai, through Mr. R.C.Lodha, Dy. General Manager and Mr. S.K. Gupta, 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.**

P. Venugopal
P. Venugopal


P. Venugopal
(श्री. वेणु गोपाल)
(P. VENUGOPAL)
उप महाप्रबन्धक (बी. एफ. ए.सी.)
Dy. General Manager (B & FC)
भारत संचार निगम लि., नई दिल्ली
B. S. P. 110: New Delhi

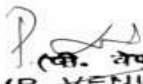
BSNL and Bank are collectively referred to as "the parties".

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 3rd Floor, Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, New Delhi- 110 001. 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/2008-09 dated 25/02/2010, BSNL invited Bank's proposal for various loans facilities for its employees on all India basis.
4. Vide letter no. BSNL/CP/134/2010 dated 07.04.2010, 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 terms and conditions set out in the letter of offer No BSNL/CP/134/2010 dated 07.04.2010
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:

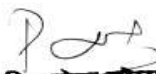
NOW THIS DEED WITNESSETH AS FOLLOWS:

1. That Bank shall grant the loan to BSNL's employee(s)/ Borrower(s) under the various head as per their requirement and the same are as follow:
 - (a) Housing Loan including Repair / Renovation /Addition/Alteration Loan & Home Improvement loan
 - (b) Car Loan
 - (c) Two wheelers Loan
 - (d) Personal Loan
 - (e) Educational Loan
 - (f) Natural Calamity Loan



(श्री. वेणुगोपाल)
(P. VENUGOPAL)
उप महाप्रबन्धक (डी. एंड एफ. सी.)
Dy. General Manager (B & FC)
भारत संचार निगम लि., नई दिल्ली
B: S: Fl: 3-1011 नं-01/एडिआर


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 Annexure-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.
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 Bank shall not charge processing charges on the loan.
12. That 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.
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% pa for the outstanding loan amount will be levied.
15. That the repayment shall commence one month after disbursement of the loan.
16. That this deed shall be binding upon the parties, their successors and assigns.



 (पी. येजु गोपाल)
 (P. VENUGOPAL)
 उप महासंचालक (डी. एड एम.सी.)
 Dy. General Manager (B & FC)
 भारत संघीय विभाग डि.एड दिल्ली
 B: 3: 51: 114: 127: 12/11/11

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 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 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.
24. That the bank shall nominate at least one branch (in case there are more than one branches 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.





(पी. वेणुगोपाल)
(P. VENUGOPAL)
उप महाप्रबन्धक (डी. एंड एफ. सी.)
Dy. General Manager (B & FC)
कानून सेवाएं विभाग पी. एच. डिस्ट्री
B-5, P.O. 1100, New Delhi

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 enforceable in respect of outstanding loans and interest even after such termination.

26. All other terms and conditions as per MOU shall be applicable on both the parties.

P. Venugopal
R.C. Lodha
27. This agreement is valid for a period of twelve months i.e. upto 31st August, 2011. (Third August, Two thousand and eleven).

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

BHARAT SANCHAR NIGAM LTD.

UNION BANK OF INDIA

P. Venugopal
(P. VENUGOPAL)
Dy. General Manager (B&F)
Bharat Sanchar Nigam Limited
Corporate Office, New Delhi,
Dy. General Manager (B & FC)
भारत संचार निगम लि., नई दिल्ली
B. S. N. Ltd., New Delhi

R.C. Lodha
(R.C. LODHA)
Dy. General Manager
Union Bank of India
Regional Office, Delhi




S.K. Gupta
(S.K. GUPTA)
Dy. General Manager
Union Bank of India
Connaught Place, Delhi



WITNESS
Sushil Sharma
(Sushil Sharma)
Asst. General Manager (TM)
BSNL, Corporate Office,
New Delhi

WITNESS
Sandipan Chatterjee
(Sandipan Chatterjee)
Customer Relationship Executive
Union Bank of India
Connaught Place, Delhi



Annexure I

The product-wise details are as given below:

(1) Union Home


Rate of Interest


Up to 5 years	Base Rate + 0.50% i.e. 8.50% (Floating)
> 5 to 10 years	Base Rate + 0.50% i.e. 8.50% (Floating)
>10 to 15 years	Base Rate + 0.50% i.e. 8.50% (Floating)
> 15 up to 20 years	Base Rate + 0.50% i.e. 8.50% (Floating)

Base rate is 8.00%

Other Features

Margin	5%
Eligibility	Permanent employees having 5 Years of regular service including persons on permanent deputation from DOT to BSNL.
Quantum of Loan	100 times Basic Pay subject to maximum of ₹ 30.00 lakhs.
Purpose	<ul style="list-style-type: none"> o Purchase of plot from Housing Board / Development Agency / Private Builders and construction of house thereafter o Construction of house/ flat repairs/ renovation/ addition/ alteration of house/ flat & new flat/ house
Repayment Period	Maximum 240 months
Minimum Take Home Pay after all deductions including present EMI	Take Home Pay of employees should not be less than 25% of the total emoluments after all deductions including GPF, GSLLI, Income Tax, EMI etc.
Processing Charges	No processing charges
Pre payment penalty	No pre payment penalty in case repaid through own sources. If taken over by other banks / FIs then 2% pre penalty should be charged.
Security	EM or simple mortgage of house / flat.





 (P. VENUGOPAL)

 Dy. General Manager (B & FC)

 भारत खण्ड विभाग, नई दिल्ली

 B. S. S. Ltd., New Delhi

(2) Union Education

Rate of Interest (For both Male and Female student)

Up to ₹ 4.00 lakhs	10.00% (Fixed)
> ₹ 4.00 lakhs to ₹ 7.50 lakhs	10.00% (Fixed)
> ₹ 7.50 lakhs	10.00% (Fixed)

Other Features

Co-borrower	Employee parent to be the co-borrower	
Quantum of loan	○ ₹ 10.00 lakhs for inland studies ○ ₹ 20.00 lakhs for studies abroad	
Margin	○ Nil up to ₹ 4.00 lakhs ○ 5% for inland studies for the loan above ₹ 4.00 lakhs ○ 15% for studies abroad for the loans above ₹ 4.00 lakhs	
Assignment of Life Insurance Policy	Assignment of policy equivalent of loan amount	
Pre payment penalty	No pre payment penalty	
Repayment period	Maximum 84 months. Repayment period to start 12 months after completion of course or 6 months after securing a job whichever is earlier	
Security	Loan amt.	Security
	Up to ₹ 4.00 lakhs	Nil
	> ₹ 4.00 lakhs < ₹ 7.50 lakhs	Collateral security in the form of a suitable third party guarantee
	> ₹ 7.50 lakhs	Collateral security of suitable value

(3) Union Miles

Rate of Interest

	2 wheeler	4 wheeler
Up to 3 years	10.00% (Fixed)	10.00% (Fixed)
> 3 up to 5 years	10.50% (Fixed)	10.50% (Fixed)
Old car (not older than 3 years)	-----	10.00% (Fixed) or 10.50% (Fixed) as per repayment period above



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Other Features

	2 wheeler	4 wheeler
Eligibility & quantum of loan	10 times of basic pay maximum ₹ 50000/-	20 times of basic pay maximum ₹ 5.00 lakhs
Margin	10% of ex-showroom price (new)	10% of ex-showroom price for new car 25% for old car
Minimum take home pay after all deductions including EMI for this loan	The minimum take home pay of the applicant shall be 25% of all emoluments inclusive of all deductions	The minimum take home pay of the applicant shall be 25% of all emoluments inclusive of all deductions
Processing Charges	Waived	Waived
Repayment Period	Max. 60 months	Max. 60 months
Pre payment penalty	2% on o/s if loan is not closed from own verifiable legitimate sources but from other banks / FIs	2% on o/s if loan is not closed from own verifiable legitimate sources but from other banks / FIs
Security	As required under Union Miles scheme	As required under Union Miles scheme

(4) Union Comfort

Rate of Interest

Rate of Interest	<u>12.00% (Fixed)</u>
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Other Features

Eligibility & Quantum of loan	10 times of monthly gross pay subject to a maximum of ₹ 5.00 lakhs
Processing Charges	Waived
Minimum Take Home pay after all deductions including EMI for this loan	The minimum take home pay of the applicant shall be 25% of all emoluments inclusive of all deductions
Repayment Period	Maximum 60 months provided loan tenure ends before the retirement of employee
Pre-payment penalty	Waived if loan is closed from own verifiable legitimate sources and not from other banks & FIs otherwise 2% of o/s.
Security	Hypothecation of asset wherever applicable



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(5) Natural Calamity Loans

Natural Calamity Loans are introduced as per the disaster, calamity in certain pockets of affected areas for specific period as per government directives. There is no specific scheme in our bank.

Rate of Interest

Rate of interest	12.00% (Fixed)
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Other Features

Eligibility & Quantum of loan	5 times of basic pay subject to a maximum of ₹ 50000/- to the employees whose family is affected in natural calamity.
Margin	Nil
Repayment period	30 months
Pre-payment penalty	Waived
Security	Nil

