



AXISB/NDZO/ADV/2009-10/13344

12.01.2010

The Director  
P & M  
NSIC, NSIC Bhavan  
Okhla Industrial Estate  
New Delhi-20

Dear Sir

**Subject - Renewal of Tie Up arrangement for credit financing to MSME units with NSIC.**

This has reference to your letter No NSIC/HO/BD/05/2008-09/MOU dated 09<sup>th</sup> November 2009 regarding above cited subject.

Further to the Memorandum of Understanding (MOU) dated 10<sup>th</sup> day of October 2006 for outsourcing credit proposals for financing MSME units, we agree to renew the validity of the agreement for a further period of three years ie from 10<sup>th</sup> October 2009 to 9<sup>th</sup> October 2012 on similar terms & conditions communicated vide MOU dated 10<sup>th</sup> October 2006.

Please acknowledge the same.

Thanking You,

Yours faithfully

Sachil Dagur  
Vice President (SME),  
North Zonal Office

Enclosures:

- Copy of agreement-dated 10.10.2006





पश्चिम बंगाल WEST BENGAL

10AA 511946

Memorandum of Understanding

This Memorandum of Understanding (hereinafter called MOU) is made this 10<sup>th</sup> day of Oct 2009 October 2009 between

UTI BANK LIMITED, a Banking Company incorporated under the Companies Act, 1956 and carrying on banking Business under Banking Regulation Act, 1949 and having its Registered Office at 'Trishul', 3rd Floor, Opposite. Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad 380 006, Gujarat hereinafter referred to as the "Bank" (which expression shall, unless repugnant to the context or meaning, include its successors and assigns) through its authorized signatory Shri Sunand Kumar Mitra, Senior Vice President & Zonal Head, Eastern Zone, of the First Part.

AND

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD, a Government of India Enterprise having its registered office at NSIC Bhawan, Okhla Indl. Estate, New Delhi 110020 (hereafter referred to as NSIC, which expression shall, unless repugnant to the meaning or context thereof mean and include NSIC, its successors in interest and permitted assigns) of the Second Part.

Whereas the NSIC and Bank are desirous to execute a Memorandum of Understanding (MOU) with a view to record the broad terms and conditions mutually agreed to, by and between them subject to working out the modalities and terms of implementation in detail, in due course, as may be agreed between the NSIC and Bank.



NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS UNDER:

1. Loan Application forms of the Bank along with the broad terms and conditions will be made available at the operational office(s) of NSIC to be provided to SME units (List of NSIC Offices is enclosed).
2. The Bank will provide a list of Branches and controlling Offices where application forms for credit support are to be forwarded by the operational offices of NSIC collecting applications from interested SMEs.
3. The NSIC will forward the credit proposals to the Bank's branches, without any liability on its part for sanction.
4. The Bank may accept loan applications forwarded by NSIC and consider sanctioning loans on merit basis and as per lending norms laid down in the lending policy of the Bank.
5. After sanction of the loan applications, all necessary action relating to dealing with the borrowers (including disbursement, monitoring, recovery etc) would be taken up by the Bank.
6. Upon sanction of the loan, the Bank will pay within 30 days, 50% of the processing fee received from applicants to NSIC for each application so forwarded. Subsequently, processing fee recovered from the applicants at the time of review/renewal will be shared in the same proportion and shall be paid out of processing fee received, within 30 days from the date of review of the Accounts.
7. This arrangement of financing by the Bank's branches shall be extended to the projects relating to SME Sector at different places where Bank branches are located or other important industrial centers throughout the country.
8. NSIC is operating a Performance and Credit Rating Scheme for Small Enterprises (SEs) wherein SE units are rated in terms of performance and credit parameters. Six rating agencies viz. CRISIL, DUN AND BRADSTREET, ICRA, CARE, ONICRA AND FITCH have been empanelled by NSIC under the scheme for rating of the Small Enterprises. The Bank may refer its customers to NSIC so as to be rated by any one of the six agencies as selected by the customer. In respect of the units rated by any of the above agencies and applying for credit support under this arrangement, the Bank will promote such units and re-calibrate the interest rates and security norms while considering the sanction of their proposals.
9. NSIC organizes various open houses/exclusive sessions; campaigns to create awareness of the schemes implemented by it as well the arrangements like the one covered under this MOU. The Bank and NSIC may also jointly hold similar open houses/campaigns to create awareness of their schemes and also take necessary steps to promote the business of mutual interest.
10. Under this undertaking, the above arrangements would be given publicity by NSIC and Bank at their own cost. Details of the arrangement shall also be publicized through the website of NSIC and the Bank.
11. This MOU will be valid for a period of 3 years and may be renewed on mutually agreeable terms and conditions. Any amendment to the MOU will be mutually agreed upon in advance and will be in writing signed by both the parties. During the terms of this MOU and the extension thereof, NSIC or the Bank may enter into similar arrangements with any other agencies.

12. Neither party shall be liable for any failure, inability or delay in performing the obligation hereunder if such failure, inability or delay be due to an act of God, war, explosion or sabotage, riots, civil disturbance, strike, lockout, labour trouble, accident, casualty, law and order or regulation. Due cogency and every reasonable effort shall be used by each party in curing such cause.
13. The MOU can be terminated by either party by giving 60 days prior notice to the other party. During this notice period, NSIC shall not collect any fresh applications from any SME unit to be forwarded to the Bank for credit support. The Bank will however carry out and complete the appraisal of applications in all cases where the applications are received by them prior to the date of termination notice.
14. The Bank shall have the right to refuse, accept or not to accept the proposal of a particular Small & Medium Enterprises at its sole discretion and the same may not be disclosed to the customer. However at the request of NSIC, the Bank may inform the reasons for rejection.

IN WITNESS WHEREOF, each of the parties hereto has caused this MOU to be executed by its duly authorized officers as of the day and year first above written.

SIGNED AND DELIVERED BY  
THE WITHIN NAMED UTI BANK LTD.

BY THE HAND OF Shri Sunand Kumar Mitra, Senior Vice President & Zonal Head, UTI Bank Ltd,  
Eastern Zone, , 5, Shakespeare Sarani, Kolkata- 700071

In the presence of Witness

Name and Address: Shri Bimal Bhattacharyya, Vice President Advances & Forex, UTI Bank Ltd, 5,  
Shakespeare Sarani, Kolkata- 700071

SIGNED AND DELIVERED BY  
WITHIN NAMED THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

BY THE HAND OF  
Shri S K Sinha, Director (P&M) NSIC Ltd, Industrial Estate, Okhla, New Delhi 110020

In the presence of Witness:

Name and Address: Shri P.N.Tripathy, Advisor & Zonal Head, NSIC Ltd. 20B, Abdul Hamid Street,  
7<sup>th</sup> Floor, Kolkata- 700069