

WHEREAS the NSIC and OBC are desirous of executing 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 OBC.

NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS UNDER:

1. Loan Application forms of OBC along with the broad terms & 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. OBC 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 OBC's branches, without any liability on its part for sanction.
4. OBC 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 OBC.
6. Upon sanction of the loan, OBC 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 within 30 days from the date of review of the Accounts.
7. This arrangement of financing by the OBC's branches shall be extended to the projects relating to SME Sector at different places where ~~the~~ branches are located or other important industrial centres throughout the country.

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