

NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING AGREED 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 MSE units.
2. The Bank has already 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 application form from interest MSE
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 within 30 days from the date of review of the Accounts.
7. The arrangement of financing by the Bank's branches shall be extended to the projects relating to MSE Sector at different places where bank branches are located or other important industrial centers through out the country.
8. NSIC is operating a Performance and Credit Rating Scheme for Micro and Small Enterprises (MSE) wherein MSE units are rated in terms of 'performance and credit parameters'. Six rating agencies viz. CRISIL, DUN AND BRADSTREET, ICRA, 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.



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