



दिल्ली DELHI

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THIS FORMS INTEGRAL PART OF THE
MEMORANDUM OF UNDERSTANDING

executed between

BANK OF BARODA

&

N S I C

On

28th July, 2011 at New Delhi.



MEMORANDUM OF UNDERSTANDING
Between
Bank of Baroda & The National Small Industries Corporation Ltd.

This Memorandum of Understanding (hereinafter called MOU) is made on this 28th July 2011 at New Delhi between **Bank of Baroda** a body corporate constituted under the Banking Companies(Acquisition & Transfer of Undertaking) Act 1970 with its Head Office at Mandvi, Baroda and inter alia having one of its Zonal Office at 16, Sansad Marg, New Delhi, (hereinafter referred to as " Bank" , which expression shall, unless it be repugnant to the context or meaning thereof, mean and include its successors and assigns) 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 (hereinafter 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 of Baroda** 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 **Bank of Baroda** .

NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS UNDER:

1. Loan Application forms of **Bank of Baroda** 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. **Bank of Baroda** 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 **Bank of Baroda's** branches, without any liability on its part for sanction.
4. **Bank of Baroda** 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 **Bank of Baroda**.
6. Upon sanction of the loan, **Bank of Baroda** 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 **Bank of Baroda's** branches shall be extended to the projects relating to SME Sector at different places where bank branches are located or other important industrial centres throughout the country.
8. NSIC is operating a Performance and Credit Rating Scheme for Small Enterprises (SEs) wherein SEs units are rated in terms of 'performance and credit parameters'. Six rating agencies viz., CRISIL, DUN & BRADSTREET-SMERA, ICRA, CARE, ONICRA, & FITCH have been empanelled by NSIC under the scheme for rating of the Small Enterprises. **Bank of Baroda** may refer its customers to NSIC so as to be rated by any one of the six agencies as selected by the customer. In

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BRICKWORK,
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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.

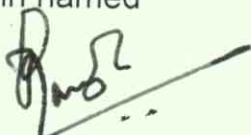
9. NSIC organizes various open houses / exclusive sessions, campaigns to create awareness of the schemes implemented by it as well as the arrangements like the one covered under this MOU. **Bank of Baroda** and NSIC may also jointly hold similar open houses / campaigns to create awareness of their schemes and also take necessary steps to promote the business of mutual interest.
10. Under this understanding, the above arrangements would be given publicity by NSIC and **Bank of Baroda**. Details of the arrangement shall also be publicised through the website of NSIC and **Bank of Baroda**.
11. This MOU will be valid for a period of 3 years and may be renewed on mutually agreeable terms & conditions. Any amendment to the MOU will be mutually agreed upon and will be in writing signed by both the parties. During the term of this MOU and extension thereof, NSIC or **Bank of Baroda** 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, causality, law and order or regulation. Due cogency and every reasonable effort shall be used by each party in curing such casue.
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 **Bank of Baroda** for credit support. **Bank of Baroda** will however to 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. **Bank of Baroda** 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, **Bank of Baroda** may inform the reasons for rejection. Both the parties agree and undertake to each other that they shall keep strictly confidential and shall not disclose any information or any nature whatsoever which has come to their respective knowledge during the course of implementation of this MOU.

In affirmation, the parties hereto have signed this Memorandum of Understanding on this day first here in above written.


Signed and delivered by the within named


(J. Ramesh)
General Manager(SME)
Bank of Baroda .


Signed and delivered by the within named


(Ravindra Nath)
Director (Finance)
The National Small
Industries Corporation
Ltd.

Through its Authorised Signatory

Witness 
In the presence of
Sh. CYRIL PATRO
General Manager
Bank of Baroda
NORTH ZONE
DELHI

Through its Authorised Signatory

Witness 
In the presence of
Sh. Gaurang Dixit
General Manager (Asst)
NSIC Ltd.
Okhla Indl. Estate,
New Delhi.

