



**KERALA STATE BACKWARD CLASSES
DEVELOPMENT CORPORATION LIMITED**

(A Government of Kerala Undertaking)

2481/P1/2011/KSBCDC

31/03/2012

Circular No. 28/2011-12

Sub: Project Guidelines 2012-13- Instructions Issued-reg

Ref: Decision No. 136/19 of the Director Board Meeting held on 24-03-2012.

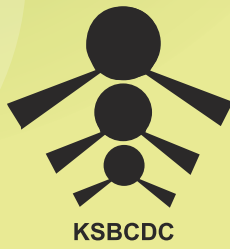
The Director Board Meeting held on 24-03-2012 approved the revised Project Guidelines and decided to implement this w.e.f 01-04-2012. The following instructions are issued in this regard.

1. Revised Project Guidelines will be applicable for all project related matters w.e.f 01-04-2012 unless otherwise mentioned.
2. Revised Interest rate and repayment period will be applicable for loan agreements signed on or after 01-04-2012 only. Agreements made prior to this date need not be altered and all terms and conditions mentioned in the loan agreement shall be applicable.
3. Necessary modifications have been made in 'bcdconline' to incorporate the changes made in the Project Guidelines.
4. Application Issue Register, Application Received Register and Document Register shall be maintained from data downloaded from 'bcdconline'. These Registers will be available in bcdconline under menu 'Reports'
5. Application Data entry module has been split into two portions, viz. Application Receipt and Application Data Entry. Basic details of the applicant viz. Address, Date of Birth, Sex and Annual Income have to be entered in 'Application Receipt' module on the date of receipt of application itself. Application Register No. will be generated on completion of data entry in 'Application Receipt' module. Receipt of application has to be acknowledged. Acknowledgement Card is made available in 'bcdconline'. However units are free to use pre-printed Acknowledgement Card. In such cases, Application Register No. has to be entered in the Acknowledgement Card.
6. Necessary formats of various forms, registers etc shall be appended to the 'Project Guidelines' at the earliest. Forms, Registers etc currently in use will be applicable until further intimation is issued.


Managing Director

To

1. All Managers, KSBCDC Head Office
2. All District Managers, KSBCDC
3. PA to MD
4. System Administrator, KSBCDC
5. Office Copy/Circular File/Spare



Kerala State Backward Classes Development Corporation Ltd.

**PROJECT GUIDELINES
2012-13**

Regd. Office: T. C. 27/588 (7) & (8), "SENTINEL", 2nd Floor, Pattoor, Vanchiyoor. P.O ,
Thiruvananthapuram - 695035, Phone: 0471 2577539, 2577550, Fax: 0471 25775439,
E mail: ksbcdcd@gmail.com, Web : www.ksbcdcd.com

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A NOTE ON SELF-EMPLOYMENT SCHEME

Introduction

KSBCDC's main objective is to promote economic and developmental activities for the benefit of Backward Classes/Minorities and to assist the poorer section of these classes in skill development and self-employment ventures by way of loans/training.

Activities that can be financed

The Corporation can assist a wide range of income generating activities. However, it will not finance merely infrastructure development schemes. In case, where the infrastructure development leads directly to income generation, can be considered for financing.

For the members of Backward Classes and Minorities living below double the poverty line, the proposals should be such which generate enough income to the beneficiary to push him above the poverty line. This is an important aspect because spreading of assistance thinly without generating sufficient income for the beneficiary serves little purpose.

1. Agriculture and Allied

Agriculture production and related field such as irrigation, purchase of agriculture machinery, animal breeding, poultry farming, horticulture, bee keeping etc.

Purchase of equipment for agriculture services such as custom service (pesticide spray, harvesting etc.) custom hiring of agriculture machinery.

Agriculture marketing through cooperative Societies/ Association of farmers belonging to Backward Classes/Minorities. Setting up grading and packing houses, purchase of transport vehicles for marketing of agriculture products etc.

2. Artisan and Traditional Occupation

These include barbers, washer men, tailors, weavers, carpenters, potters, black-smiths masons and manufacturing of handicraft items including brass ware, gardeners in urban area etc.

3. Technical Trades Self-Employment

These include technical trades such as electrician, plumber, sheet metal, TV/radio repair, motor mechanic, tyre puncture repair, refrigeration mechanic etc.

4. Small Business

These include small business, tea shop, general provision stores, books and stationery shop, news paper and magazine shop, vendors, photocopier service, typewriting and word processing service etc.

5. Small Scale and Tiny Industry

Hawai chappal manufacturing, hairbrush manufacturing, safety match box manufacturing etc.

6. Transport Services

These include plying of bullock and other animal driven carts, cycle-rickshaw, auto-rickshaw, taxis, tempos, trucks for hire etc. including cycle hiring service.

Above activities are illustrative and not exhaustive and beneficiaries may choose any of the occupation of their choice under these activities. It is their right.

The beneficiary should identify and formulate technically feasible and financially viable schemes and submit to KSBCDC for financing as per its guidelines issued from time to time.

The Unit Mangers of KSBCDC should identify potential beneficiaries, their vocational training requirements and examine the viability of the schemes and sanction loans in appropriate cases. They are also responsible for post disbursement follow up, recoveries and ensuring the utilization of loans by the beneficiaries.

NBCFDC SCHEMES



Scheme 1

SELF-EMPLOYMENT FOR BACKWARD CLASSES

1. Self-employment loan up to a maximum of ₹ 1 Lakh

The scheme is to promote self-employment among the members of the Backward Classes. Any viable projects can be considered under the scheme.

The following pattern of financing is ordinarily envisaged in such proposals.

NBCFDC contribution	85%
KSBCDC contribution	10%
Beneficiary Contribution	5%

Beneficiary contribution need not be collected from the beneficiary under this scheme. The beneficiaries are expected to utilize the amount along with the loan amount for the project. The maximum loan that can be disbursed under this Scheme is **95% of the project cost** or **₹ 1,00,000/-** whichever is lower and is limited to **the amount requested by the beneficiary**.

2. Self-employment loan above ₹ 1 Lakh up to ₹ 2 Lakh

In addition to general conditions for loan up to ₹ 1 lakh, the following clauses are applicable.

1. Pre sanction verification is compulsory.
2. Loan amount to be sanctioned in 2 installments. Second installment can be sanctioned only after ensuring utilization of installment already paid.
3. Loans shall be sanctioned from District Offices. But such loans will be limited by targets fixed by head office from time to time taking into account factors like availability of funds, compliance of national agency guidelines etc.

In the case of Three wheeler passenger auto and three/four wheeler goods vehicle loans, 95% of the on the road price of the vehicle, maximum limited to ₹ 2 lakh may be sanctioned from the Unit Office. Hypothecation of the vehicle has to be ensured. Cheque should be given in the name of dealer only. Vehicle should be used for self employed income generating activities only.

3. Self -employment loan above ₹ 2 Lakh up to ₹ 10 Lakh (sanction at Head office level only)

Under this scheme, applicants can submit proposal for any viable project having techno-economic feasibility with wide scope for implementation. The applicant has to submit the application in the prescribed format along with detailed project report. The unit manager has to forward the application with due recommendation after pre-inspection visit.

The following pattern of financing is ordinarily envisaged in such proposals.

NBCFDC contribution	85%
KSBCDC contribution	10%
Beneficiary contribution	5%

Eligibility Criteria

1. The applicant must belong to any one of the notified Backward Classes of the state.
2. The annual family income of the applicant must be below **₹ 55000/- in urban areas and ₹ 40000/- in rural areas.**
3. Age of the applicants must be between 18 and 55.
4. The applicant should not be a beneficiary to any of the Self Employment loan under any scheme of any other Corporation/Bank/Agency

Rate of interest

For loan amount up to ₹ 5 Lakh	: 6%
For loan amount above ₹ 5 Lakh	: 8%

Scheme no. 2

NEW SWARNIMA SCHEME FOR WOMEN

(Special Self-Employment Scheme for Backward Class Women)

New Swarnima Scheme is special scheme for women belonging to Backward Classes and who are living below double the poverty line. The objective of the scheme is to develop self-reliance amongst women beneficiaries of the target groups by facilitating easy credit facilities for setting up viable economic activities.

ELIGIBILITY

1. The loan shall be extended to the women of Backward Classes as notified by State Governments from time to time.
2. The Backward Class women living below double the poverty line are eligible to get loan under this scheme (whose annual family income is below ₹ 40,000/- in rural areas and ₹ 55000/- in urban areas.
3. Age of the applicants must be between 18 and 55.
4. Preferences should be given to widows, deserted and handicapped women. If selection is required, then annual family income of the applicant should be taken as major criteria.

QUANTUM OF LOANS AND PATTERN OF FINANCING

Maximum loan amount available under New Swarnima Scheme is ₹ 1,00,000/- (Rupees One Lakh only) per beneficiary.

The pattern of financing is envisaged as under:

1. NBCFDC share - 95%
2. KSBCDC share - 5%
3. Beneficiary Contribution - NIL

Rate of Interest: 5%

Scheme No.3

EDUCATION LOAN SCHEME FOR BACKWARD CLASSES

Towards the fulfillment of the overall objectives of empowerment and development of Backward Classes in the country, KSBCDC promises financial assistance on loan basis to eligible beneficiaries.

OBJECTIVES

To extend Education loan to the members of Backward Classes for pursuing Professional or Technical education at graduate and higher level.

ELIGIBILITY

- i) The loan shall be granted to members of backward classes, as notified by State Government from time to time.
- ii) The annual income of the applicant's family should be below double the poverty line i.e., ₹ 40,000/- p.a. in rural areas and ₹ 55,000/-p.a. in urban areas.
- iii) The applicant should have obtained admission for any Professional/Technical Courses through Entrance Test/ Merit based selection process. Course should be approved by appropriate authority such as AICTE, Medical Council of India, UGC etc.
- iv) Priority will be given to women, physically impaired and dependent of war widows.
- v) Distant education/Off-campus programmes are not covered under this scheme.
- vi) Age Limit : 16-32

COURSES COVERED

Illustrative list of professional courses in India for which loan can be granted under Education Loan scheme of NBCFDC-

- Professional courses such as Engineering, Medical, Hotel Management, Veterinary, Law, Dental Management etc.
- Courses conducted by IIM, IIT, IISE, NIFT, NID, ATDC etc
- Regular professional degree courses conducted by Colleges/Universities approved by UGC/Government/AICTE/ICMR.
- Regular professional degree courses like Aeronautical Pilot Training, Shipping etc. approved by Director General of Civil Aviation/Shipping.
- Professional degree courses offered by National Institutes under the Ministry of Social Justice & Empowerment.

PURPOSE OF LOAN

- Fee payable to College/School/Hostel.
- Examination/Library/Laboratory Fee.
- Purchase of books/equipments/instruments/uniforms.
- Caution Deposit/Building Fund/Refundable Deposit supported by Institution Bills/ Receipts subject to the condition that the amount does not exceed 10% of the total tuition fee for the entire course.
- Purchase of computers-essential for completion of the course.
- Insurance premium for student borrower for policy during the loan period.
- Boarding and lodging expenses in recognized Boarding Houses/Private accommodations.
- Any other expenses required to complete the course-like study tours, project work, thesis etc.

MAXIMUM LOAN LIMIT

90% of the expenditure of course subject to maximum loan limit of ₹ 75,000/- per year .The maximum loan amount per course is limited to ₹ 3,00,000/- for a period of 4 years. 2nd and subsequent installments will be released only after producing certificate from the principal of the institution regarding the satisfactory performance of the students.

Rate of interest: 4% for Boys, 3.5% for Girls

Scheme 4
Saksham Scheme

Objective

This is a special scheme for young professionals belonging to other backward communities with provision of concessional loans to set-up their own self-employment ventures after completing the professional courses such as Doctors Clinic, Nursing Homes, Physiotherapy Clinics, Bio-Medical Labs, Lawyers Office, Engineering Unit, Chemist Shops, Architect Offices, Office for CA/Financial Consultancy etc.

Eligibility

1. The youth should belong to Backward Classes as notified by State Government from time to time.
2. Should have obtained a professional education/training.
3. Unemployed youth having annual family income below double the poverty line.
4. Age limit – 18 years to 35 years.

Maximum Limit of Loan

The maximum loan limit is ₹ 10 lakh.

Pattern of Finance

i)	NBCFDC Loan	:85%
ii)	KSBCDC Loan	:10%
iii)	Beneficiaries Contribution	:05%

Rate of Interest

i)	Up to ₹ 5 lakh	:	6 %p.a
ii)	Above ₹ 5 lakh	:	8 %p.a

Scheme 5

Shilp Sambada (For artisans & handicraft persons)

The objective of this scheme is to upgrade the technical and entrepreneurial skill of Backward Classes by way of providing training and financial assistance for self employment in traditional craft etc. Loan shall be sanctioned to the artisans and handicraft persons to secure their traditional art & craft and to provide training to upgrade their existing skills with latest technological inputs such as CAD, design development etc.

Eligibility Criteria

1. The applicant must belong to any one of the notified Backward Classes of the state.
2. The annual family income of the applicant must be below ₹ 55000/- in urban areas and ₹ 40000/- in rural areas.
3. Age of the applicants must be between 18 and 55.
4. The applicant should not be a beneficiary to any of the Self Employment loan under any scheme of any other Corporation/Bank/Agency

Maximum Limit of Loan

The maximum loan limit is ₹ 5 lakh.

Pattern of Finance

i)	NBCFDC Loan	:85%
ii)	KSBCDC Loan	:10%
iii)	Beneficiaries Contribution	:05%

Rate of Interest - 6%

Scheme No. 6

Project Linked Training Programme

The Corporation with the assistance of the national agencies provides project linked training for up-gradation of Technical and Entrepreneurial Skill of the members of the backward and minority communities.

The objective of the scheme is to provide training to the target group to make them capable of self-dependent through appropriate technical training in the field of traditional & technical occupations and entrepreneurship at free of cost. The trainee can obtain loan from KSBCDC to set up start his business after the successful completion of the training. The details of the training programmes will be announced from time to time on getting approval from the national agencies.

In order to submit proposals to the National agencies, the District offices can identify the training requirement of the backward and minority youths in their area and submit suitable proposals to the Head office. The Training Institutes selected for the purpose should be of reputed one and should have proper infrastructure for providing required training. The proposal should contain the following.

1. Content of the training.(objective, course content, methodology, minimum and maximum strength required , location etc)
2. Possibility of linkage with the existing schemes.
3. Duration of the training-working hours
4. Project cost (Inclusive of Training fee, stipend to be paid, other related expenditure etc)
5. Faculty arrangements

Pattern of Financing

The following pattern of financing is generally envisaged in such proposals

NBCFDC/NMDFC share: 90%

KSBCDC share : 10%

NMDFC SCHEME

Scheme no. 1

SELF-EMPLOYMENT SCHEME FOR MINORITIES

1. Self-employment loan up to a maximum of ₹ 1,00,000/-

The scheme is to promote self-employment among the members of the minority communities. . Any viable projects can be considered under the scheme.

The following pattern of financing is ordinarily envisaged in such proposals.

NMDFC contribution	85%
KSBCDC contribution	10%
Beneficiary Contribution	5%

Beneficiary contribution need not be collected from the beneficiary under this scheme. The beneficiaries are expected to utilize the amount along with the loan amount for the project. The maximum loan that can be disbursed under this Scheme is **95% of the project cost** or **₹ 1,00,000/-** whichever is lower and is limited to **the amount requested by the beneficiary**.

For three wheeler passenger auto and three wheeler passenger/goods vehicle loans, 95% of the on the road price of the vehicle, maximum limited to ₹ 1.40 lakh may be sanctioned. Hypothecation of the vehicle has to be ensured. Cheque should be given in the name of dealer only. Vehicle should be used for self employed income generating activities only.

2. Self employment loan above ₹ 1Lakh up to ₹ 5 Lakh (sanction at Head office level only)

Under this scheme, applicants can submit proposal for any project. The applicant has to submit the application in the prescribed format along with detailed project report. The unit manager has to forward the application with due recommendation after pre-inspection visit.

The following pattern of financing is ordinarily envisaged in such proposals.

NMDFC contribution	85%
KSBCDC contribution	10%
Beneficiary contribution	5%

Eligibility Criteria

1. The applicant must belong to any one of the notified Minority Communities.
(Muslim, Sikh, Parsis, Buddhist, Christian)
2. The annual family income of the applicant must be below ₹ **55,000/- in urban** areas and ₹ **40,000/- in rural** areas.
3. Age of the applicants must be between 18 and 55.
4. The applicant should not be a beneficiary to any of the Self Employment loan under any scheme of any other Corporation/Bank/Agency.

Rate of interest : 6%

Scheme No.2

EDUCATION LOAN SCHEME FOR MINORITY COMMUNITIES.

NMDFC introduced the Educational Loan Scheme with the objectives to facilitate job oriented education amongst the weaker section of the Minorities.

OBJECTIVES

The identified courses should be such which have the utmost probability of equipping the beneficiaries for jobs, and should be shorter duration at the most 5 years. Educational loan should be given for courses, which are within the reach of the targeted group and have the least possibility of being misused.

ELIGIBILITY

- i) The applicant should belong to the notified Minority Communities.
- ii) The annual family income of the parent/guardian of the applicant should be below ₹ 40,000/- in rural areas and ₹ 55,000/- in urban areas.
- iii) The applicant should be in the age group of 16-32 years.
- iv) Confirmed admission in the intended course is the basic requirement for availing the loan. However, application for loan can be made in anticipation of admission. Similarly, loan can also be sanctioned in anticipation of admission.
- v) Women and Physically challenged candidates would be given preference.
- vi) Selection out of the eligible candidates will strictly be on merit.

ELIGIBLE COURSES

- i) The course of study should have good potential in the job market. Any Technical/Professional courses including Diploma & Degree courses may be considered.
- ii) The duration of the course will not exceed **five years**. However, shorter duration courses may be preferred.
- iii) The College/Institute should have been offering the courses for the last 3 years and should be recognized by the Central/State Government or by appropriate authority such as AITCE.

PURPOSE OF THE LOAN AND MAXIMUM LOAN AMOUNT

Loan will be admissible for expenditure on the following items:

- i) Admission fee and tuition fee.
- ii) Cost of books, stationery and other instruments required for the course.
- iii) Examination fee
- iv) Boarding and lodging expenses.

The loan amount must be limited to actual expenditure, subject to a maximum of ₹ 50,000/- per annum, for a course of maximum five years duration. Maximum loan amount shall be **₹ 2.50 lakhs.**

TERMS OF RELEASE OF LOAN

- i) Admission fee, tuition fee, examination fee and similar expenditure will be paid by account payee cheque in the name of applicant and co-borrower
- ii) The loan will be released in instalments on trimester/semester/annual basis depending upon the system of the concerned College/Institute. The subsequent release of loan will depend upon successful completion of the previous term. A certificate in this regard may be obtained from head of the institute.

PATTERN OF FINANCE

NMDFC Share	- 90%
KSBCDC Share	-10%

RATE OF INTEREST - 3%

KSBCDC SCHEMES

Scheme No.1

Marriage Loan Scheme

Objectives

The objective of the scheme is to financially assist the marriage of a girl child belonging to the backward class/Minority family.

Eligibility criteria

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. The annual family income of the applicant family must be below ₹ 1 lakh.
3. Age of the girl should be 18 or above.
4. If the applicant is the parent his/her age should be less than 60 years.
5. Brother/Sister of the girl whose name is included in the same ration card is **also eligible to apply.**

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 150,000/- (Rupees One lakh fifty thousand only) per beneficiary. The beneficiary contribution is not stipulated under the scheme.

Rate of interest: 6%

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Other conditions

The application for the loan should be submitted before the date of marriage.

Scheme No.2

Computer Loan for Students

This is an own fund scheme of KSBCDC for students to purchase computer and accessories for their study purpose.

Eligibility criteria

1. The applicant must be either the student or the parent.
2. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
3. If the applicant is the student, his/her age should be 18 or above
4. If the applicant is the parent, his/her age should be below 60 years
5. No income limit.

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 50,000/- (Rupees fifty thousand only) per beneficiary. The beneficiary contribution is not stipulated under the scheme.

Rate of interest: 8.50 %

Scheme No.3

Foreign Employment Scheme

Objectives

The objective of the scheme is to finance persons belonging backward classes in the state to meet his/her travel or other connected expenses for proceeding to abroad for employment.

General Eligibility Criteria

1. The applicant must belong to any one of the notified Backward Classes of the state.
2. The annual family income of the applicant family must be below ₹40,000/- in rural areas and ₹55,000/- in urban areas.
3. Age of the applicants must be between 18 and 50.

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹100,000/- (Rupees One lakh only) per beneficiary. The beneficiary contribution is not stipulated under the scheme.

Rate of interest :8%

Other conditions

The applicant should produce his valid passport and job visa/group visa to avail the loan.

Scheme No. 4

Vehicle loan for employees of Government, PSUs, Public and Private limited company.

The objective of the scheme is to assist the employees who belong to backward classes/Minorities and working in Government, Public Sector Undertakings, Public/Private Limited Companies to purchase vehicles for their personal traveling purposes.

Eligibility criteria

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. No income limit.
3. The age of the applicant should be between 18 and 60 years.

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 300,000/- (Rupees Three lakhs only) or 95% of the on-road price of the vehicle, whichever is less.

Rate of interest - 9 %.

Scheme No.5

**Consumer durable loan for the employees of Government,
Public and Private sector**

The objective of the scheme is to assist the employees who belong to backward classes/Minorities and working in Government, Public Sector, Reputed private institutions to purchase consumer durables for their personal purposes.

Eligibility criteria

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. No income limit.
3. The age of the applicant should be between 18 and 60 years.

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 100,000/- (Rupees One Lakh only) or 95% of the cost of the consumer durables whichever is less and limited to the amount requested by the beneficiary. The beneficiary contribution need not be collected.

Rate of interest : 9%

Scheme No. 6

**Swastha griha (House Maintenance) loan for the
employees of Government, PSUs, Public and Private
limited company.**

The objective of the scheme is to assist the employees who belong to Other Backward Classes /Minorities and working in Government, Public Sector Undertakings & Public and Private Limited Companies, to repair/extend their houses.

Eligibility criteria

- 1.The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
- 2.No income limit.
- 3.The age of the applicant should be between 18 and 60 years.

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 3,00,000/- (Rupees Three Lakhs only) per beneficiary. The beneficiary contribution is not stipulated under the scheme.

Rate of interest :10.00 %

Scheme No. 7

Suvarna Sree Loan scheme

The objective of the scheme is to assist the persons who belonging to Other Backward Classes/Minorities to meet their various needs like Purchase of land, Two Wheeler, Consumer Durables, Computer, Machineries, House maintenance, for implementing bio gas plant, Garbage plant etc..

Eligibility criteria

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. The annual family income of the applicant must be below ₹ 1 lakh
3. The age of the applicant should be between 18 and 55 years.

Quantum of loan

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 100,000/- (Rupees One lakh only) per beneficiary.

Rate of interest : 8%

Scheme No. 8

Working Capital Loan scheme

The objective of the scheme is to assist the beneficiaries of KSBCDC who have once availed a Self Employment Loan from the Corporation. This loan can be availed only after repaying the Self Employment Loan. The applicant should have a satisfactory repayment history and has to produce proof for the successful running of the existing self employment venture. (supported by photographs and other documents if required)

Eligibility criteria

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. The annual family income of the applicant must be below ₹ 1 lakh.
3. The age of the applicant should be between 18 and 55 years.

Quantum of loan

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹ 1,00,000/- (Rupees One Lakh only) per beneficiary.

Rate of interest: 7 %

Scheme 9

SELF-EMPLOYMENT FOR BACKWARD CLASSES/MINORITIES

The scheme is to promote self-employment among the members of the Backward Classes/Minorities. Any viable projects can be considered under the scheme.

Eligibility criteria

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. The annual family income of the applicant must be below ₹ 40,000/- in rural areas and below ₹ 55,000/- in urban areas.
3. The age of the applicant should be between 18 and 55 years.

Quantum of loan

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is ₹100,000/- (Rupees One Lakh only) per beneficiary.

Rate of interest

The rate of interest is 6%.

Scheme No. 10
Vidyasree Loan

The objective of this loan is to finance the cost of study of students belonging to backward communities/Minorities.

OBJECTIVES

- i) To extend loans to the members of Backward Classes/Minorities for pursuing Professional/ Technical/Vocational/Diploma education at graduate and post-graduate level.
- ii) To provide better educational opportunities within the reach of eligible members of backward classes/ minorities.
- iii) To enable the needy students belonging to backward classes/minorities, going for higher studies in Professional/Technical/Vocational/Diploma Courses approved by Govt. of India/Universities.

ELIGIBILITY

- i) The loan shall be granted to members of backward classes/minorities, as notified by State Government from time to time.
- ii) The annual income of the applicant's family should be below ₹ 1 Lakh.
- iii) The applicant should have obtained admission for any full-time/ specified part time Professional/Technical/Vocational/Diploma Courses.
- iv) Priority will be given to women, physically impaired and dependent of war widows.
- v) Distant education/Part-time programmes are not covered under this scheme.
- vi) Age Limit : 16-32

COURSES COVERED

All professional /Technical/Vocational/Diploma courses at graduate and post graduate level approved by Govt. of India/Universities, which are not covered under Education loan scheme of National agencies. Minimum duration of the course should be 1 year.

PURPOSE OF LOAN

- i) Admission fees and Tuition fee.
- ii) Cost of Books, Stationery and other instruments required for the course.
- iii) Examination Fee.



- iv) Boarding and lodging expenses
- v) Premium for Life insurance policy

MAXIMUM LOAN LIMIT

90% of the expenditure of course subject to maximum loan limit of ₹ 1 lakh per year. The maximum loan amount per course is limited to ₹ 1.50 lakhs. 2nd and subsequent installments will be released only after producing certificate from the principal of the institution regarding the satisfactory performance of the students. In case of courses with a duration exceeding 1 year, the loan has to be disbursed in installments based on the fee certificate issued from the institute.

Rate of interest: 6 %

Scheme No. 11

Bhavanasree Loan

The objective of the scheme is to assist the persons who belongs to Backward Classes/Minorities who are engaged in traditional jobs and having membership in welfare societies. The beneficiaries can use the loan amount for building new house or for house maintenance.

Eligibility criteria

- 1.The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
- 2.Income limit : Rs.1,00,000/-.
- 3.The age of the applicant should be between 18 and 55 years.

Quantum of loan and pattern of financing

This scheme is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is Rs.1,00,000/- (Rupees One Lakhs only) per beneficiary. The beneficiary contribution is not stipulated under the scheme.

Rate of interest :8%

Scheme No. 12
Business Development Loan Scheme

Objectives:

The scheme is to assist small and micro entrepreneurs belonging to the Other Backward Communities and Minorities to develop their micro units and business thereby lifting their standard of living.

Applicants under this scheme should be operating any viable self employment venture successfully for at least 2 years. This venture should have necessary permissions from appropriate authorities. Loan can be availed for expansion/modernization of the existing scheme or for working capital requirements.

Loan Amount:

Maximum loan amount under the scheme shall be ₹ 2 lakhs.

Pattern of Financing:

KSBCDC contribution	95%
Beneficiary contribution	5%

Beneficiary contribution need not be collected from the beneficiary under this scheme. The beneficiaries are expected to utilize the amount along with the loan amount for the project. The maximum loan that can be disbursed under this Scheme is **95% of the project cost** or **₹ 2,00,000/-** whichever is lower and is limited to **the amount requested by the beneficiary**.

Rate of Interest:

8 % interest p.a will be charged for this loan.

Eligibility Criteria:

1. The applicant must belong to any one of the notified Backward Classes/Minorities of the state.
2. The annual family income of the applicant must be below **₹ 1 lakh**
3. Age of the applicants must be between 18 and 55.
4. The applicant should not be a beneficiary to any of the Self Employment loan under any scheme of any other Corporation/Bank/Agency
5. Neither the applicant nor any member of his family should be a beneficiary to Self Employment loan of KSBCDC.

6. Applicant should be operating any viable self employment venture successfully for at least 2 years prior to the date of application.

General Guidelines for implementation

General Guidelines

All the schemes except marriage assistance scheme of the corporation may be implemented as continuous scheme keeping the physical and financial target on quarterly basis. In the case of marriage loan the scheme may be implemented on annual target basis. Processing of loans shall be done with the assistance of the application software, 'bcdconline'.

I. Application form and its distribution

1. Printing of the Application form will be done at the Head Office. Necessary instructions will be printed in the application form itself. The application form will be distributed to the unit offices in advance. The following are the code numbers of application form for different schemes.

1A-Self employment

1B – Own fund

1C -Education loan scheme

2. The Price of the application form is fixed as ₹ 10/-.
3. Application forms may be distributed at any time on demand subject to the target.

II. Issue of Application Forms.

Issue of Application forms shall be done by the Unit offices. In the 'Application issue' form in bcdconline, enter Applicant name, select loan scheme and caste. Application No and Receipt No will be generated by the system. Cost of the Application form has to be collected. **Application Issue Register** has to be maintained by filing and periodically binding details downloaded from bcdconline.

III. Acknowledgement of Application on receipt.

The receipt of the application has to be acknowledged on the date of receipt itself. **Application Received Register** has to be maintained by filing and periodically binding details downloaded from bcdconline.

IV. The following has to be ensured during primary scrutiny of applications received.

1. Annual income certificate issued by the Village Officer. In case of employee loans, pay slip is enough for proof of income.

2. Self attested copy of the SSLC Book as proof of Community/Caste OR Community/Caste certificate issued by the Village Officer.
3. Age Proof
4. Project Report in prescribed format for self-employment loans above ₹ 1 Lakh to ₹ 2 Lakh. For loans above ₹ 2 Lakh, detailed project report covering technical feasibility, financial viability, marketing opportunities, entrepreneurial competency, qualification & experience, etc
5. In addition to the original application, 2 copies of the application and all supporting documents in the case of loan application above ₹ 2 lakh, except employee loans.
6. Bank passbook of the applicant, if available.

V. Documents to be produced for verification at the time of the Scrutiny

1. Ration card
2. Age certificate (School certificate or Election Identity card or any other valid identity card or Medical Certificate).
3. School leaving certificates as proof of Caste/Religion.
4. Certificate to prove technical qualification/experience, if required
5. No dues Certificate from other financial agencies for the loans availed by the applicant, if required.

VI. Application coming under the following categories may be rejected at the time of Scrutiny

1. A second loan under Self Employment Scheme is not permissible to the same family. Family means Father, Mother, Spouse, Unmarried brothers/ Unmarried Sisters/Unmarried Son/ Unmarried Daughter.
2. Application submitted by a person who is an existing loanee of a self-employment loan under other channelling agencies of NBCFDC/NMDFC.
3. Application submitted by a person who is a chronic defaulter of any financial institution.

VII. Application Data Entry

Data entry has to be done in bcdonline, in case of all applications found eligible under primary scrutiny. **Basic details of the applicant viz address, phone number, date of birth and annual income has to be entered.**

VIII. Beneficiary Selection and Loan Sanction

The technical and marketing feasibility about the project may be taken as major criteria for sanctioning/recommending loan amount.

a) Loans up to ₹ 1 Lakh

Interview shall be conducted on the same day of receipt of application or not later than 30 days.

b) Loans above ₹ 1 Lakh and below ₹ 2 Lakh, Employee loans above ₹ 2 lakh.

For interview/sanctioning loans above ₹ 1 lakh and below ₹ 2 lakh a sub-committee of officers with 2 members shall be constituted. (Managers of the unit/Project Assistant).

c) Loans above ₹ 2 Lakh up to ₹ 10 Lakh (except employee loans)

Application completed in all respects should be verified as to whether the applicant satisfies all the eligibility conditions prescribed by the Corporation from time to time. Two copies of the following documents should be forwarded to the head office within 30 days from the date of receipt of application with the certificate of the Manager that the application is verified and it satisfies all the eligibility conditions.

1. Application form and other documents
2. Project Proposal

The Project Sanction Committee, constituted for the purpose will conduct the interview. The place, venue and date will be intimated to the applicant through the District Office. If the application rejected/clarification required, the same will be communicated to the district offices for further action. In all other cases, the sanction order will be issued from the head office under intimation to the District Office/applicant. Sanction shall be accorded within 45 days from the date of receipt of application, complete in all respects, at the Head office. The Unit Manager should release the amount as per the following guidelines.

1. The Loan amount should be disbursed in installments as mentioned in the Sanction Order. All the installments should be availed within the time limit noted in the Sanction Order. If the loanee has not availed the installments within the time limit without valid reasons, or requested to refix the loan

amount as the amount already disbursed, the unit manager is permitted to refix the loan amount as the amount already paid to him. However before refixing, the Unit Manager has to ensure that the loanee has satisfactorily utilised the amount already disbursed. After releasing the previous installment, the loanee should produce the proof of utilization of the previous installment. (Copy of bills/vouchers etc of asset created, Photograph of the unit, insurance,)

2. The date of repayment will be on completion of 30 days of the disbursement of the last installment. The EMI should be fixed by considering the interest portion of the previous installments also.

The Unit Manager has to accord 'sanction' in bcdonline, once the loan is sanctioned.

IX. Security of the loan

The beneficiary must furnish necessary security in addition to the personal surety of the loanees and hypothecation of the assets created out of the loan amount.

Employee surety, land security, approved Securities such as NSC, Fixed Deposit Receipts of Nationalized Banks/ Scheduled Banks/ KSFE/ Post Office/ Approved Government Financial Institutions etc. can be accepted.

Maximum loan amount up to which various types of securities can be accepted is given below:

Sl. No	Type of Security	Maximum Loan Sanctionable
1	Fixed deposits with Nationalised Banks, Scheduled Banks, District Co-operative Banks, Co-operative Banks or any other Banks, having deposit insurance coverage, KSFE and Post Office National Savings Certificate (NSC) LIC Policy	₹ 1.00 lakhs
2	Employee Surety	₹ 3.00 lakhs
3	Land Security	₹ 10.00 lakhs

For loans up to ₹ 1 lakh, any of the securities mentioned above can be accepted. Linking of security is not permitted.

For loans above ₹ 1 lakh and up to ₹ 3 lakhs, employee surety can be linked with land surety, if required. In such cases 2 guarantee agreements for the entire loan amount has to be executed separately for mortgaging and salary surety as the case may be.

Loan above ₹ 3,00,000/- and upto ₹ 10,00,000/- should be disbursed against the security of landed property.

In the case of Education Loan and Vidyasree loan, Parent/Guardian of the applicant is to be taken as co-borrower. In addition to the general guarantee conditions, obligation of parents/guardian along with assignment of future income of the student for payment of installments is compulsory. If the student is a minor, agreement shall not be executed with the student, as agreement with a minor is void. (**Minor should not sign on any part of the loan agreement**) In such cases, loan agreement has to be signed by the co-borrower in his capacity and also for and on behalf of the applicant. A ratification deed in stamp paper worth ₹ 100 has to be executed by the minor student immediately on attaining majority. **Loan Installments after attaining majority shall be disbursed only after signing the ratification deed.**

Hypothecation of the vehicle is compulsory, for all loans sanctioned for the purchase of Vehicle.

In the case of **loans for employees**, if the applicant is an employee of Central/State Government, Central/State PSU, then **self surety of the applicant is sufficient** for loans up to ₹ 50,000/-, provided the applicant

- a) has at least repayment period plus-one year service left for retirement and
- b) is not a surety of any loan availed from the Corporation, which is live at the time of agreement.

While executing agreement, the spouse/father/mother/ brother/sister should sign as co-borrower.

In the case of **Foreign Employment loan**, in addition to sufficient security, one dependent (father/mother/wife/brother/sister) of the loanee should sign in the agreement as **co-obligant**.

Security should be produced for the entire loan amount sanctioned. In case of loans sanctioned in installments, security up to the part amount is not allowed.

Surety details has to be entered in bcdonline.

a) Fixed Deposits



Fixed Deposits can be accepted as security for loans. Letter of authority has to be obtained from the person/persons in whose name the FD is issued. In case of loans against third party deposits, a consent letter must be obtained from the account holder authorizing the Corporation to hold the receipt as security and to utilize the amount of deposit on maturity towards liquidation of borrowers dues; further the nature of relationship between the borrower and the depositor should be disclosed. Lien has to be noted from the issuing bank. Maximum loan shall be 80% of the amount deposited as FD.

b) LIC Policy

LIC Policy can be accepted as security. The LIC policy accepted as security can be in the name of loanee or in the name of spouse or in the name of any other person. In such cases the policy should be assigned in favour of the Corporation and the policy holder should be a co-bounden in the agreement. The remaining tenure of the LIC policy shall be at least repayment period plus 6 months. Maximum loan shall be 80% of the surrender value of the LIC Policy.

c) National Savings Certificate

NSC can be accepted as security. At the time of acceptance, the issue price (face value) of the NSC's (VIII issue), should be at least 140% of the loan amount. Forms prescribed by the Post Office are used for noting the lien. The remaining tenure of the NSC shall be at least repayment period plus 6 months. Maximum loan shall be 80% of the issue price (face value) of the NSC's (VIII issue)

d) Employee Surety

The surety of Permanent/Officiating employees working in Govt, Quasi-Govt., Public Sector, Autonomous Bodies, Govt. owned companies, Apex Co-operative Institutions, Service Co-operative Banks, Aided school Employees etc. who are permanent residents of Kerala, could be accepted. The surety of the employees working in the primary co-operative societies (for eg. Primary Coir Co-operative Society, Primary milk Co-op Society etc), contract employees, casual employees, Employees working on Private sector should not be accepted.

Gross Salary of the employee surety shall be **12% of the loan amount**. In the case of the **salary sureties without salary deduction undertaking**, the gross amount shall be at least 20% of the loan amount.

In all the above cases the **Net Salary** of the employee should not be less than **40% of his Gross Salary**.

For employees of Central Government and Central Government owned Public sector Undertakings, the stipulation of salary certificate to contain salary recovery undertaking by drawing officer need not be insisted upon. However, salary certificate has to be submitted in the prescribed form itself. (Form 3A). Salary Certificate issued separately or in other formats, pay slips etc is not acceptable.

If there is any court attachment or co-operative recoveries other than voluntary recovery from the salary of an employee, then such employees shall not be accepted as surety

For loans above ₹ 1.50 lakhs, 2 sureties are compulsory.

For Swasta Griha loans and Vehicle loans, the Net Salary of the **Loan Applicant** shall be at least 3 times of the EMI.

In general, the surety should have at least repayment period plus-one year service left for retirement.

Managers have the discretion to accept the salary certificate of employees who have less service for retirement subject to rescheduling of repayment period for loans up to ₹ 2 lakhs.

The requirement of minimum service left for retirement in such cases is 48 months.

In the case of employee surety for education loan, the minimum service conditions required are as given below:

Minimum Service = Course period + 6 ½ years

For eg. Minimum service for retirement of the surety in the case of applicant studying

for MBBS = 5 years + 6 ½ years = 11 ½ years before retirement

for MBA = 2 years + 6 ½ years = 8 ½ years

In the case of sureties, who are working in any organization on deputation basis, a no objection certificate from his/her parent department is also to be produced.

The employees of the KSBCDC are not allowed to stand as surety in the Corporation, except for the loans availed by KSBCDC staff. This clause is applicable to all the direct and deputation staff.

The salary recovery certificate should be obtained in the prescribed format (Form 3 A). A photo ID and address proof (residential) of the surety is compulsory.

If the surety himself is the drawing officer, then the next higher officer should counter sign the salary certificate.

If the surety is a gazetted officer, the surety himself can sign in the salary certificate. In such cases, the name of the treasury and SDO Code of the Officer should be noted in the salary certificate and the next higher officer should attest the signature of the Officer. In this case the letter for confirmation should be sent to the officer who counter signed (Form 3 B).

The salary certificate of the sureties working in KSEB, KWA and PWD should be signed by an officer not below the rank of Asst. Executive Engineer/OR countersigned by the Assistant Executive Engineer, if the Asst. Engineer signs it.

In the case of sureties working in the Aided Schools/Colleges, the salary certificate should be signed by the Headmaster/ Principal of the concerned institutions. In these cases, the authenticity of the institution shall be confirmed.

The salary certificate should contain the name, designation and office seal of the issuing officer or next higher officer if applicable.

The surety of employees working in certain Public Sector Undertakings/Autonomous bodies listed as sick units or if the manager thinks that the institution/company is a sinking unit need not be accepted.

Same Employee as Surety for a Second Loanee:

One employee should be allowed as surety to only one loanee. However, if the situation demands, the Unit Managers are permitted to accept the surety to a second loanee with the following conditions:

- Surety-ship of the first loan completed two years with satisfactory repayment
- There should not be any co-operative/court recovery from the salary of the surety.
- The rules regarding the gross salary of the sureties is applicable here also. (outstanding liability of old loan shall be taken together with the new loan for assessment)

Scrutiny of employee sureties

The following points may also be in mind while scrutinizing the surety form.

- i) The date of birth, date entry into service, date of retirement etc. of the surety should be scrutinized.
- ii) Whether the sureties are permanent residents of Kerala.
- iii) Whether the signatory to the employment certificate and recovery undertaking is the person authorized to issue such certificates and his name, designation and office seal are available in the form and the genuineness should be ensured.
- iv) Whether all columns in the surety applications are properly filled in.
- v) Whether all the corrections in the employment certificate and recovery undertakings are properly attested.
- vi) Whether there are co-operative recoveries other than voluntary recoveries/ Court attachment from the salary of the sureties.
- vii) Whether the signature of the surety is available in the form.

Confirmation of the sureties

For verification of genuineness, the prescribed form (**Form 3 B**) should be sent in duplicate **by registered post with AD in the name cover of the officer** who has signed the employment certificate. **Confirmation should be sent only in format generated from 'bcdonline'**. In the case of salary certificates issued by self-drawing officers or counter signature is applicable, the confirmation should be obtained from the officer who countersigned the salary certificate form. In case the confirmation letter sent in name cover is returned undelivered for any reason, a fresh letter shall be sent in the official address of the employer by registered post with acknowledgement due. In such cases, the re-confirmation charges should be levied from the applicant. In both the above cases the sureties shall be accepted only based on the reply received from the officer concerned and on satisfaction of the genuineness by the unit Managers of KSBCDC. If there is any difference in Office Seal, or signature of the employer, that has to be clarified by the Manager.

Confirmation need not be sent in case of salary certificates of KSBCDC staff. If any clarification needed, it may be confirmed by contacting the Drawing officer.

The AD card, the envelope of the confirmation received by post shall be filed for office records.

When the Confirmation is sent, enter the sending date and when it is returned enter the receiving date in the respective fields in 'bcdconline'. The **Agreement** can be executed only after entering the confirmation dates.

e) Land Security

1. Valuation certificate/Fair Value Certificate issued by the Village officer/ Tahsildar or the person authorized by the Managing Director KSBCDC can be accepted.
Maximum loan amount shall be 80% of the Valuation.
2. If the land property value is not sufficient as security for the loan amount sanctioned, the unit managers are permitted to refix the amount of loan based on the percentage of land value as ascertained above.
3. Residential property below 4 cents cannot be taken as security.
4. For landed property up to 6 cents maximum loan sanctionable is ₹ 2 lakh in the case of all loans except Educational loan.
5. The following are the documents to be submitted for Land Surety:
 - a. Original Title Deed
 - b. Original Prior Deed (in applicable cases)
 - c. Valuation Certificate/Fair Value Certificate from the Village Officer/Tahsildar or a competent person authorized by the Managing Director, KSBCDC.
 - d. Latest Land Tax Receipt
 - e. Non-attachment certificate from the Village Officer
 - f. Location Certificate & Sketch from the Village Officer
 - g. Possession Certificate issued by the Village Officer
 - h. Encumbrance Certificate (for the last 13 years) issued by the Sub Registrar. EC up to the date of execution of agreement is needed.
 - i. **Form 4 F** regarding deposit of title deed from the owner of the land properties.
 - j. If the landed property is not in the name of the beneficiary, a consent from the owner of the land should be produced in a stamp paper worth ₹ 100/-.

6. The documents should be scrutinized by the empanelled advocate of the corporation. Details of all documents received have to be entered in the **Legal Scrutiny cum Documents Received Register** and has to be handed over to the Advocate on acknowledgement. The report of the advocate should be obtained in the prescribed format. **(Form 4 G)**. If the Advocate's report demands any certificates/ clarification, that should be obtained. If needed the certificates/documents thus received, should be submitted to the Advocate for further scrutiny. In the case of complete rejection the same shall be intimated.

Same Land as Surety for a Second Educational Loan:

Land accepted as surety for Educational loan can be accepted as surety for a second loan sanctioned to a **person from the same family, if the valuation/fair value of the property is sufficient as per surety norms**. In such cases **Mortgager** has to submit a joint application along with the loan applicant as **Co-borrower** in the prescribed format. All formalities of the new loan including loan agreement has to be executed. Necessary entries have to be made in the document file as well as document register. Documents shall be released only after the repayment of both the loans is complete.

VALUATION OF REAL PROPERTY BY UNIT MANAGERS

Properties with a market value up to ₹ 3 lakhs can be valued by Managers of KSBCDC. Valuation should be done taking into account the location, access to the landed property, age of the residential building, if any in the landed property, forced sale value of the property etc.

Valuation certificate has to be prepared in prescribed format (Annexure)

X. Repayment Period of loans

a) All loan schemes except, educational loan and Vidyasree.

The entire loan amount shall be repaid in equated monthly installments to KSBCDC within a period of not exceeding:

- | | |
|---|-------------|
| 1. Loan amount up to ₹ 1 lakh | - 60 months |
| 2. Loan amount above ₹ 1 lakh to ₹ 2 lakh | - 72 months |
| 3. Loan amount above ₹ 2 lakh | - 84 months |

b) Educational loan and Vidyasree loan



The beneficiary should repay the loan in equated monthly installments over a period of 5 years. The repayments will start after 3 months on employment of the student or on completion of 6 months after the final examination whichever is earlier. In the event of non-disbursement of the loan due to the poor performance of the student in the examinations, corporation reserves the right to fix a repayment schedule as it deems fit for the recovery of the loan amount. In the case the candidate discontinues the studies due to any reason whatsoever, the loan with interest would become repayable immediately in full or in instalments.

XI. Legal Scrutiny fee

In the case of landed property as security, a legal scrutiny fee of ₹ 200/- per loan account should be collected from the beneficiary at the time of submission of document and the total amount collected on this account may be released to the advocate. A register should be maintained in all unit offices for verification.

If the landed property is valued by an authorized staff of KSBCDC, a fee of ₹ 200/- should be collected from the beneficiary as valuation fees.

All such fee collected, should be entered in bcdonline under the respective heads (legal fee, land valuation fee) itself.

Legal Fees and Valuation fees once collected shall not be refunded.

XII. Process Fee

A process fee of **0.75% of the loan amount subject to a maximum of ₹ 5000/-** should be levied from the beneficiaries **at the time of execution of agreement**. In which 0.25% is to be apportioned to BCDC Loanees' Distress Relief Fund(LDRF). Process Fee is computed automatically by bcdonline on the basis of sanctioned loan amount. Process fee once collected shall not be refunded

KSBCDC Staff are exempted from remitting processing charge.

XIII. Documentation.

Documentation means execution of documents in the proper form and according to law. Documentation establishes relationship between the Corporation and borrower. It avoids ambiguities.

Documents are very important to the Corporation as they are the primary evidence in any dispute between the parties. They help the Corporation in the court of law. Without the support of the properly executed documents, the Corporation cannot be successful in a suit filed in a court of law. Documents which are not properly executed cannot be enforced against the borrower and their purpose itself is defeated.

It is therefore, very essential that those who are responsible for obtaining the documents must be thoroughly conversant with the process of their execution, while obtaining the documents the points regarding the constitution of borrowers, the nature and type of securities being charged, the legal nature of charges, the liability of guarantors, and various statutory provisions should be kept in mind.

General Guidelines for Execution of Documents

1. Documents to be filled up neatly with a standard brand of indelible ink.
2. Documents could be **generated from bcdonline** for execution. In the event of extreme contingencies like power failure/internet connectivity failure, the documents can be typed or hand written.
3. If handwritten document is prepared, it should be got completed in one sitting in the same handwriting.
4. The date of execution of the documents shall be communicated to the loanee/surety in advance. Both the loanee & sureties shall be present at the time of execution of agreement.
5. Signature of the witness shall be ensured.
6. Documents have to be executed in the presence of the officer responsible for obtaining them. Identification of the loanee/sureties should be ascertained before execution of the loan agreement. Identification card is compulsory.
7. The agreement must be executed for the entire loan amount with adequate security. In the case of part payments, security up to the part amount is not allowed.

8. Execution of the loan agreement and other related formalities regarding sanctioning of the loan should be done only in the premises of the Office and in the presence of the officer in charge. This procedure is a pre-requisite for fulfilling the legal aspects of lending. The officer in charge (other than Manager) should sign as one of the witness in the place provided. **This procedure should be strictly implemented.**
9. The following documents should be executed before the disbursement of loan.
 - a. **Form 4 A** – Loan Agreement between the loanee and the Corporation for all loan schemes except Educational loans, Vidyasree, Marriage Loan and Foreign Employment loans. (in stamp paper worth ₹ 100/-).
 - b. **Form 4 B** - Loan Agreement between the loanee and the Corporation for Marriage Loan and Foreign Employment loans (in stamp paper worth ₹ 100/-).
 - c. **Form 4 C** – Guarantee agreement between the Surety and the Corporation for all loans. (In stamp paper worth ₹ 100/-). In the case of land security, if the applicant is the owner of the property, a separate stamp paper is not required for the Guarantee agreement.
 - d. **Form 4 D** – Pronote. The loan amount should be noted on the left top of the format in the space provided for the purpose.
 - e. **Form 4 E** – Letter of continuity.
 - f. **Form 4 F** – Form for equitable mortgage with the covering letter to be obtained from the owner of the property in the case of land security.
 - g. **Form 4 H** - Loan Agreement between the loanee and the Corporation for Educational loans wherein the student has attained majority.
 - h. **Form 4 I** - Loan Agreement between the loanee and the Corporation for Educational loans wherein the student is a minor.
10. The documents should be properly filled in all aspects at the time of execution of agreements itself.
11. No space should be kept blank in any circumstances. Keeping the document blank or even one or more column(s) in the document blank may invalidate the whole document.
12. Borrower should sign in full, and in the same style throughout all the documents. If a borrower signs in left hand, a small note should be annexed to the documents recording the fact that the borrower has signed in left hand.
13. Date and place of execution should be mentioned invariably.

14. Signature of the borrower should be obtained on each page and also on pages facing each other.
15. Where the borrower is an illiterate person, the contents of the documents should be explained to him/her in a language that he/she understands.
16. Interest clause must be correctly mentioned.
17. All types of additions, alterations, cuttings, overwriting, deletions etc must be authenticated by borrower/surety under his full signature.
18. The loanee/surety should properly attest all the corrections in the agreement including in the stamp paper.
19. In the case of landed properties, **Form 4 H** should be sent to the Village Officer requesting him to enter the details in the TP register. The copy of the same may be sent to the concerned Sub Registrar for noting down the loan liability in the document register also.

Execution of Documents through bcdonline.

1. Agreement Data Entry has to be completed as the first step. Fund from which loan is sanctioned and no. of installments has to be entered at this stage.
2. Agreement checklist has to be printed after data entry and has to be verified with physical records to ensure correctness. Printout of the checklist has to be signed by the Managers concerned and has to be filed with the physical file. Checklist has to be approved by Unit Manager before printing the documents including loan agreement, pronote, etc..
3. Wherever features are available in **bcdonline**, it has to be **compulsorily utilized**, including for **printing the Loan Agreement, Guarantee Agreement, Pronote, Letter of Continuity, Loan Proceedings** etc.

XIV. Disbursement of Loan

As far as possible, the disbursement may be done at the day of execution of loan agreements itself. If not possible, based on the availability of fund, a convenient date should be intimated. **Form 7 A** may be used for issuing loan disbursement proceedings. Prepare voucher, issue cheque with proper acknowledgement in the cheque issue register. As far as possible loan amount shall be transferred to loanees/parties account through e-cheque.

Disbursement through bcdonline.

1. Loan Order has to be approved by the Unit Manager.

2. Select **Disbursement** from **Disbursement** main menu item to disburse the Loans. The **9 digit loan no** is generated in this form and the user has to enter the voucher no, cheque no, **EMI** (Click on calculate EMI button) and **first due date**. (For multiple installment loans EMI and due date is calculated after disbursing all the installments), After Disbursing the loan user can generate proceedings by selecting the **Proceedings Print (7 A)** under Disbursement main menu.

XV. Acknowledgement in the Ration Card

Disbursement of loans should be acknowledged in the Ration Card in the given format.

*Disbursed Rs...../- Under scheme to
Sri/Smt On.....*

Unit Manager

KSBCDC

XVI. Beneficiary Card

All loanees shall be issued a beneficiary card immediately after loan disbursement. Bar-coded stickers will be affixed in beneficiary card. Beneficiary card has to be produced during loan repayment through KSBCDC offices. No fees shall be charged for issuing the beneficiary card. However, if the original beneficiary card is lost/damaged, then loanee has to request for a duplicate beneficiary card. ₹ 30 shall be charged for issuing a duplicate beneficiary card.

* Bar-Coding to be introduced soon.

XVII. Filing system

The documents are to be filed in the order mentioned below.

A. Note sheets

Note sheets – use separate tagged white paper for this purpose. Pre-printed can also be used.

B. Application form and other eligibility certificates

1. Application form with photograph
2. Copy of the relevant pages of the ration card

3. Copy of the School Certificate/Election Identity card/other valid Identity card
Medical certificate as proof of age of the applicant.

4. Copy of the certificate to prove educational / technical qualification/ experience if
the scheme demands.

C. Other Documents

1. Marriage Loan: Copy of the proof of marriage [Certificate issued by the Local
authorities, temple, Church : Mosque : Religious Organizations connected with
marriage, Wedding Card/ Certificate of Panchayat Member, Municipal/
Corporation Counselors etc.

2. Educational Loan : Proof for obtaining admission on Merit basis (Entrance Rank
list), Copy of the statement of expenditure issued by the college authorities, if
applicable ; Copy of the Certificate regarding the performance of the student in
the last exam/semester – issued by the Principal of the institution (in the case of
students except the first year students)

3. Foreign Employment : Copy of valid Passport and Employment Visa

4. Computer Loan for students – course certificate from the competent authorities

5. Vehicle loan : Employment Certificate from the employer, Invoice

6. Consumer Durable loan : Employment Certificate from the employer, Invoice

7. Self Employment/ New Swarnima/ Saksham/ Shilp Sambada: Statement of
expenditure for machines/equipment

8. Swastha Griha loan : Employment Certificate from the employer, building Tax
receipt

9. Suvarna Sree / Working Capital Loan: Project Report, Invoice if required.

10. Self Employment/ New Swarnima/ Saksham/ Shilp Sambada: Rent agreement
/consent letter from the owner of the building if the unit proposes to function in a
building.

11. Business Development Loan: copy of license from the competent authorities ,
copy of rent agreement and photograph of the existing unit, copy of sale tax
registration, if applicable.

D. Filing Order in nutshell.

1. Note sheets

2. Application form and copies of certificates (ration card, identity card etc.) and other documents, rent agreement and consent letter)
3. Copy of the panchayat license, if applicable.
4. Copies of the insurance certificates, if applicable.
5. Loan disbursement proceedings Manager
6. Utilisation statement / copies of the bills, if applicable.

XVIII. Documents that should keep in safe custody of designated officers

a) General Documents

1. Loan agreement
2. Guarantee agreement
3. Pronote
4. Letter of continuity

b) Other Documents

All documents scrutinized and insisted by advocate to be kept in safe custody

XIX. Document Register

Document Register has to be maintained in all Units. Necessary data for Document Register can be downloaded from **bcdonline**. Printout of this shall be taken and filed. A page thus filed has to be periodically binded in a Register format. **The release of loan documents at the time of loan closing should also be noted in the register.**

XX. Deposit of Title Deed Register

Deposit of Title Deed Register have to be maintained in all Units. Necessary data for this register can be downloaded **bcdonline**. Printout of this shall be taken and filed. A page thus filed has to be periodically binded in a Register format.

XXI. Custodian of loan files except the documents mentioned in item XVII

The person authorized by the Unit Manager will be the custodian of the entire loan files except the documents kept under the custody of the designated officer. All the loan files should be properly arranged for ready reference.

XXII. Closed files

Closed files may be kept separately under the custody of the person authorized by the Unit Manager until 5 years from the date of loan closure or till completion of accounts for the year in which the loan is closed, whichever is later.

XXIII. Project Inspection cum Valuation Register

A **Project Inspection cum Valuation Register** should be maintained by the Unit Manager to record the relevant details of field visits of the officers. The Unit Manager should maintain the Register on a day-to-day basis and should be produced on demand.

XXIV. Green Card

The aim of the green card is to motivate the loanee for the prompt repayment. **The card should be issued to the loanee at the time of disbursement and the benefit of the scheme should be explained to the loanee.** If the loanee remits all the installments (EMI) on or before due date without fail, he is eligible for an incentive. This incentive will be released/deducted from the amount payable during the last installment due. Computation of Green Card Benefit will be done automatically by 'bcdconline'. Loanee will get an incentive that is equivalent to 10% (5% for the loans disbursed before 01/02/2010) of the interest remitted by him at the time of closing the account. In the case of Pre-mature closing the facility is limited to the loanee who has already completed $\frac{3}{4}$ of the total repayment period. This is applicable to all schemes except micro-credit schemes.

XXV. Pre-disbursement Counseling

Pre-disbursement counseling shall be conducted at each district, to educate the potential beneficiaries in the activities chosen by them. The Objective of the counseling is to

- a. Know about the role of developmental institutions like KSBCDC and its source of financing ;
- b. To impart necessary management skills in running a self-employment venture.
- c. To impart an awareness of schemes of National financial agencies
- d. To provide adequate knowledge about the marketing opportunities/threats.
- e. To give an awareness about the need for a proper system of maintaining accounts and allied matters.
- f. To educate the loanee about the importance of repayment.