



LOAN MANUAL

THE WBSCARD BANK LTD.

Glorious Sixty Years (1958 – 2018)

**THE WEST BENGAL STATE CO-OPERATIVE AGRICULTURE &
RURAL DEVELOPMENT BANK LTD.**

25D, Shakespeare Sarani, Kolkata- 700 017

Telephone No. : 033-2287 1786 /1787 / 1788, 033-2280 6681, Fax : 033-2287 7128

Email : wbscardb@gmail.com, wbscardb@dataone.in

VOLUME - I

Home Loan





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Memo No. 135/Oprn./1310

Date : 11/10/2018

PRELUDE

It has been felt necessary during last few years to make out a Comprehensive Loan Manual for the Long Term Cooperative Credit Sector (LTCCS) of the State of West Bengal considering the changing scenario in the Credit Sector as well as diversification of Loans. As such, the Apex Bank of LTCCS has prepared a revised Loan Manual for the LTCCS in order to cope with the New Situation. This Loan Manual will come into force with effect from 1st day of November, 2018 with Uniform Loan Application Format for different types of loan. We do hope and believe that this Loan Manual for the LTCCS will facilitate widening of Long Term Credit in the State through Primary Cooperative Agriculture and Rural Development Banks (PCARDBs). We express our sincere thanks to all the PCARDBs for extending their valued suggestions in framing this New Loan Manual.

(Ashis Kumar Mondal)

Managing Director

The West Bengal State Cooperative Agriculture
and Rural Development Bank Ltd.



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Part - I

1. Area of Functioning :

All the PCARDBs and THE WBSCARDB Ltd. including its 2 (Two) Regional Offices and Branches shall sanction loan in their respective area of membership. Concerned PCARDB can not sanction loan for big and innovative projects, THE WBSCARDB Ltd. may take up the project for sanction with prior consent of the PCARDB concerned.

2. Eligibility of Beneficiary :

Sl. No.	Particulars	Eligibility
1.	Residential status of the applicant	Indian, residing in the area of membership of the concerned PCARDB/ Branches. A person not permanently residing the area of membership of a PCARDB/ Branch but doing activities in the area seeking loan may be admitted as member of the PCARDB/ Branch and may be given loan for the activities, provided the Bye-laws of the PCARDB allow it.
2.	Financial status of the applicant	Must not be declared as an insolvent by any court of law.
3.	Mental status of the applicant	Must be of sound mental state
4.	Age of the applicant	Minimum age – Above 18 years; Maximum age 55 years for salary earners (May be relaxed upto 58 years on the merit of the loan case subject to the condition that recovery should be completed before 6 months of retirement). 65 years for agriculturists, professionals and businessmen. In case of joint applicants for a loan, duration of the loan may be considered in terms of the age of the younger applicant, who being the prime borrower and the repayment of loan being made by him / her and further, his / her name shall be recorded as No. 1 in the records of the Bank.
5.	Maximum age up to which the term of any loan may be extended	59 years 6 months for salary earners and 70 years in all other cases.

Note:

- I. Life Insurance Policy of at least equal to the amount of the loan is compulsory for all applicants above 60 years of age.
- II. Such Insurance Policy must be pledged by the applicant to the lender PCARDB.
- III. At the time of submitting loan application by joint applicants, both the borrowers shall have to furnish the detailed particulars of the names, age, address with the name of Police Station, relationship of their near and dear relations who shall inherit the property, mortgaged in favour of the Bank, in case of death of the borrower/s including the mortgager cum borrower, i. e. the older applicant / borrower.

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3. WHO CAN APPLY FOR LOAN:

1. Singly by any eligible individual;
2. Jointly by any of the following:
 - a) Husband-Wife;
 - b) Parents-Son;
 - c) Parents-Unmarried Daughter;
 - d) Parents, Brothers, Sisters & others having legal interest in the activity;
 - e) Trust, Body Corporate, Co-operative Societies, Partnership Firm, Proprietorship Firm, Public Ltd Company, Private Ltd. Company, provided Bye-laws of the concerned PCARDB allows such finance.
 - f) Self-Help Group.
 - g) Joint Liability Group.

4. KYC (Know Your Customer) Requirement:-

I. Resident Individuals:

As proof of residence and identity, the intending borrower may furnish self attested copies of any of the following documents to be verified by the Bank Officials:

Sl.No.	Identity Proof	Sl.No.	Address Proof
1	Voter ID Card	1	Voter ID Card
2	PAN CARD	2	Driving License
3	Driving License	3	Electricity Bill
4	Passport	4	Bank/ Post Office Passbook
5	Identity Card issued by the Government	5	Passport
6	Aadhaar issued by UIDAI	6	Telephone Bill
7	Identity Card issued by educational Institutes approved by AICTE/ UGC	7	Ration Card
		8	Proof of LPG Connection
		9	Aadhaar issued by UIDAI
		10	Property or Municipal Tax Receipt

In case of any mismatch of name, age and address in KYC documents as well as in landed property documents, necessary notarised affidavit shall have to be procured from the applicant before receiving application for membership.

II. In case of Loan applied by a Proprietorship Firm:

A. Legal identity proof:

- (a) Certificate/ License issued by the Municipal authorities under Shops & Establishment Act.
- (b) Income Tax Returns, GST Registration Certificate.
- (c) Certificate/Registration document issued by Professional Tax authorities.
- (d) License issued by the Registering authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, Registration/Licensing Document issued in the name of the proprietary concern by the Central Government or State Government Authority/ Department, etc. Banks may also accept IEC (Importer Exporter Code) issued to the proprietary concern by the Office of DGFT as an identity document for opening of the Bank Account etc.
- (e) The complete Income Tax Return (not acknowledgment) receipt in the name of the sole proprietor where the Firm's income is reflected and duly authenticated/ acknowledged by the Income Tax authority.



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- (f) Drug License (within the validity period).
- (g) Utility bills such as electricity/ telephone bills in the name of the proprietary concern.
- (h) Any two of the above documents would suffice. These documents should be in the name of the proprietary concern.

B. Operator / proprietors KYC proof : As per resident individual (I) above.

III. In case of Loan applied by a Partnership Firm:

- A. Primary Documents: i) Registration Certificate ii) Partnership Deed, iii) Trade License & iv) PAN Card of the Partnership Firm.
- B. Address Proof Documents: i) Electricity and Telephone Bills in the name of the Partnership Firm and ii) Income Tax Returns, GSTN Certificate.
- C. Partners' individual KYC proof : As per resident individual (I) above.

IV. In case of Loan applied by a Company:

- A. Primary Documents:
 - i) Certificate of Incorporation, Article & Memorandum of Association & Certificate of Commencement, where required.
 - ii) Resolution of the Board of Directors as per extant Company Act. to open an account and the identification of those who have the authority to operate the account, power of attorney granted to its managers, officers or employee's to transact business on its behalf.
 - iii) Copy of PAN allotment letter.
 - iv) Copy of Electricity bill or Telephone Bill for identification of local office.

B. Individual KYC of operators as (I) above to be obtained.

V. In case of Loan applied by a Trust & Foundations:

- A. Primary Documents:
 - i) Certificate of Registration.
 - ii) Power of Attorney granted to transact business on its behalf.
 - iii) Any officially valid documents identifying the Trustees, Settlers, Beneficiaries and the persons holding power of attorney and their address.
 - iv) Copy of Electricity bill or Telephone Bill for identification of local office.
 - v) Resolution of the managing body of the foundation / association.

B. Individual KYC of operators as (I) above to be obtained.

VI. In case of Loan applied by a Co-operative Society:

- A. Primary Documents: Registration Certificate / Bye-Law/ PAN Card.
- B. Address Proof Documents: i) Electricity / Telephone Bill, ii) Certificate of Professional Tax, iii) Certificate issued by the Officer of Co-operation Directorate, Govt. of West Bengal.
- C. Board Resolution regarding power of operation.
- D. Individual KYC of Operator.

VII. In case of Loan applied by a Society / Association:

- A. Primary documents: Registration Certificate/ Bye-Law.
- B. Address Proof Documents: i) Electricity / Telephone Bill, ii) Certificate issued by the Gazetted Officer, iii) Letter of Parent organization having KYC proof.
- C. Individual KYC of Operators.



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5. Purpose of Loan:-

- (a) (i) **Farm Sector:-** Farm Mechanisation, Minor Irrigation, Animal Husbandry, Plantation & Horticulture, Land Development, Fishery, Farming, Agro Processing and storing of agriculture products etc., Agro Foods and Animal / Fish based processing units, Cold Storage, Rural Godown, Land Purchase for Agriculture purposes by small and marginal farmers, purchase of two wheelers by agriculturists, cultivation of medical, aromatic and herbal plants, all NABARD approved farm & farm allied projects and such other farm based activities.
- (ii) Loan for purchase of Tractor may be extended without tagging any land provided 100% security is provided by other approved securities. In that case, an economics should be submitted covering farm income/ Non farm income in order to establish the viability of the scheme.
- (b) **Non-Farm Sector :-** Projects for service & manufacturing purposes, Tourism, Eco-Tourism, SRTO Finance, Nursing Home, Clinics & Pathological Lab, Computer Centre, Petrol Pump, Rural Entertainment Centre, Transportation activities, Marketing outlets, i.e. shopping centre/ malls, Transport service both land and water, Use of Non conventional energy, Hotel/ Lodging, and many other small scale & cottage units as approved by NABARD/ WBSCARDB/ and other Line Departments.
- (c) **Housing sector :-** Construction of residential house, purchase of residential house and Flats (both old [upto 30 years] and new), repairing/ Renovation of existing house/ flats, Commercial Housing Projects (like shops etc), Market complex, Construction of state sponsored Housing Projects, projects for setting up of educational institutions and such other similar purposes.
 [Above (a) to (c)-]:- In none of the above cases, purchase of land only shall be considered, however, any land forming part of the project cost will be considered for the purpose of loan.
- (d) **Personal Loan:-** To be provided to salary earners only, for expenses against marriage, education of children, social rituals, emergency medical treatment etc for which refinance is not available.
- (e) **Loan against NSC/ KVP/ FD of PCARDB/ THE WBSCARDB Ltd. & Surrender Value of LIC Policies**
- (f) **Educational Loan :-** Under NABARD Refinance
- (g) **Swarojgar Credit Card Yojana (SCCY) :-** Maximum Limit- Rs 1.00 Lakh- under NABARD Refinance.
- (h) **Loan to Self-Help Groups: -** Groups formed by PCARDBs and Branches of the WBSCARDB Ltd. under NABARD & Cooperation Department guidelines and NRLM compliant groups formed by other recognised agencies/ departments.
- (i) **Loan to Joint Liability Groups as per Circular under Memo No. 2325/BD/955 dated 02.08.2016 of The WBSCARDB Ltd.**
- (j) **Individual Working Capital Loan (Farm & Non- Farm)**

6. Term and Limit of Loan :-

Sl.No.	Type of loan	Term of Repaymen	Limit of Loan
A	Farm Loan	3 – 15 years	Rs.50 Lakh
B	Non-Farm Loan	3 – 10 years	Rs.50 Lakh
C.i	Housing- Residential	Upto 15 Years (including moratorium)	Rs.30 Lakh for Salary Earners and Rs. 15 Lakh for others
C.ii	Housing- Commercial	Upto 10 Years (including moratorium)	Rs. 50 Lakh

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C.iii	Housing-Repairing / Renovation	Upto 7 Years	Rs.7 Lakh
D	Personal Loan	4 years	Rs. 5 Lakh
E	Loan Against NSC/KVP	3 years or up to the maturity of the instrument, whichever is earlier.	80% of the face value of the instrument if it is less than 2 years. old; 90% of the face value if it is more than 2 years. old.
F	Educational Loan	NABARD Norms	NABARD Norms
G	SCCY	3 years to 5 years	Rs. 1.00 Lakh
H	SHG	1 to 5 years	According to HO Circular of the Bank
I	JLG	1 to 5 years	According to Circular of the Bank
J	Short-Term Loan/Cash Credit/working Capital Loan	1 year	Rs. 2 Lakh

Excluding grace period.

Farm, Non-farm and Housing Loan proposals exceeding the above limit shall be sent to NABARD for their approval.

1. Security:-

(a) Types of Security: -

Basic Security - Land and assets created out of loan (Standing Crops may be considered as assets for the purpose of Security); House/ Flat and other Immovable Properties, Movable properties and assets. Liquid Securities like F.D of respective ARDB/ Branch, NSC/ KVP, Surrender Value of LIC Policy etc. (F.Ds of other Banks are not accepted as securities).

Collateral Security - In addition to the basic securities mentioned above, collateral security to be procured in case of any deficit in security coverage. Bank may procure Collateral security in addition to basic security to ensure better risk coverage.

N.B:-A building must be pucca or semi-pucca. Semi-pucca building will not, however, include mud house or houses with thatched roof.

(i) Farm Sector: - (Farm Mechanisation and Minor Irrigation)

(a) The Basic Security in Farm Activities shall be as follows: -

The Loan for purchase of Tractor, Power Tiller, other Farm Equipments, Combined Harvester etc shall be extended to the beneficiaries against adequate security coverage. In case of any deficit in security which could not be covered through mortgage of land, security should proportionately be covered by other approved immovable or movable assets and the economics shall be worked out on the basis of income generated from own land Farming and hiring of Farm Equipments.

(b) **Other Land based Farm Sector Activities :-** In case of other land based farm sector activities like Horticulture, Floriculture, Plantation, Land Terracing/ Development, Fishery etc. the land which is to be developed or on which the project is to be implemented has to be compulsorily mortgaged. The Mortgage deed shall, inter alia, contain a provision indicating items of development to be made on it and creating a charge on such development to the bank.

A leasehold land where asset is created out of loan, may be mortgaged in favour of the Bank provided the Lease Agreement is registered and contain a clause authorising the Lessee to



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mortgage the land in question to any cooperative bank for obtaining loans and provided further that the period of such Lease shall be at least 5 (Five) years more than the repayment period depending upon the purpose of loan.

However, the value of lease hold land may not be counted towards security. In case of a non- registered/ oral Leasehold land, the land security will not be taken into account for the purpose of security. In that case, other securities have to be provided by the applicant to compensate for the cost of land. Again, a separate agreement for attachment of crop/ produce will be made between the banker and borrower in order to ensure the recovery of the loan.

Existing orchard/ tea garden/ pond etc. may also be accepted as security after determining the value of the same by an approved valuer and 60% of such value may be accepted as security.

(ii) Security in other Farm Sector: -

In other farm sector activities like dairy, Poultry, Piggery etc. The land security is not compulsory but the land where the unit will be set up has to remain in the possession of the loanee. If the land is not owned by the borrower himself/ herself an agreement preferably by registered Lease Deed or agreement Lease Deed signed before any Notary Public shall be executed by the owner of the land allowing the loanee and/ or Lending bank to continue the business and have access to the land and to the assets created by loan on that land till the loan is fully repaid. A separate agreement would have to be executed between the borrower and owner in this respect.

As regards security for other Farm Sector activities i.e. farm allied activities, the assets created out of loan shall be hypothecated to the bank and counted to provide security to the extent of 60% of the valuation of loan and the shortfall, if any, may be covered by any approved security. Insured live-stock may be taken as security.

(iii) Security in Non Farm Sector: -

In non Farm sector activities land security is not compulsory except for the fact that the landed structure where the unit is to be located must be charged as security if the same is owned by the applicant. If the Land of the project unit is not owned by the borrower, Lease Deed / Agreement as classified in para (ii) above shall be executed. An existing plant & machinery/ work shed within the unit which is to be financed shall be taken as security after the valuation thereof is done by an approved valuer of the ARDB/ Branch concerned alongwith other approved securities.

(b) Security Coverage: - The value of securities shall provide 100% coverage to any loan. In other words, the amount of loan calculated out of the securities as per norms will be equal to or more than the loan amount.

(c) Valuation of the Securities as per Bank's Norms:-

Sl. No.	Description of the Security	Valuation	Valuation as per Bank's norms to be considered as security
1	Land (Agriculture)	As approved by the WBSCARDB	Up to 60% of the value
2	Land (Homestead)	As approved by the WBSCARDB	Up to 60% of the value
3	Building/Flat (Vacant/Self occupied)	As fixed by the approved Valuer or distress value whichever is less	Up to 75% of the value
4	Building (Rented)	Product of Annual Rent and Term of the loan	Up to 75% of the value

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5	Financial Securities e.g. NSC, KVP, LIC Policy (excepting Unit Linked Policies not covered under Highest NAV Return Scheme), Pledged TD with WBSCARDB	Face value/Surrender Value [for Life Insurance Policy]	Up to 100% of the value. In case of any financial security which matures before the loan period, the maturity proceeds shall be adjusted in loan account or fresh IBSD to be opened from maturity proceeds(only face value amount)
6	Gold	As fixed by the Registered Appraiser or as appraised with the RBI approved latest technology.	Up to 60% of the value
7	Assets Created out of Loan	Cost of acquisition	60% of the Cost in Farm and Non-farm SRTTO loans. 70% of the Cost in other Non-farm sector.
8	Existing Assets	As fixed by the approved Valuer	Up to 60% of the value
9	Third Party Guarantee	The Movable & Immovable Assets of the Third Party to be valued according to the prescribed norms.	As per norms above depending upon the Assets charged.

7. Valuation of Assets other than Land by empanelled Valuer:-

The PCARDB shall maintain a panel of registered valuers having technical qualification in the valuation of Building, Shed, Machineries etc., assets other than land should be done through such registered valuers. The areas where registered valuers are not available, the ARDB may maintain a panel by drawing names from the panel maintained by Municipalities or Panchayets in the area after obtaining consent of the valuer concerned.

A register recording/ containing the name, address, technical qualification and specimen signature of each valuer shall be maintained. A copy of the list of such valuers alongwith their specimen signature should be sent to the Apex bank.

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8. COMPULSORY LIQUID SECURITY TO BE PROVIDED FOR VARIOUS LOANS:

Quantum of Loan	Farm Loan	Non-Farm Loan	Housing Loan [Residential]			ST/Cash Credit Loan [KCC]	Housing Loan [Commercial]	Personal & Consumer Durable Loan
			Salary Earner	Businessman /Professional	Agriculturist			
Loan up to Rs. 1.00 Lakh	Nil	5% of Loan amount	Nil	25% liquid security (out of which 10% cash security) in absence of 3 rd party guarantee	Nil	20 -40% of loan [up to Rs. 2 lakh-Loan]	20% of loan [Up to Rs. 50 lakh-Loan]	20% of loan [Up to Rs. 2 lakh-Loan] Out of which minimum 5% in Cash & balance amt. in the form of FD/NSC/ KVP/Surrender Value of LIC Policies.
Above Rs. 1.00 lakh up to Rs. 4.00 Lakh	10% of Loan amount	10% of Loan amount	Nil		Nil			
Above Rs. 4.00 Lakh	15% of loan amount	15% of loan amount	Nil		Nil			

In all cases, at least 5% of the cash security should be in the form of fixed deposit with the lender PCARDB.

9. **SHARE CAPITAL :-** As per the WBCS Act, 2006 and Rules framed thereunder each PCARDB shall collect minimum 4% of the loan as Share Capital from the borrower member in all types of loan. The Apex Bank shall collect Share Capital from the Member PC ARDBs at the rate of 3.33% of the loan outstanding.

10. DOWN PAYMENT / MARGIN MONEY TO BE MADE FOR DIFFERENT LOANS:

Sl. No.	Type of Loan	Down Payment / Margin Money
1	Farm Loans	Minimum 10 percent of the project cost
2	NF Loans (Other than SRTO)	Minimum 10 percent of the project cost
	NF Loans (SRTO)	Minimum 20 percent of the project cost
3	Housing Loans	Minimum 10 to 25 percent of the project
4	Personal Loans	Nil
5	Consumer Durable Loans	Minimum 10% of the cost of asset
6	Educational Loans	15% of the annual cost of study,**
7	Swarojgar Scheme	Minimum 10% of the Project Cost.

In case of Sponsored Schemes of the Line Departments of the Government amount of Loan, Subsidy, Down Payment, Margin Money, etc. will be as per norms of the sponsoring agencies.

* Purpose wise details specified in Part III of the manual (Housing Loans)

** Any scholarship received by a student will be considered as down payment made by him.



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11. Documentation Required:

Category of Loan	Documents Required
F A R M L O A N	<ol style="list-style-type: none"> 1. Passport size photograph duly signed by the applicant/s, attested by Supervisor. 2. Necessary KYC documents as detailed in paragraph No. 3 3. No due certificate from Local Primary Credit Society, other Financial Institutions / receipt copy of the letter issued to these organizations requesting their feedback regarding any dues of the applicant concerned. 4. Title Deeds, along with Search Report of a Lawyer for past 12 years with reference to the sale/transfer in favour of the applicant with original receipt pertaining to payment of Searching fees. 5. Particulars of Mutation / L. R. Record, up to date Rent Receipt (non - agricultural land) 6. R.S. Record if necessary. 7. Valuation of Building by approved valuer (if required). 8. Possession certificate from R.I. of B.L. & L.R.O. if necessary. 9. Certificate from Pollution Control Board, where applicable. 10. Model scheme / Scheme (vetted by competent authority/ Bank official) duly signed by applicant. 11. In case of salary earner, declaration of the incumbent U/S 59 of WBCS Act 2006 in prescribed format as circulated under Memo No.135/A/Oprn/1836 dated 20.01.2014 including intimation to the DDO / Employer against due acknowledgement. 12. Legal Advisor's opinion in respect of title of land. 13. A sketch map showing location of the plot where the project will be implemented. 14. An affidavit showing the possession and clear title of the land proposed to be mortgaged, wherever necessary. 15. Assigned Certificates of LIC, KVP, NSC, pledged TDR, if required. 16. Letter of continuity & revival letters in triplicate. <p>For ancestral property / non -availability of original deed due to various reasons, documents as specified in last paragraph under clause No. E of the Rules for Financing Farm Loans to be followed.</p>

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Category of Loan	Documents Required
NON – FARM LOAN	<ol style="list-style-type: none"> 1. Passport size photograph duly signed by the applicant/s, attested by Supervisor. 2. Necessary KYC documents as detailed in paragraph No. 3 3. No Due Certificate from Local PACS / SKUS, other Financial Institutions / receipt copy of the letter issued to these organizations requesting their feedback regarding any dues of the applicant concerned. 4. Title Deeds, along with Search Report of a Lawyer for past 12 years with reference to the sale/transfer in favour of the applicant with original receipt pertaining to payment of Searching fees. 5. Particulars of Mutation / L. R. Record, up to date Rent Receipt (non - agricultural land) 6. R.S. Record if necessary. 7. Valuation of Building by approved Valuer (if required). 8. Possession certificate from R.I. of B.L. & L.R.O. if necessary. 9. Certificate from Pollution Control Board, where applicable. 10. Model Scheme / Scheme / Project Report (vetted by competent authority/ Bank official) duly signed by applicant. 11. Legal Advisor's opinion in respect of title of land. 12. Trade License & permission from local body (Panchayet/ Municipality). 13. Registration from DIC. 14. Quotation from approved Dealer or Contractor duly signed by the quotationer & applicant. 15. A sketch map showing location of the plot where the project will be set up. 16. Report of the enquiry officer. 17. Assigned Certificates of LIC, KVP, NSC, pledged TDR, if required. 18. Letter of continuity & revival letters in triplicate. 19. No objection certificate from Department of Fire & Emergency Services, Government of West Bengal, if necessary. 20. Insurance of the assets and stock of raw materials & inventories created out of the loan (Post sanction) 21. For ancestral property / non -availability of original deed due to various reasons, documents as specified in last paragraph under clause No. E of the Rules for Financing Farm Loans to be followed. 22. An affidavit showing the possession and clear title of the land proposed to be mortgaged, wherever necessary.



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HOUSING LOAN

1. Passport Size Photograph duly signed by the applicant/s, attested by Supervisor.
2. Necessary KYC documents as detailed in paragraph No. 3
3. No Due Certificate from Local Primary Credit Society, other Financial Institutions / receipt copy of the letter issued to these organizations requesting their feedback regarding any dues of the applicant concerned.
4. Title Deeds, along with Search Report of a Lawyer for past 12 years with reference to the sale/transfer in favour of the applicant with original receipt pertaining to payment of Searching fees.
5. Particulars of Mutation / L. R. Record, up to date Rent Receipt (non - agricultural land)
6. R.S. Record if necessary.
7. Possession Certificate from R.I. of B.L. & L.R.O.
8. Approved Building plan from competent authority & estimate of the building prepared by qualified Engineer.
9. Agreement for sale with Owner/Co-operative Housing Society/Government/Statutory/ Notified/Private Agency (as may be applicable) revealing, inter-alia, the terms of sale, size of the Flats/House/Apartment, value expressed in terms of unit, payment terms, etc.
10. Document relating to Registration of the Promoter in the case of purchase of Flat/Apartment for purchase from Private Agencies, whether incorporated or not, under West Bengal Building (RPC & TP) Act, 1983.
11. Salary certificate and certificate regarding employment particulars for service holder.
12. Declaration/ Agreement by the applicant U/S 59 of WBCS Act 2006 in prescribed format as circulated under Memo No. 135/A/Oprn/1836 dated 20.01.2014, authorising the employer for recovery of loan from salary/other benefits admissible to the applicant on demand by the Bank a copy of which should be acknowledged by the Salary Drawing & Disbursing Authority (SDDA) under signature & seal.
13. Conversion certificate, if necessary.
14. A sketch map showing location of the plot where the building will be constructed.
15. Trade license, Last three years Balance Sheet, Profit & Loss A/c & Income tax Return, for Businessman & Professional.
16. Legal Advisor's opinion in respect of title of land.
17. Income Certificate for agriculturist borrowers.
18. Post Dated Cheques [PDCs] of adequate number.
19. Registration Receipt/ Slip is to be obtained by the bank from the Registry Office duly signed by the bank & by the borrower at the time of or before disbursement of loan, in case of Ready Built House/ Flat.
20. An affidavit showing the possession and clear title of the land proposed to be mortgaged, wherever necessary.
21. Letter of continuity & revival letters in triplicate
22. An affidavit showing the possession and clear title of the land proposed to be mortgaged, wherever necessary.

LOAN MANUAL



Glorious Sixty Years (1958 – 2018)

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PERSONAL & CD LOANS	<ol style="list-style-type: none">1. Passport size photograph duly signed by the applicant/s, attested by Supervisor.2. Necessary KYC documents as detailed in paragraph No. 33. No Due Certificate from Local Primary Credit Society, other Financial Institutions / receipt copy of the letter issued to these organizations requesting their feedback regarding any dues of the applicant concerned.4. Salary certificate and certificate regarding employment particulars for service holder.5. Declaration/ Agreement by the applicant U/S 59 of WBCS Act 2006 in prescribed format as circulated under Memo No.135/A/Oprn/1836 dated 20.01.2014, authorising the employer for recovery of loan from salary/other benefits admissible to the applicant on demand by the Bank a copy of which should be acknowledged by the Salary Drawing & Disbursing Authority (SDDA) under signature & seal.6. Post Dated Cheques [PDCs] of adequate number & ECS mandate on the salary account of the borrower for EMI payment.7. Letter of Continuity & Revival Letters in triplicate.
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NB. The Land details as per aforesaid documents submitted by the applicant/s should be verified online through Banglarbhumi.com

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FORMAT OF AFFIDAVIT BEFORE THE NOTARY PUBLIC AT _____

AFFIDAVIT/DECLARATION

I, Sri/Smt. _____,
Son/Daughter/Wife of _____, aged about _____ years, _____ by
religion, Business/ Service by Occupation, resident of _____,
P.O. _____, P.S. _____, Dist:- _____, do hereby declare and solemnly affirm that :-

1. I am the absolute owner of the Land as fully described in the Schedule below by virtue of a Registered Deed of Conveyance being Deed No:- for the year _____ and registered in the office of the Additional District Sub-Registrar, _____ and the said Deed was duly executed by _____.
2. I am in physical possession of the below Schedule land and I am holding and possessing the same as an absolute owner thereof and there is no co-owner or co-sharer.
3. The Land is free from all encumbrances and charges whatsoever, there exists no previous transfer, or contract for sale or otherwise in favour of any person or mortgage in favour of any Bank either Nationalised or Private or any Financial Institution in respect of the below Schedule Land and I am not a defaulter in paying installment in case of Loan if there be any.
4. During the continuance of the Loan I shall not transfer the below Scheduled land in any way or manner till the full liquidation of entire loan amount together with statutory or contracted interest including other charges of the Bank.
5. I shall not misutilize the loan amount and I shall use the entire loan amount for the purpose for which I have applied for.
6. During the continuance of the Loan if any defect of title of the below Scheduled Land be detected and/or any of the statements as made in foregoing paragraphs be found false then I shall refund or liquidate the entire amount together with interest without any further delay and also be liable for false statements.

SCHEDULE

All that piece or parcel of land measuring _____ Kathas, recorded in Khatian No: _____, within Mouza _____, J.L. No: _____, Pargana _____, Sheet No: _____, Ward No. _____ within Police Station _____ District _____ and within _____ Municipal Corporation/ Municipality _____ Gram Panchayet under Plot Nos. as indicated below:

Plot No.									
Area									

The said land is butted and bounded as follows:-

North: - _____ South:- _____
East:- _____ West:- _____

That the statement as made in this Affidavit/ Declaration are all true to the best of my knowledge, belief and based on information and I conceal nothing and no part of this Affidavit/Declaration are false and I sign this Affidavit/ Declaration on this _____ Day of _____, 20____ at _____

Declarant

Identified by me

Advocate: _____

LOAN MANUAL



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BEFORE THE NOTARY PUBLIC AT _____ AFFIDAVIT/DECLARATION [Flat Purchase]

I, Sri/Smt./ _____, Son/Daughter/Wife of _____,
aged about _____ years, _____ by religion, Business/Service by Occupation, resident of _____,
do hereby declare and solemnly affirm that:-

1. The Land is free from all encumbrances and charges whatsoever, there exists no previous transfer, or contract for sale or otherwise in favour of any person or mortgage in favour of any Bank either Nationalized or Private or any Financial Institution in respect of the below Schedule Land and I am not a defaulter in paying installment in case of Loan if there be any.
2. During the continuance of the Loan I shall not transfer the below Scheduled land in any way or manner till the full liquidation of entire loan amount together with statutory or contracted interest.
3. I shall not misutilise the loan amount and I shall use the entire loan amount for the purpose for which I have applied for.
4. I shall submit the Certificate to the effect that the Building or Flat has been constructed or is being constructed as per approved Plan and there is no violation of Plan so issued by the Architect/Engineer or issued by the Developer as the case may be.
5. I shall submit the completion certificate so issued by the appropriate authority before taking registration of the Flat/Building proposed to purchase the same.
6. During the continuance of the Loan if any defect of title of the below Scheduled Land be detected and/or any of the statements as made in foregoing paragraphs be found false then I shall refund or liquidate the entire amount together with interest without any further delay and also liable for false statements.

SCHEDULE -A DESCRIPTION OF THE LAND

All that piece or parcel of land measuring _____ Sq. ft. recorded in Plot No:-_____, Khatian No:-_____, Mouza:- _____, J.L. No:- _____, Ward No:-_____, Police Station:-_____, P.O. _____ District _____ and within _____ Municipal Corporation/Municipality/Gram Panchayat.

The said land is butted and bounded as follows:-

North: - _____ South: - _____
East:- _____ West: - _____

SCHEDULE -B DESCRIPTION OF THE FLAT

- (a) Floor: - _____
- (b) Wall: - _____
- (c) Doors: - _____
- (d) Windows: - _____
- (e) Balcony. _____
- (f) Bath & Latrine:- _____
- (g) Water lines with fittings. _____
- (h) Electrification:- _____



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SCHEDULE –C
COMMON PROVISION AND UTILITIES

1. Staircase and stair case landing on all floor.
2. Common entry on the ground floor.
3. Water pump, Water pipes and common plumbing installation.
4. Drainage and sewerage.
5. Boundary wall and main gate.
6. Top roof the Building.
7. Well.
8. Such other common parts, area and equipments, installations, fixtures and spaces in or about the said building as are necessary for passage to the user and occupancy of the unit in common and such other common facilities as may be prescribed from time to time.

That the statement as made in this Affidavit/ Declaration are true to the best of my knowledge, belief and based on information and I conceal nothing and no part of this Affidavit/ Declaration are false and I sign this Affidavit/ Declaration on this _____ day of _____, 201__ at _____.

Declarant

Identified by me

Advocate: _____

BEFORE THE NOTARY PUBLIC AT _____
AFFIDAVIT/DECLARATION [Construction of Building]

I, Sri/Smt. _____, Son /Daughter/Wife of _____, aged about ____ years, _____ by religion, Business/ Service by Occupation, resident of _____, P.O. _____, P.S. _____, Dist: _____ do hereby declare and solemnly affirm that:-

1. I am the absolute owner of the Land as fully described in the Schedule below by virtue of a Registered Deed of Conveyance being Deed No:- _____ for the year _____ and registered in the office of the Additional District Sub-Registrar, _____ and the said Deed was duly executed by _____.
2. I am in physical possession of the below Schedule land and I am holding and possessing the same as an absolute owner thereof and there is no co-owner or co-sharer.
3. The Land is free from all encumbrances and charges whatsoever, there exists no previous transfer, or contract for sale or otherwise in favour of any person or mortgage in favour of any Bank either Nationalised or Private or any Financial Institution in respect of the below Schedule Land and I am not a defaulter in paying installment in case of Loan if there be any.
4. During the continuance of the Loan I shall not transfer the below Scheduled land in any way or manner till the full liquidation of entire loan amount together with statutory or contracted interest including other charges of the Bank.
5. I shall not mis-utilise the loan amount and I shall use the entire loan amount for the purpose of construction of Building as per Plan as sanctioned by the _____ Municipal Corporation/Municipality / Gram Panchayet.



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6. I shall not violate the sanctioned Plan, if there will be any violation of Plan in constructing the Building I shall remain solely liable for such violation of sanctioned Plan and I shall submit the completion certificate within three months from the date of completion of Building so issued by the appropriate authority failing which the Bank may re-call the entire Loan amount or the amount which may found due to me together with interest and other charges of the Bank and I shall remain liable to refund the same together with interest and other charges of the Bank on demand and at a time.
7. During the continuance of the Loan if any defect of title of the below Scheduled Land be detected and/or any of the statements as made in foregoing paragraphs be found false then I shall refund or liquidate the entire amount together with interest without any further delay and also liable for false statements.

SCHEDULE

All that piece or parcel of land measuring _____ Kathas, recorded in Plot No: _____, Khatian No: _____, Mouza _____, J.L. No: _____, Sheet No: _____, Ward No. _____, Police Station _____, P.O. _____ District _____ and within _____ Municipal Corporation/Municipality/Gram Panchayet.

The said Land is butted and bounded as follows:-

North: - _____ South:- _____

East:- _____ West:- _____

That the statement as made in this Affidavit/ Declaration are true to the best of my knowledge, belief and based on information and I conceal nothing and no part of this Affidavit/Declaration are false and I sign this Affidavit/ Declaration on this _____ Day of _____, 20____ at _____.

Declarant
Identified by me
Advocate: _____

LOAN MANUAL



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1. Responsibility for Enquiry of Loan Cases & Appraisal thereof:

Sl. No.	Quantum of Loan	Enquiring & Appraising Officials
1	Up to Rs. 2 Lakh	Supervisor/ Field Staff Concerned.
2	Above Rs. 2 Lakh & up to Rs. 5 Lakh	Supervisor along with Branch Manager/ Assistant Manager/ Manager or any other Officer of the same
3	Above Rs. 5 Lakh & up to Rs. 15 Lakh for farm and non-farm sector and upto Rs. 20 Lakh for Housing	CEO/ District Manager of the branch of the WBSCARDB Ltd.
4	Above Rs.15 Lakh & up to Rs. 50 Lakh	Officers of the Apex Bank either from the Head Office or from the Regional Office.
5	Above Rs. 50 Lakh	Shall be referred to NABARD/NABCONS for necessary Approval/ Vetting

Note: All Loan Cases whatever may be the value, the Supervisor of the respective area shall conduct enquiry and submit enquiry / appraisal report. The Officers marked in 2 to 4 above will scrutinise and if necessary, further enquire & appraise on the basis of the report. All loan cases shall be recommended by the District Manager of the Branch of WBSCARDB/CEO of the ARDB.

Subject	Purpose	Rate	Remarks
Admission Fee	For admission as member at the time of application for membership	Rs. 10 per member	
Enquiry / Processing Fee	To be charged as costs involved in enquiry / processing / scrutiny of the loan case	Minimum 0.5% of the loan amount (Not less than Rs. 1000/-)	May be relaxed at the discretion of the Management.
Penal Interest	To be charged on the defaulted principal amount in case of default of periodic instalment as specified in the repayment schedule in the sanction letter.	@ 2% per annum on the defaulted principal amount	
Pre-payment Charge	Where full repayment is made before maturity, a prepayment charge may be levied on the outstanding principal.	@ 2% of the outstanding principal	



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LOAN MANUAL Part - II Financing Farm Loans

Loans shall be extended as per the schematic finance norms of NABARD in different activities with specific Unit Cost approved from time to time by this Apex Bank. However, in case of loan cases sponsored by line department, project cost/ unit cost as vetted by the sponsoring authority and the norms prescribed by them shall be followed.

A. Quantum of Loan:-

Loan amount shall be restricted to 90% of the Project Cost and would be disbursed after utilization of own contribution.

B. Rate of Interest:-

The rate of interest as applicable for lending under Farm Sector Loan would be applicable.

C. Term of the Loan:

Loan may be sanctioned for a period specified in the Schedule of Unit Cost for different schemes circulated by WBSCARDB Ltd. from time to time. Grace period will be given in applicable cases. In loan cases sponsored by line department, term of loan as mentioned in the Project Report as vetted by the sponsoring authority shall be followed

D. Security:-

- i) Admissible value of the asset to be created out of the loan, as detailed in clause No. 7C of the Loan Manual, may be considered to cover Maximum 65% of the loan amount as the security of the loan.
- ii) As detailed in Clause No. 8 of the Loan Manual, Collateral Security has to be obtained, either in the form of cash security or in the form of other liquid securities viz. NSC/ KVP/ Surrender Value of the LIC (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned in favour of the Bank or in combination of these two.
- iii) Rest amount to be covered in the form of mortgaged Land or Building or in the form of Assigned Value of NSC/KVP and or in the form of Surrender Value of LIC at least three years' old (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned i/f/o the Bank or in combination of these items.
- iv) In case of Farm Mechanization loans, adequate number of Post-Dated Cheques by phases to be obtained from the applicant covering the loan repayment period.

E. Documentation:-

The applicant shall have to submit the documents as detailed in Clause No.12 of the Loan Manual. Moreover following documents shall be procured:

1. Execution of Mortgage Deed/ Hypothecation Deed/ Agreement Bond to be made before disbursement of loan.
2. Demand Promissory Note, Letter of Continuity and Revival Letters in prescribed format in Quadruplicate are to be signed.

For ancestral property/ non-availability of original deed due to various reasons, the prospective borrower has to submit proper land record in his favour i.e. LR Parcha / Khatian, Current rent receipt, Possession certificate and a valid document in support of his / her inheritance of the Land/ Landed Property. Where hearing by Land Revenue Department is pending, RS Parcha is also acceptable, but the borrower has to collect one Possession Certificate from the Land Revenue Department in this effect. Secondly, where co-sharing is involved, the copy of Partition Deed or 'Warrison Certificate' or Notarised consent from other co-sharers or copy of chain deed and / or information details from the office of BLLRO / Sub-registry Office be submitted together with finally published ROR/ Parcha, Khatian, etc.



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F. Enquiry of Loan Case:

1. Enquiry shall be conducted by the Bank official as mentioned in Clause No. 12 of the Loan Manual (Part-I). Apart from field enquiry, a personal interview of the applicant should be taken by the Manager / CEO / CAO / District Manager as a part of enquiry and the same to be recorded and duly signed by them to be kept in the Loan Case File.
2. The appraisal cum pre-sanction report should be filled in properly duly signed by the authorized signatories. Apart from other important points following points shall have to be taken care of during appraisal.
 1. Feasibility, Utility, Marketability and Bankability of the proposed scheme
 2. Whether the land is free from all encumbrances
 3. Whether all the executants of the bond are competent to contract under Indian Contract Act
 4. Whether the land offered as security is within permissible limit imposed by Land Reforms Act
 5. Source of income of the applicant
 6. Marketability of the property to be mortgaged
 7. Social / economic and educational background of the borrower

G. Other Norms:

1. For delivery of the Machinery & Equipments Bank shall issue Delivery Order directly to the approved supplier, with a copy to the borrower.
2. Delivery to be made by the Dealer in presence of the Bank Officials and a snap of the delivery of the same should be kept in the Loan Case File.
3. A Certificate from the borrower regarding receipt of delivery of the Machinery & Equipments in good condition to be obtained prior to release of payment in favour of the Dealer.
4. The asset hypothecated to the Bank shall be properly marked on its body or a signboard shall be displayed detailing the fact of Finance by the Bank.
5. Phase wise utilization certificate and completion certificate, wherever applicable be kept in the file.
6. Method of payment:

Payment should be made by transferring the amount to the account of the borrower maintained with the Bank. In case of farm machinery loans and other loans where supply of machinery and equipments is done as per the submitted quotation from the approved supplier, payment shall be made by A/c Payee Cheque directly to the supplier with the consensus of the Borrower after observing all the aforesaid formalities.

H) Recovery:

- Loan should be recovered maximum in sixty monthly installments or as per repayment schedule proposed in the project report and accepted in the appraisal report of the Bank.
- In case of default of any installment 2% Penal Interest on defaulted principal to be recovered.
- In Farm Machinery Loan cases loan should be recovered maximum in sixty monthly installments as per the following repayment schedule at the ground level from the borrower to match the diminishing value of the asset created out of the loan. However half-yearly demand at the Apex level shall continue.

1st Year	30% of the Loan in 12 equal monthly instalment along with accrued interest
2nd Year	25% of the Loan in 12 equal monthly instalment along with accrued interest
3rd Year	20% of the Loan in 12 equal monthly instalment along with accrued interest
4th year	15% of the Loan in 12 equal monthly instalment along with accrued interest
5th year	10% of the Loan in 12 equal monthly instalment along with accrued interest



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Financing Non-Farm Loans

A. Quantum of Loan:-

Loan amount shall be restricted to 90% of the Project Cost and would be disbursed after utilization of own contribution.

B. Rate of Interest:-

The rate of interest as applicable for lending under Non-Farm Sector Loan would be applicable.

C. Term of the Loan:-

Loan may be sanctioned for a period 60 months or as per the Repayment Schedule, proposed in the Project & acceptance thereof. Grace period of six month will be given in applicable cases.

D. Security:-

- i) 70% of the Block Capital should be considered for the purpose of calculation of security.
- ii) As detailed in Clause No. 8 of the Loan Manual, Collateral Security has to be obtained, either in the form of cash security or in the form of other liquid securities viz. NSC/KVP/ Surrender Value of the LIC (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned in favour of the Bank or in combination of these two.
- iii) Rest amount to be covered in the form of mortgaged Land or Building or in the form of Assigned Value of NSC/KVP and or in the form of Surrender Value of LIC at least three years' old (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned i/f/o the Bank or in combination of these items.
- iv) Adequate number of Post-dated Cheques by phases to be obtained from the applicant.
- v) For loan amount beyond Rs.5 lakh, Unit is to be invariably set up in own land and the same must be charged as security. However, for loan amount upto Rs.5 lakh, the Unit may be set up in rented or leasehold Land/ Land & Building subject to condition that residual period of agreement for Lease/ Rent shall have to be at least twice of the repayment period of loan. Further, Lease Deed/Rental Agreement must contain a clause to the effect that the Lesser/ Landlord shall not revoke/ terminate the Lease/ Rental Agreement till completion of the term of Agreement.

E. Documentation:-

The applicant shall have to submit the documents as detailed in Clause No.12 of the Loan Manual. Moreover following documents shall be procured:

1. Execution of Mortgage Deed/ Hypothecation Deed/ Agreement Bond to be made before disbursement of loan.
2. Demand Promissory Note, Letter of Continuity and Revival Letters in prescribed format in Quadruplicate are to be signed.

F. Enquiry of Loan Case:

1. Enquiry shall be conducted by the Bank official as mentioned in Clause No. 11 of the Loan Manual. Apart from field enquiry to be made by the Supervisor and by the Manager, a personal interview of the applicant should be taken by the Manager & Chief Executive Officer as a part of enquiry and the same duly signed by them to be kept in the Loan Case File.
2. The appraisal cum pre-sanction report should be filled in properly duly signed by the authorized signatories.

G. Other Norms:

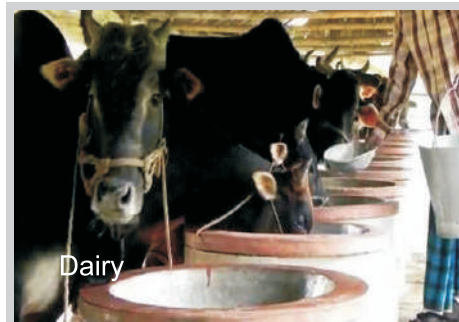
1. Delivery of the Machinery & Equipments to be made by the Dealer in presence of the Bank Officials and a snap of the delivery of the same should be kept in the Loan Case File.
2. A Certificate from the borrower regarding receipt of delivery of the Machinery & Equipments in good condition to be obtained prior to release of payment i/f/o the Dealer.



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H. Method of Payment:

Payment should be made directly to the supplier through A/c Payee Cheque with the consensus of the Borrower after observing all the aforesaid formalities.

I. Recovery:

Loan should be recovered in sixty monthly installments or as per repayment schedule proposed in the project report and accepted in the appraisal report of the Bank. In case of default of any installment 2% Penal Interest on defaulted principal to be recovered. In Hydraulic Excavators like JCB Loan cases loan should be recovered in sixty monthly installments as per the following repayment schedule at the ground level from the borrower to match the diminishing value of the asset created out of the loan. However half-yearly demand at the Apex level shall continue.

1st Year	30% of the Loan in 12 equal monthly instalment along with accrued interest
2nd Year	25% of the Loan in 12 equal monthly instalment along with accrued interest
3rd Year	20% of the Loan in 12 equal monthly instalment along with accrued interest
4th year	15% of the Loan in 12 equal monthly instalment along with accrued interest
5th year	10% of the Loan in 12 equal monthly instalment along with accrued interest

Financing SRTO Loans

A. Vehicle Loan for Commercial Purposes may be sanctioned out of refinance scheme/facility by the PCARDBs/ Branches, which have either attained 'A' Audit Classification in their last Audit Report or have attained at least 40% recovery at the borrowers' level in the last financial year. However, the PCARDBs/ Branches have to achieve at least 50% recovery percentage in the current financial year to ensure continuation of this scheme in the next financial year also.

B. Eligibility of the Beneficiary

1. Indian resident residing in the operational area of concerned PCARDB/ Branch.
2. The applicant should have valid Driving License and at least three years' experience in the transport business.

C. Quantum of Loan:-

Loan amount shall be restricted to 80% of the price of the vehicle. Loan should be disbursed after payment of Down Payment by the applicant to the Dealer and receipt of evidence in that regard.

D. Rate of Interest:-

The rate of interest as applicable for lending under Non-Farm Sector Loan would be applicable.

E. Term of the Loan:

Loan may be sanctioned for a period not exceeding 60 months.

F. Security: -

- i) 60% of the price of the vehicle should be considered for the purpose of calculation of security.
- ii) 20% of Loan amount should be taken as Collateral Security either in the form of Cash Security or in the form of other liquid securities viz. NSC/ KVP/ Surrender Value of the LIC at least three years' old (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned iff/o the Bank or in combination of these two.



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- iii) Rest amount to be covered in the form of mortgaged Land or Building or in the form of Assigned Value of NSC/KVP and or in the form of Surrender Value of LIC at least three years' old (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned i/f/o the Bank or in combination of these items.
- iv) Adequate number of Post-Dated Cheques by phases to be obtained from the applicant.

G. Documentation:-

In addition to documents necessary for any non-farm lending specified in Clause No. 12 of the Loan Manual the intending borrower shall have to submit following documents:

1. Quotation from the Authorized Dealer duly signed by the intending borrower.
2. Copy of the Delivery Order to the Dealer/ Supplier (with the advice to ensure an entry of the hypothecation agreement of the financier in the registration document) duly acknowledged by the Dealer/ Supplier and subsequent confirmation from the Dealer/ Supplier regarding such entry as per Form No. 34 shall have to be ensured before delivery.
3. Affidavit in prescribed format [Annexure] & Revival Letters in Quadruplicate to be obtained.
4. Route Permit to be produced.
5. Hypothecation Agreement in the Certificate of Registration of the Motor Vehicle as per Rule 60 of the Central Motor Vehicles Rules, 1989, in Form No. 34 to be completed and Blue Book/SIM Card containing the name of the financing Bank shall be obtained.
6. Form 35 & 36 as prescribed in Rule 61 of the Central Motor Vehicles Rules, 1989 and other forms as applicable duly signed by the borrower and authorized signatory of the Bank.

H. Enquiry of Loan Cases

1. Enquiry shall be conducted by the Bank official as mentioned in Clause No. 12 of the Loan Manual (Part-I). Apart from field enquiry to be made by the Supervisor and by the Manager, a personal interview of the applicant should be taken by the Manager & Chief Executive Officer as a part of enquiry and the same duly signed by them to be kept in the Loan Case File.
2. The appraisal cum pre-sanction report should be filed in properly.

I. Other Norms:

1. The Vehicle should be registered in the joint names of the applicant & the Bank.
2. The vehicle should be insured for the entire period of loan against all sorts of risks (including 3rd party).
3. The Vehicle should be hypothecated in favor of financing Bank and details in that regard should be got recorded in the Blue Book.
4. Delivery of the vehicle to be made by the Dealer in presence of the Bank Officials and a snap of the delivery of the same should be kept in the Loan Case File.
5. A certificate from the borrower regarding receipt of delivery of the vehicle in good condition to be obtained prior to release of payment i/f/o the Dealer.
6. Xerox copies of i) Registration Certificate, ii) Insurance Policy, iii) Blue Book and iv) Delivery Challan duly certified by the officials of the Bank should be kept in the Loan Case File.
7. One set of key of the vehicle should be kept in safe custody of the Bank. Further, the original pledged Term Deposit/ Fixed Deposit Certificate and original NSC/ KVP/ IVP/LIC Policy assigned by the authority in favor of Bank should be kept in safe custody of the Bank, recording in detail in the concerned loan file and loan ledger.
8. The vehicle should be garaged in a fixed place and the same should be made available for periodic inspection by the officials of the Bank.



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9. A photocopy of the Driving License either in the name of the applicant or in the name of his Driver should be produced before disbursement of loan and to be kept in the Loan Case File.

J. Method of payment:

Payment of sanctioned loan amount should be made directly to the Dealer of the vehicle through A/c Payee Cheque with the consensus of the Borrower after observing all the aforesaid formalities.

K. Recovery:

Loan should be recovered in sixty monthly installments as per the following repayment schedule at the ground level from the borrower to match the diminishing value of the asset created out of the loan. However half-yearly demand at the Apex level shall continue.

1st Year	30% of the Loan in 12 equal monthly instalment along with accrued interest
2nd Year	25% of the Loan in 12 equal monthly instalment along with accrued interest
3rd Year	20% of the Loan in 12 equal monthly instalment along with accrued interest
4th year	15% of the Loan in 12 equal monthly instalment along with accrued interest
5th year	10% of the Loan in 12 equal monthly instalment along with accrued interest

In case of default of any installment 2% Penal Interest on defaulted principal to be recovered.

Financing Private Car

A. Car Loan :- for Private Purposes may be sanctioned from Own Fund by the PCARDBs/ Branches which have either attained 'A' Audit Classification in their last Audit Report or have attained at least 35% recovery at the borrowers' level in the last financial.

B. Eligibility of the Beneficiary:-

1. Indian resident residing in the operational area of concerned PCARDB/ Branch.
2. Govt. Officers, Employees of Statutory Organizations, Doctors/ Engineers and Other Self-employed Persons may be preferred.
3. Applicant filing Income Tax Return for consecutive last three years and having Gross Total Income of Rs. 6.00 lakh & above.
4. Businessmen satisfying the condition no.3 above may also be considered for such loan.

C. Quantum of Loan:-

Loan amount shall be restricted to 80% of the price of the Car or Rs. 5.00 lakh, whichever is less. Loan should be disbursed after payment of Down Payment by the applicant to the Dealer and receipt of evidence in that regard.

D. Rate of Interest:-

The rate of interest as applicable for lending under Non-Farm Sector Loan would be applicable.

E. Term of the Loan:

Loan may be sanctioned for a period not exceeding 60 months.

F. Repayment Capacity:

1. In case of salaried persons: -

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Particulars	Rural areas	Urban/ Semi-Urban
Calculation of cost of maintenance of family	(50% of Gross Salary less existing deductions as per Salary Sheet) or Rs. 12,000/-, whichever is higher.	i) In case the applicant is having dwelling unit, (50% of Gross Salary less existing deductions as per Salary Sheet) or Rs. 15,000/-, whichever is higher. ii) In case the applicant is not having dwelling unit, (50% of Gross Salary less existing deductions as per Salary Sheet) or Rs. 20,000/-, whichever is higher.
Calculation of amount available for repayment of loan instalment	Gross Salary Less: existing deductions as per Salary Sheet Less: Cost of maintenance of family as calculated above Amount available for repayment of Loan Instalment →	

2. In case of self-employed persons:-

40% of average taxable income per month calculated on the basis of last three years' Income Tax Return or last year's Income Tax Return whichever is less; should be the amount available for repayment of loan installment by the borrower.

G. Security:

- i) 80% of the price of the Car should be considered for the purpose of calculation of security.
- ii) 20% of Loan amount should be taken as Collateral Security of which, Cash Security must be not less than 10% and rest amount should have to be covered by other securities viz. NSC/ KVP/ Surrender Value of the LIC (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned if/o the Bank.
- iii) Adequate number of Post-Dated Cheques to be obtained from the applicant before disbursement of loan.

H. Documentation:-

In addition to documents as are obtained for financing any Vehicle, the intending borrower shall have to submit copies of:

1. Income Tax Return for last three consecutive years.
2. Salary Certificate and the Certificate from the Employer. Further, intimation to the DDO in the prescribed format as was advised by the Apex Bank vide memo no.135/A/Opn/1836 dtd Jan 20, 2014 to be given.
3. Quotation from the Authorized Dealer duly signed by the intending borrower.
4. Affidavit in prescribed format [Annexure] & Revival Letters in Quadruplicate to be obtained.
5. Hypothecation Agreement in the Certificate of Registration of the Motor Vehicle as per Rule 60 of the Central Motor Vehicles Rules, 1989, in Form No. 34 to be completed and Blue Book containing the name of the financing Bank shall be obtained, before delivery of the vehicle.
6. Form 35 & 36 as prescribed in Rule 61 of the Central Motor Vehicles Rules, 1989 duly signed by the borrower and authorized signatory of the Bank.



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Rural Godown

I. Enquiry of Loan Case:

1. Apart from field enquiry to be made by the Supervisor and by the Manager, a personal interview of the applicant should be taken by the Manager & Chief Executive Officer as a part of enquiry and the same duly signed by them to be kept in the Loan Case File.
2. The appraisal cum pre-sanction report should be filed in properly.

J. Other Norms:

1. The Car should be Registered in the joint names of the applicant & the Bank.
2. The Car should be insured for the entire period of loan against all sorts of risks (including 3rd party).
3. The Car should be hypothecated in favor of financing Bank and details in that regard should be got recorded in the Blue Book.
4. Delivery of the car to be made by the Dealer in presence of the Bank Officials and a snap of the delivery of the car should be kept in the Loan Case File.
5. A certificate from the borrower regarding receipt of delivery of the car in good condition to be obtained prior to release of payment i/f/o the Dealer.
4. Xerox copies of i) Registration Certificate, ii) Insurance Policy, iii) Blue Book and iv) Delivery Challan duly certified by the officials of the Bank should be kept in the Loan Case File.
5. One set of key of the car should be kept in safe custody of the Bank. Further, the original pledged Term Deposit/ Fixed Deposit Certificate and original NSC/ KVP/ IVP/LIC Policy assigned by the authority in favor of Bank should be kept in safe custody of the Bank.
6. The Car should be garaged in a fixed place and the same should be made available for periodic inspection by the officials of the Bank.
7. A photo copy of the Driving License either in the name of the applicant or in the name of his Driver should be produced before disbursement of loan and to be kept in the Loan Case File.

K. Method of Payment:

Payment of sanctioned loan amount should be made directly to the Dealer of the car through A/c Payee Cheque with the consensus of the Borrower after observing all the aforesaid formalities.

L. Recovery:

Loan should be recovered in sixty EMIs. In case of default of any installment, Penal Interest of Rs. 500/- for each defaulted installment plus 2% of defaulted amount of EMI to be recovered.

BEFORE THE NOTARY PUBLIC AT _____ AFFIDAVIT/DECLARATION [For Car purchase]

I, Sri/Smt. _____, Son/Daughter/Wife of _____,
aged about _____ years, _____ by religion, _____ by profession, resident of _____
do hereby declare and solemnly affirm that:-

1. I am the absolute owner of the _____ [details of the Car],
Chasis no. _____ Engine no. _____, Vehicle ID
no. _____;
2. I am in physical possession of the aforesaid car and I am holding and possessing the same as an
absolute owner thereof and there is no co-owner or co-sharer.
3. The car is free from all encumbrances and charges whatsoever, there exists no contract for sale or
otherwise in favour of any person or mortgage in favour of any Bank either Nationalised or Private
or any Financial Institution in respect of the aforesaid car and I am not a defaulter in paying
installment in case of Loan if there be any.



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4. During the continuance of the Loan I shall not transfer/ sale the aforesaid car in any way or manner till full liquidation of entire loan amount together with statutory or contracted interest including other charges of the Bank.

5. During the continuance of the Loan if any defect of title of the aforesaid car be detected and/or any of the statements as made in foregoing paragraphs be found false then I shall refund or liquidate the entire amount together with interest without any further delay and also be liable for false statements.

The statement as made in this Affidavit/ Declaration are all true to the best of my knowledge, belief and based on information and I conceal nothing and no part of this Affidavit/Declaration are false and I sign this Affidavit/ Declaration on this _____ day of _____, 20__ at _____.

Declarant

Identified by me

Advocate: _____

Financing under “Swarojgar Credit Card Yojona”

Introduction:

Swarojgar Credit Card Yojona Scheme (SCCYS) was introduced by NABARD in September 2003 for ensuring regular and hassle-free credit to the people of limited means.

Objectives:

SCCY Scheme aims at providing adequate and timely credit both Block and Working Capital to small artisans, handloom weavers, service sector (Telephone Booth, Internet Care, Computer Education Center, Xerox /Fax / Internet Service Center, Scooter/ Motor Cycles Repairing Shop etc.), Fishermen, self-employed persons, Rickshaw /Auto -Rickshaw pullers and other micro-entrepreneurs, SHGs etc. on the banking system in a flexible and hassle-free and cost effective manner.

Borrowers in the urban areas can also be covered under the SCCY Scheme.

Any scheme / project that are income generating / employment generating may be brought under this scheme.

A small part, say 10%, may also include for the consumption need.

Farm sector activities like Fishery, Dairy, Poultry, Goatery may also be covered under the scheme.

Generally, activities which have regular turnover/ income can be covered under the SCCY Scheme.

Nature of financial accommodation:

The credit facility extended under the scheme is in the nature of a composite loan including Term Loan / Cash Credit and or both.

Quantum of Limit:

Upto Rs. 25,000/- per borrower as composite loan. However, this is indicative. The Bank may consider higher limit upto Rs.1.00 lakh based on the merit of the case. The total limit to be allowed by the bank should have relationship with the projected net earning and the repayment capacity of the borrower.

Validity:

The SCCY Scheme is normally valid for five years subject to satisfactory operation of the account and renewable on a yearly basis after proper assessment of the performance.

Security / Margin / Rate of Interest:

25% of the credit limit to be sanctioned shall have to be kept as Collateral Security and Rs. 200/- per



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month per borrower of loan limit of Rs. 25,000/- to be placed in the Recurring Deposit Account as compulsory thrift. Higher amount of Recurring Deposit may be considered if the loan limit is more than Rs. 50,000/- and above. The rate of interest will be at par with the Non-Farm loan to be issued by the Bank.

10% of the Project Cost shall be the Margin Money for both Term Loan and Working Capital to be provided by the borrower.

Hypothecation:

All moveable assets created out of loan shall be hypothecated to the financing Bank and a Board mentioning the Hypothecation to the Bank shall be displayed on the project site / on the body of the asset.

Recovery:

Depending on the preference of the borrower, the recovery procedure may be recommended either by EMI or as like Cash Credit. Considering the financial ability of the borrower, the loan should be recovered by 36/60 EMIs.

Credit Card and Loan Pass Book:

A "Loan Pass Book" containing necessary details shall be issued by the lending bank to each borrower.

HOUSING LOANS

Provisions in the Policies & Procedures for Housing Loans :-

Purpose for which Loan can be sanctioned: -

- (i) Construction of Residential Houses on the site already owned by the applicant
- (ii) Purchase of ready-built House/ Flat
- (iii) Purchase of Old House/ Flat, not more than 30 Years old
- (iv) Extension/ Repair/ Renovation of existing house/ flat not more that 50 Years old
- (v) Construction and purchase of house for commercial use
- (vi) Take over of home loans taken by applicant from other banks/ Financial institutions
- (vii) Loan in the form of additional finance for carrying out alterations/ additions/ repairs etc, to many house or flat built/ acquired with a housing loan from PCARDB/ Branch of The WBSCARDB Ltd.

Who can avail :-

- (i) Salary earners having regular monthly salary income.
- (ii) Businessmen and Professionals
- (iii) Persons having only Agricultural Income
- (iv) Pensioners having regular income by way of pension and interest on investments

Security Coverage:-

1. For all class of borrowers the property to be financed will be required to be mortgaged through registration as prescribed in the Section 60 of the WBCS Act 2006.
2. For businessmen and professionals, 3rd Party guarantee from a reputed person will normally be required. However, if 50% of the loan is covered by additional securities, 3rd Party guarantee may not be necessary in the manner as stated below: -

In lieu of Third Party Guarantee :-

1. Additional Security @ 25% only instead of 50% may be fixed up against such lending consisting of:
2. Minimum 10% in the form of Cash Security and/ or in the form of Assigned Value of NSC/ KVP and/or in the form of Surrender Value of LIC Policy (at least three years' old) and

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3. Balance 15% in the form of mortgaged Land or Building; location of which should be outside the Project Area; or in the form of Assigned Value of NSC/ KVP and/or in the form of Surrender Value of LIC Policy (at least three years' old) or both.
4. For Agriculturist borrowers, additional land as securities to cover the loan amount for amount in lieu of liquid security- Cash, NSC, KVP, Surrender value of Life Insurance Policy etc. may be permitted.
5. For valuation of security, 100% of face value of NSC, KVP and F.D of the bank may be accepted. Further, 100% of the Surrender value of Life Insurance Policy may be considered as security coverage for any loan.

Eligibility :-

1. Any person who is employed in any regular establishment and whose services are confirmed, or, any Self-Employed Person submitting Income Tax Return in his/her own name for at least three preceding years in relation to the date of application for home loans from the Bank or an agriculturist whose income shall be duly certified by KPS/ADO/Bank Official is eligible for being considered for receiving the Loan. The Applicant should be otherwise eligible to borrow money from the Bank as per these Rules and the Laws of the Land.
2. For other applicants repayment of the entire loan shall have to be made by the time the applicant attains 65 Years of age.
3. Spouse of the Applicant may join as Co-Applicant.
4. In case of joint ownership of the land, the Co-owners must join as Co-Applicant (s)
5. Singly or Jointly as :-
 - a) Husband-wife
 - b) Parent –Son
 - c) Parent-daughter (unmarried)
 - d) Others having legal interest in the property
 - e) Trust/ Body Corporate/ Co-operative Society
 - f) In all cases insurance coverage of the Housing Project is must.

Quantum of Loan:

Sl. No.	Purpose of Loan	Maximum Limit (Rs.)
1	Residential Purpose	Rs. 30 Lakh for Salary Earners and Rs. 15 Lakh for others
2	Commercial Purpose	Rs. 50 Lakh
3	Repairing & Up gradation	Rs. 7 lakh

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Limit of Entitled Loan amount against Project Cost:-

Purpose	Entitled limit
New Construction	90% of Estimated Cost of building excluding cost of Land
Purchase of Ready-Built house/ Flat- New- 1 st Hand	90% of the Purchase Price of the House/ Flat as per Agreement for sale entered into by the applicant with his/ her seller plus cost of registration- including cost of land , whenever applicable
Purchase of Old House or Flat	75% of the Deed value or Valuation as per Bank's approved Valuer or distress value as per Bank's approved Valuer (whichever is Less) including cost of Land and cost of Registration
Commercial Housing	85% of the Estimated cost of the Building excluding cost of Land
Purchase of Commercial Housing	85% of the Deed Value or Current Market value- Valuer's Report is necessary for 2 nd Hand purchase
Repair & Up gradation	75% of the Estimated cost of such repair and upgradation

Determination of Monthly Income:

Sl. No.	Category of Borrower	Method of determination
1	For Salary Earners	The Net Take- Home Pay as stated in the Salary Certificate for the month immediately preceding the month of application as well as income declared in the IT Return submitted by the applicant in Form 16 for the last Financial Year including Income From Other Sources.
2	For professionals and businessmen	Income declared in the last IT Return/assessment or the average of the income declared in the IT returns for the last 3 years, whichever is less.
3	For those having income from agriculture	Income from land holding as certified by the – a. Krishi Prajukti Sahayak, or b. Village Level Worker, or c. Agril. Dev. Officer of the Block, or d. Field Officer of the ARDB where the loan applied for is upto Rs. 1 lakh & by an officer of the WBSCARDB where the loan applied for is above Rs.1 lakh.

Calculation of repayment capacity of the borrower/s of House Building Loan:

1. In case of salaried persons: -

Particulars	Rural areas	Urban/ Semi-Urban area
Calculation of cost of maintenance of family	(50% of Gross Salary less existing deductions as per Salary Sheet) or Rs. 7,000/-, whichever is higher.	(50% of Gross Salary less existing deductions as per Salary Sheet) or Rs. 10,000/-, whichever is higher.
Calculation of amount available for repayment of loan instalment	Gross Salary Less: existing deductions as per Salary Sheet Less: Cost of maintenance of family as calculated above Amount available for repayment of loan instalment	



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2. In case of self-employed persons:-

40% of average taxable income per month calculated on the basis of last three years' Income Tax Return or last year's Income Tax Return whichever is less; should be the amount available for repayment of loan installment by the borrower.

3. In case of agriculturists:-

40% of monthly income or Rs. 7,000/- whichever is higher, is to be taken as the cost of maintenance of family and rest amount of his income to be taken as the amount available for repayment of loan installment by the borrower.

House Building Loan Cases: Guidelines for Scrutiny and Appraisal

A. KYC Documents: - As detailed in Clause No. 4.I of the Loan Manual

B. Approved Building Plan & Site Plan:-

It should be ensured that both approved Building Plan and Site Plan contains:

1. Signature with date of the Land owner/s that is the applicant/s. It is to be ensured that style of signature of the applicant/s i.e. owner/s of the land matches exactly with the style of his/their signature as put by him/them in Loan Application Form and in all loan related documents.
2. Signature of the Engineer supported with impression of his Official Seal with date.
3. Signature with date of the sanctioning authority supported with impression of Official Seal. It is to be ensured that validity period which is three years from the date of sanctioning of the plan, has not expired. Plinth area should be mentioned in the approved Building Plan.

C. Land related documents:-

- i) Deed of the Land and Chain Deed in case of Inherited Property/ Gifted Property, ii) Current Khatian, iii) Current Rent Receipt, iv) Current Tax Receipt, v) Mutation Certificate, vi) Conversion Certificate, if applicable, vii) Land Possession Certificate issued by the BL & LRO, viii) Information Slip, if felt necessary, should be obtained. All the aforesaid documents should be in the name of the Land Owner i.e. in the name of the applicant of the Loan Case and in all these documents, Land Schedule viz. Mouza, Khatian No, JL No., Plot No., Area of the Land to be carefully verified. Further it is to be ensured that i) Khatian is dully stamped and signed by the B.L. & L. R.O. ii) Current Rent Receipt contains impression of 'Blue Carbon', iii) Land has been converted to Bastu/ Home Stead in the Conversion Certificate issued by the BL & LRO.

D. Legal Opinion of the empanelled Lawyer of the Bank :-

Legal opinion to be obtained from the empanelled Lawyer of the Bank in the prescribed place of the Loan Application Form. Legal opinion if given by the Lawyer in a loose sheet should not be accepted. Ensure that certificate of the Lawyer contains details of the Land i.e Mouza, Khatian No., JL No., Plot No., Area of Land and certainly the certification on the line that the land is free from all sorts of encumbrances and is marketable & mortgagable. Please ensure that the Receipt evidencing deposit of requisite fees for conducting search at the office of the A.D.S.R has been submitted by the Lawyer and the same has been kept in the Loan Case File. In both approved Building Plan and Site Plan, name of the owner/s and details of the Land viz. Mouza, Khatian No., JL No., Plot No., Area of the Land are to be verified. Further Built Up Area to be verified and it is to be ensured that Built Up Area is less then the Land Area. Further, order of sanction issued by the sanctioning authority to be obtained and kept in file.

E. Appraisal-cum-enquiry report of the enquiring officials:-

Appraisal Cum Enquiry Report of the House Building Loan Case should contain all details about the applicant, findings of the enquiring officials in the field enquiry, valuation of securities to be obtained against the proposed Loan, repayment capacity of the applicant/s and recommendation for sanctioning the loan. The Enquiry Report should contain signature of the Field Supervisor, Manager, Chief Executive Officer/ Chief Administrative Officer/ District Manager, as per provision of the Loan Manual of the Apex Bank depending upon the quantum of the loan recommended.

F. Valuation of the existing construction (if any) :-

Valuation Report i/r/o of the existing construction, if any, to be obtained and name of the owner and



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details of the Land viz. Mouza, Khatian No., JL No., Plot No., Area of the Land are to be verified. Valuation Report should contain i) signature of the valuer supported with impression of his official seal and ii) signature of the applicant/s.

In this context, it may please be noted that the valuation exclusively for the existing construction should be considered. In other words, if Valuation Report consists of value of the construction as well as of the Land, valuation of the Land should be deducted from the total valuation. If both Market Value and Distress Value of the construction are given by the valuer; Distress Value should be considered.

G. Estimate for proposed construction:-

Estimate of the proposed construction prepared by an Engineer should be obtained in the name of the owner, details of the Land viz. Mouza, Khatian No., JL No., Plot No., Area of the Land are to be verified. It is to be ensured that Estimate has been prepared based on Current PWD Schedule and each page of it, contains the signature of the Engineer supported with his Official Seal as well as of the applicant/s. Further arithmetical accuracy of the calculations of the Estimate is to be ensured.

H. Valuation of securities as per Bank's norms:

Valuation of the securities to be obtained against the proposed Loan to be calculated as per norms of the Apex Bank in this regard and to be written in the prescribed place of the Loan Application Form. This Valuation Report should contain signatures of the Field Supervisor, Manager and Chief Executive Officer/ Chief Administrative Officer/ District Manager.

I. Repayment capacity of the borrower/s :-

Repayment capacity of the applicant/s to be ascertained as per guideline provided by the Apex Bank from time to time. It may be noted that any edition/ deletion/ modification in any of the aforesaid documents, should be got authenticated by the concerned authority.

Disbursement of Housing Loans:

Sl. No.	Particulars	Mode of Disbursement
1	In case of purchase of House/Flat –	a. Payment to be made to the seller; b. Payment to be made in accordance with the Sale Agreement between the Buyer & Seller; c. Original deed of registration to be obtained and retained by the Bank on the day of registration. If the original deed is not available instantaneously, the IGR must be retained. d. Mortgage deed must be executed on the day of registration.
2	In case of new construction –	a. Borrower to invest his own contribution first or in Proportion to the instalment released; b. Instalments to be divided in the proportion of 50:25:25; 1st instalment for work up to Lintel level construction, 2nd instalment for work up to Roof level construction, 3rd installment for completion of rest work c. Entire disbursement to be completed in eight months.

Note: Own contribution/ Margin Money is to be provided by the borrower either as upfront payment before disbursement starts or in instalments progressively before the release of each loan instalment.

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Rural Artisan

Repayment of Loan:

Sl. No.	Type of borrower	Periodicity #	Method of computation
1	Salary Earners	Monthly	Reducing Balance/EMI Method on Qtrly. rest
2	Businessman/Professional	Monthly	Reducing Balance Method* or EMI on Quarterly rest where income is regular.
3	Agriculturist	Monthly	Reducing Balance Method on quarterly rest
4	Commercial Borrower	Monthly	Reducing Balance Method.

Applicable for the borrowers of the PCARDBs in general. The PCARDBs themselves will repay to the apex organisation at quarterly intervals.

* To be computed at monthly/quarterly/half-yearly rest as found suitable in each case.

Other Related Points:-

For Salaried Class :- The borrower is bound by the loan agreement to pay the dues in addition, he/ she is also required to furnish an undertaking under Section 59 of WBCS Act, 2006 authorising his/ her employer to make deduction from his/ her Monthly Salary to make repayment of the loan in all cases. Post dated cheques for repayment are to be obtained for 12 Months from the borrower at a time till the loan is fully liquidated.

For Professionals/ Businessmen/ Agriculturists:- In addition to the repayment clause laid down in the loan agreement, Post Dated Cheque (PDC) for 12 (Twelve) months at a time constituting the monthly instalments for repayment of loan are to be obtained at a time and the process shall continue till the loan is liquidated. Moreover, last date of repayment will be the date when the borrower attains 70 Years of age.

Sl. No.	Particulars	Norms
1	Moratorium Period for Housing Loans:	a. 12 -18 months for Residential House; b. 12 months for Commercial Building.
2	Processing fees payable for Housing Loans	0.5% of the loan or Rs.1000, whichever is higher.
3	Penal Interest chargeable for default in repayment	At the rate of 2% per annum of the defaulted amount from the due date to the date of actual payment.
4	Repayment of Housing Loans in Advance	Charges for pre-mature closure of account, transfer of loan or otherwise to be made at such rates as may be fixed by the ARDB concerned subject to a maximum of 2% of the outstanding loan.



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Construction of Self-Promoting Building for Residential Flat

A new area that remains to be explored in particularly urban housing sector is extending credit in favour of self-promoters.

A self-promoter means a persons or a group of persons with

acommon interest in constructing a building with flats for sale to prospective buyers in his or their own land. In other words, he or they will build the building upon his or their own land.

The terms and conditions that should govern such credit are as follows:-

1. Any amount of loan given ought to be fully covered under mortgage of land and/ or of the loans extended, there may a moratorium period of maximum 1(One) Year within which collateral security of full amount may be covered.
2. Loan will be disbursed upon assessment of work done and such security cover will be taken to the extent of work done and correspondingly releasable amount of loan.
3. Loans to the extent of 60% (sixty per cent) of the total project cost only be given.
4. The loans should be released in 3 (Three) phases- First- 30%, then 40% and finally 30% of the total sanctioned loan in accordance with the progress of work.
5. A duly qualified valuer should certify the quantum of work done and its valuation before release of each instalment.
6. As soon as the loan is liquidated , the land and building placed under mortgage with the bank should de demortgaged. No objection Certificate may, however, be issued by the Financing Bank for selling any flat to any purchaser if the sale proceeds is deposited to bank.
7. In case of prospective buyer purchases a flat out of the constriction with loan that individual loan is to be channelized through the bank.
10. If the promoter/ promoters sells/ sell any flat, he/ they must intimate the same to the bank before such process.
11. The promoter may take advance from the prospective purchaser of flat within the knowledge of the bank and should deposit such money to the bank as the repayment schedule may demand.
12. A PCARD Bank may extend such loan from their mobilised deposit in strict adherence to the rules of Deposit Mobilisation or that bank may do so by borrowing the fund from WBSCARDB.
13. Completion Certificate from the appropriate authority to be obtained within two months from the date of completion of the project and valuation of the asset to be recorded in the Asset Register of the Bank.
14. The Building must be fully covered under comprehensive insurance policy and the policy should be assigned in the joint name of the borrower and the Bank.

Individual Working Capital Loan (Farm & Non-Farm)

- Short Term Working Capital Loan in the form of Cash Credit may be sanctioned for one year to the PCARDBs and Branches of THE WBSCARDB Ltd. for lending to their members provided such members have availed schematic finance from PCARDBs and Branches of WBSCARDB Ltd concerned. The loan under Cash Credit shall be allowed by the BOD of the PCARDBs and Branches of WBSCARDB Ltd following the norms and procedure prescribed in this regard. Such credits will be provided, primarily out of the own resources of the Banks.
- Short Term Loans repayable within 1(one) year may be issued for repair of Farm/ Non Farm assets created out of loan for which no refinance is available from NABARD.
- Short Term Working Capital/ Cash Credit to the existing loanee member of Farm/ Non Farm sector may be given out of Deposit Fund. It will be allowed after the First Operating Cycle comes to an end in case of a scheme.
- Limit of Cash Credit will be fixed on the basis of Net Disposable Resources.
- Additional Security for the said loan will have to be provided, where required.
- Cash Credit Limit may be sanctioned by the Apex Bank to an ARDB on the basis of the summation of Cash Credit Sanctioned to that ARDB in a particular year.
- Total repayment made by the Cash Credit holder will have to be reviewed after the year end.



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- The Rate of Interest will be decided from time to time by the BOD of the Apex Bank which should normally be not more than 3% of the weighted average cost of deposits. Again, sharing of margin will be 2:1 provided where fund for issuing Cash Credit Loans is provided by the apex bank; the sharing of the margin will be as follows: 1% for the apex bank, 2% for the ARDB.
- The Apex Bank will provide Cash Credit to the ARDBs against Deposit (which has to be pledged) to the extent of amount of Deposit kept with the apex bank over and above their Statutory Deposit. In case an ARDB has no deposit with the Apex Bank, its case will be considered if the required deposit is likely to be brought in by the ARDB. BOD of the Apex Bank may decide the above matter at their absolute discretion.

Loans to SHGs

Formation of SHG

The groups should be formed by the persons residing within the area of operation of the concerned Branches of The WBSCARD Bank Ltd. / PCARDB.

Women SHGs shall consist of 10-20 persons. In case of special SHGs i.e. groups in the difficult areas, groups with disabled persons, and groups formed in remote tribal areas, this number may be a minimum of 5 persons. However, for male SHGs and mixed SHGs, no such relaxation shall be considered. The groups having less than 10 members at this instant point of time shall either merge with such small group in the same locality, or induct requisite number of new members, within a period of six months or before issue of the loan /next loan, whichever is later.

The members of the Group should preferably reside in the same place i.e. in contiguous area. The members of Group should belong to the weaker section having homogeneous back-ground and common interest. Affinity based women SHGs shall be promoted.

The group shall elect a group leader from amongst themselves in a general meeting to manage its affairs. The group shall be run under democratic principles wherein all members must have say in the group activities and for this purpose the group leader shall convene meeting of the group every month to review the activity of the group and examine the accounts.

Opening of Savings accounts

Immediately after formation of the group, the SHGs would promote savings habits among their members and open savings bank account in the name of the Group. Every member of the group shall make deposit of small amount regularly with the group and thus create a fund of the group. Each member should preferably deposit equal amount in each month. The deposit so collected from the members shall be kept deposited in the saving account of the concerned branches of WBSCARD Bank Ltd./PCARDBs in the name of the group.

Know Your Customer (KYC) verification of only the office bearers / signatories shall suffice for opening of savings bank account. Banks should not insist on Permanent Account Number (PAN) of SHGs at the time of opening of account or transactions and may accept declaration in Form No 60 as may be required. KYC verification of all the members in the SHG can be made at the time of credit linking of SHGs. Opening of savings account of all members with the bank shall not be made a prerequisite for credit linkage of SHGs.

Eligibility Criteria for SHGs to avail loan

SHG should be in active existence at least since the last 6 months as per the books of account of SHGs and not from the date of opening of S/B account. SHG should be practicing Regular meetings, Regular savings, Timely repayment and Up-to-date books of accounts. The existing defunct SHGs are also eligible for credit if they are revived and continue to be active for a minimum period of 3 months after repayment of earlier overdue loan if any. The group must maintain proper accounts and record which should be placed before the group meeting every month. Loans for productive, income generating purpose shall be given to support sustainable livelihoods by the individual members



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within the SHGs or to finance any viable common activity started by the SHGs. Loans may be used by members for meeting social, educational and medical needs, high cost debt swapping, construction or repair of house and construction of toilets. and The loan amount will be distributed among members based on the Micro Credit Plan (MCP) prepared by the SHGs.

All the members of the group will be liable jointly or severally for repayment of loans borrowed by the Group from the Branches of WBSCARDB/PCARDBs.

For NRLM compliant SHGs, PCARDB/ Branch of WBSCARDB shall consider the eligibility of the SHGs as per the norms and benchmarks of the NRLM on the basis of the documents submitted by them. PCARDB/ Branch of WBSCARDB shall simultaneously appraise the loan proposal as per the prevailing rules and norms. Persons already getting loans from any cooperative credit institution or from other sources will not be eligible to get loan for the same purpose as a group member.

Branches of WBSCARDB/PCARDBs shall consider the repayment capacity of the group member while considering the loan proposal. The group and the concerned PCARDBs/Branches WBSCARDB Ltd. must follow the working norms in this regard as to be fixed from time to time by the WBSCARDB Ltd./PCARDBs. Loans shall not be given to any group for any purpose which is not provided in the bye-law of the concerned PCARDBs/ WBSCARDB Ltd.

Loan amount

Emphasis is laid on the multiple doses of assistance to SHGs. This would mean assisting an SHG over a period of time, through repeat doses of credit, to enable them to access higher amounts of credit for taking up sustainable livelihoods and improve quality of life.

SHGs can avail either Term Loan (TL) or a Cash Credit Limit (CCL) loan or both based on the need. The amount of credit should be as follows:

- First Dose: Not exceeding 4 times of the deposit balance of the Group.
- Subsequent Dose: 6 times of the deposit balance of the Group. While considering the loan proposals in respect of all the women SHGs who have repaid their initial dose of credit, loan may be considered for sanction beyond the maximum limit of 6 times of deposit Balance.

However, Financial viability of the activities / projects undertaken by the group / member and actual requirement of fund should be given due importance, apart from other relevant criteria for financing SHGs. Micro Credit Plan in respect of each member and the Group as a whole shall have to be submitted to justify credit need in such cases and proper appraisal by the PCARDB / Branch of THE WBSCARDB Ltd. functionaries shall be carried out to ascertain the financial viability, bankability and repayment capacity.

However, if the requirement of loan of any member of a group goes beyond Rs. 1.00 Lakh, the person concerned should be shifted from the group mode of lending to the formal mode of lending followed in case of individual loans.

Repayment schedule should be as follows:

- For Term Loan the repayment shall be on monthly basis to be repaid within a period from one to three years depending upon the flow of income from the project undertaken by / repayment capacity of the member.
- For Cash Credit Loan norms of repayment usually followed in the Banking practices shall be adhered to.

For NRLM compliant SHGs loan amount may be considered as per the guideline of RBI under its Master Circular No. FIDD.GSSD.CO.BC.No.05/09.01.01/2018-19 dated July 03, 2018.

Rate of interest to be charged for the loans granted to SHG by the bank

Rate of interest from PCARDBs/Branches WBSCARDB Ltd. to the SHGs shall be circulated from time to time by the WBSCARD Bank Ltd.

Rate of interest to be charged by the SHGs to its members

The rate of interest to be charged by the group to its members should be left to the group. The group will decide the margin over and above the rate of interest at which Bank provides loan to SHG.

LOAN MANUAL



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List of documents required by banks for lending to SHGs

- Inter-se Agreement to be executed by all the members of the Self Help Group. (This is an agreement by the members with the bank, authorising a minimum of three members to operate the group's account with the bank.)
- Application to be submitted by SHG to bank branch while applying for loan assistance. (This includes details of the purposes for which the SHG gives loan to its members.)
- Mid Term Tamsuk for use by the bank while financing SHGs.
- On Demand Payment Note
- Letter of Acceptance
- Copy of resolution taken in the meeting for availing loan from bank. At the time of application for 1st dose of credit, the copy of resolution adopted on the date of formation of the group shall have to be submitted.
- Certified copy of Deposit Pass Book of the Group showing balance as on date of application for loan.
- KYC documents of the group members. In case the member is at present residing at a new address, away from the permanent residence mentioned in KYC documents/ has shifted to a new permanent address, additional residential proof from competent authority shall have to be submitted.
- One copy of Group Photo (preferably minimum post card size) displaying name of each member duly identified by bank official.

ANNEXURE – I

INTER-SE AGREEMENT TO BE EXECUTED BY THE MEMBERS OF SELF-HELP GROUPS

THIS AGREEMENT is made on this _____ day of _____ 20_____.

BETWEEN:

1. Shri/Smt/Kum. _____
Son/Wife/Daughter of _____, aged _____ years
residing at _____; and
2. Shri/Smt/Kum. _____
Son/Wife/Daughter of _____, aged _____ years
residing at _____; and
3. Shri/Smt/Kum. _____
Son/Wife/Daughter of _____, aged _____ years
residing at _____; and
4. _____
5. _____

20. _____
who are members of _____ Group, hereinafter referred to collectively as
"The Self Help Group (SHG) Members" which expression shall, unless repugnant to the context or
meaning, include every members of the said SHG and their respective legal heirs, executors and
administrators.

WHEREAS all SHG members are residents of _____ Village
in _____ (P.O.) _____ (P.S.) _____ (District) of
_____ (State) and are known to each other.

WHEREAS the SHG members above named have joined voluntarily together and formed the

LOAN MANUAL



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SHG with intent to carry on savings and credit and other economic activities for mutual benefit subject to the terms and conditions hereinafter appearing:

NOW, THEREFORE, THIS AGREEMENT WITNESSETH THAT :

1. Each member of the SHG shall save a sum of Rs. _____ (Rupees _____ only) or such sum as may be decided by the Group, on weekly fortnightly/monthly basis which shall be deposited with the authorised member of the group.
2. Each member shall strive for the success of the SHG and shall not act in any manner detrimental to the business interests of the SHG.
3. The SHG members shall be jointly and severally liable for all the debts contracted by the SHG.
4. All assets and goods acquired by the SHG shall be in the joint ownership of all the members of the SHG and shall ordinarily be in the constructive custody of such member as may be authorised by the Group and shall be kept at the place of business at _____ which shall not be changed without consent of the SHG members.
5. The SHG members hereby duly elect and appoint Shri/Smt/Kumari _____ as, _____ Shri/Smt/Kumari _____ as _____ Shri/Smt/Kum. _____ as _____ [by whatever name designated] to look after and manage the day to day affairs of the SHG's activities and also act in their name and on their behalf in all matters relating thereto. The authorised representatives, may however, be removed at any time by majority vote of the members and new representatives elected.
6. Each of the SHG members hereby agrees to abide by and ratify all such act, deeds and things as the authorised representatives may do in the interest of the said activities.
7. The authorised representatives shall take decisions in the day to day working of the SHG and the authorised representative may collect loan amounts from the bank on behalf of SHG, deposit the same in the savings account of the SHG for onlending to members in accordance with the decision of the SHG and also deposit recovery of loan instalment from members in the loan account/s of SHG with the bank.
8. The SHG members hereby specifically authorise the representatives:-
 - (i) To open Savings, Fixed Deposits and other accounts in (.....) bank approved by the SHG and operate the same under the joint signature of any two of the following authorised representatives.
Shri/Smt/Kum. _____
Shri/Smt/Kum. _____
Shri/Smt/Kum. _____
 - (ii) To keep or cause to be kept proper books of accounts of the savings, made by the SHG Members, loans granted to them and the recoveries made from them and render every year the full accounts to the SHG embers for their approval and adoption;
 - (iii) To receive all payments due to the SHG and issue requisite receipts or acknowledgements for and on behalf of the SHG;
9. In the event of death of any of the members of the SHG, his/her legal heirs shall be entitled for the benefits and be liable for the obligations of the deceased member under this agreement.
10. It is agreed that no new person shall be inducted as a member of the SHG without consent of all the existing members.

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IN WITNESS WHEREOF the aforesaid members of the SHG have set their respective hands hereunto at _____ (Place) and on _____ day of _____ Month _____ year first herein appearing.

Name of Member (.....SHG)

Signature/s/Thumb Impression

(1) _____
 (2) _____
 (3) _____

WITNESSES :

(1) (Name) _____ (Signature) _____
 (2) (Name) _____ (Signature) _____

(Note: No. of Members of SHG--Not exceeding 20)

Tamsuk for SHG Loan

On behalf of _____ SHG as the Nominal Member / Member of _____ (Name of Bank) Sri/ Smt/ Kumari _____ (Name) _____ (Designation)

and Sri/ Smt./ Kumari _____ Name _____ (Designation) residing at _____ Village _____ P.O _____ P.S. _____

District _____ do hereby acknowledge the receipt of Loan amount of Rs. _____ (Rupees _____) only today at _____ (Place) on this _____ day of _____ month _____ Year _____ as per Bye-Law of the aforesaid bank.

On behalf of the _____ SHG, we undertake that the said loan amount will be distributed among the Group Members today instant as per applicable terms and conditions.

We also remain liable to refund the portion of loan amount to the _____ (Name of Bank) which will not be possible to distribute among the members.

From today this _____ day of _____ (Month) _____ (Year), our SHG will be bound to repay the loan instalment along with applicable annual interest rate at _____ (%) and additional Penal Interest at _____ (%) in case of default as per below noted repayment schedule :-

Due Date of Repayment of Loan Instalment	Amount of Loan Instalment	
	Principal	Interest

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In case of monthly instalment, we will repay Principal of Rs. _____ and Interest of Rs. _____ by _____ (number) of Instalments.

On behalf of the SHG, we also undertake that in case of default of proportionate share of repayment by any group member/s, the rest of the Group Members will be collectively bound to repay the share of loan instalment of that/ those defaulted member/s.

Agreeing to the above terms and conditions we hereby give undertaking on behalf of _____ SHG acknowledging the receipt of loan amount.

Date :-

For _____ SHG

Place :-

Leader _____ (Signature)

Assistant Group Leader _____ (Signature)

Personal Loans out of Deposit Mobilisation

Guidelines of Personal Loan:-

Individual salaried employees working in **permanent/ confirmed capacity** in the **State/Central Govt./Semi Govt./Public undertaking** acceptable to the bank, **having** at credit minimum **five years** of service from the date of availing of the loan are eligible for the loan and Loan limit would be determined by the income & repayment capacity of the prospective borrower as detailed below:

A. **Minimum Net Pay/ Take Home Pay** should be:

Rs. 20,000/- in case of applicant residing at Corporation & Municipal areas and

Rs. 15,000/- in case of applicant residing at Rural areas.

B. **Maximum loan limit** would be restricted to **12 times** of Net Pay/ Take Home Pay subject to a ceiling of **Rs. 5,00,000/-** (Rupees five lakhs) **only**.

C. Applicable rate of Interest shall be circulated by the Apex bank from time to time. The calculation of interest shall be on quarterly compounding basis.

Other terms & conditions:

- i) The intending borrowers shall have to execute an agreement u/s 59 of the WBCS Act, 2006 in the prescribed proforma.
- ii) Salary Certificate for last three months & Bank Statements for last six months to be obtained in order to ascertain the repayable surplus.
- iii) All loans should be appraised by the Branch Manager himself along with Area Supervisor with reference to Loan Manual of the bank.
- iv) Repayment period would be maximum forty eight (48) months.
- v) All other existing conditions would be applicable to this scheme.

Loan against NSC/ KVP/ FD of PCARDB/ The WBSCARDB Ltd. & Surrender Value of LIC Policies :

Loan may be given to the extent of 80% of the Face value of the NSC/ KVP which is to be properly pledged in favour of the financing bank. Provided that the limit of loan may be extended upto 90% of the face value, in case of NSC/ KVP to be pledged is more than 2 (Two) Years old.

In case of FD with ARDB/ WBSCARDB, 90% of the Face value of such FD shall be limit of loan to be allowed against FD.

In case of loans against LIC Policies, 80% of the Surrender Value of LIC Policies at least three years' old (excepting Unit Linked Policies not covered under Highest NAV Return Scheme) assigned i/f/o the Bank may be given as loan.

The minimum rate of interest will be 1% more than the interest rate of the FD concerned. In case of NSC/ KVP/ LIC Policies, the rate of interest shall be fixed by the apex bank from time to time.



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LOAN MANUAL

Part - III

Common points to be taken care of during sanction of Term Loan under Farm / Non-Farm Sectors to individuals:-



1. The borrower should set up his project on his own land / water-area, preferably near his residence.
2. The borrower must have training in similar type of Farm / Non-Farm activity from a bonafide Training Centre or have sufficient practical experience in the related trade (certificate of training / experience is to be submitted).
3. In case of an old borrower, the borrower should be a good member of the ARDB of the area of membership, to which he belongs, with excellent record of repayment of previous loan(s) from the Bank / other agencies, if any, and should have adequate capacity and/ or propensity for repaying loan.
4. The borrower should have sufficient knowledge of marketing of his produces / products.
5. The borrower should have sufficient knowledge and capability of maintaining proper records and accounts of the livestock, feed issued, mortality, disinfection, vaccination and medication to be applied in case of live stock activities.
6. Timely supply of disease-free livestock inputs (spawn / fingerling / chicks, etc.) and adequate feed for livestock under cultivation should be ensured by the borrower and the society through which the loan is passed on.
7. The scheme sponsored may be a new one or an expansion scheme for an existing unit.
8. The scheme / project must be economically viable and technically feasible and shall be vetted by the relevant Department / Appropriate Authority accredited by the relevant Department of the Government of West Bengal or concerned Bank Official in case of schemes in respect of which Unit Cost is circulated by The WBSCARD Bank Ltd following NABARD norms.
9. For construction of shed for animal / bird, etc., the loan shall be advanced by the Bank in two instalments. The second instalment will be released after proper utilization of first instalment.
10. The Branch Manager and the Supervisor of the Bank shall interview the borrowers for ascertaining the bank-ability of the Schemes and record their observations in the Interview-cum –Appraisal Report.
11. The borrower shall offer security / collateral security in the shape of registered mortgage of land, water-area, shed and other immovable properties free from all encumbrances (to be made in the prescribed form duly executed by the ARDB personnel and registered by the Branch Manager of the Bank) and / or through lien of NSC / KVP / Term Deposits to cover the loan. Lien on NSC / KVP / Term Deposit by the surety / sureties may also be accepted as security of the loan.
12. Having received the application from the borrower, the ARDB will ensure the genuineness of the need for the loan, the eligibility of the borrower, availability of the inputs and marketability of the product.
13. The ARDB will ensure that adequate medical / veterinary aid is available for the scheme / project in time and for such purpose the Bank will contact the Government / Semi- Government voluntary agencies and arrange for extension services for successful implementation of the scheme.

Guidelines for Preparation of Disbursement Certificates (DC):

1. Purpose of loan/ specific item and unit size should be mentioned, where it is applicable.
2. Year of repayment should be mentioned according to the purpose or specific item, as per guideline of the Apex Bank.



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3. L.S.O number and date should be mentioned in the DCs in respect of loans sanctioned by the Apex Bank as well as by your Bank exercising Self-Sanction Power.
4. Details of earlier disbursement/s i.e amount of installment, date of disbursement, should be mentioned in the DC.
5. Quantum of Mortgaged Land and Cultivated Land must be mentioned in the DC, where it is applicable.
6. Date of execution of Mortgage Bond and Bond Number should be mentioned in the DC.
7. Interest bearing Security Deposits' (IBSD) obtained in the forms of Fixed/ Term Deposit should be mentioned in the DC, where it is applicable.
8. Presumptive Value of the Security covering the loan amount should be mentioned.
9. Signature of the Authorized Signatory supported with his/ her Official Seal as well as Common Seal of the Bank must be put on DC.
10. Sanctioned amount of the loan should be mentioned in the lower corner of the left side of the DC while the amount of loan disbursed should be mentioned on the lower corner of the right side of the DC.
11. The photocopy of the Quotation and the Insurance Policy should be submitted with the DC, where it is applicable.
12. Separate DC should be submitted for Female loanee members.
13. For House Building Loan Cases, in the DC, it should be clearly stated whether the Loanee Member is the Salary Earner, Self-Employed Person or Cultivator.
14. DC for SHG and JLG finance should be submitted in the format prescribed by the Apex Bank and the same should be supported with necessary documents required for the purpose viz. Inter-Se-Agreement, On Demand Payment Note, Proceedings of the meeting of the Group etc. Further, Corpus Fund is to be indicated in the DCs.
15. All DCs should be submitted to the Apex Bank for reimbursement/ adjustment within two months from the date of disbursement of the loan.
16. Disbursement should be made according to the Scheme (Block Capital and Working Capital) maintaining requisite time gap between one disbursement to another.
17. It is to be ensured that: Amount of DC = Amount of Loan Disbursed – Amount of IBSD.

Guidelines for Preparation of Pro-note:

1. Separate Pronote should be submitted in respect of loans sanctioned by the Apex Bank as well as by your Bank exercising Self-Sanction Power. Further, each Pro-note shall be prepared containing identical purpose, rate of interest and repayment period.
2. Synopsis of the DCs (i.e. Project Cost, Sanctioned Amount, Own Contribution, Subsidy, Rate of Interest, if any) should be made according to the amount of Pro-note.
3. Signature of the Authorized Signatory supported with his/ her Official Seal as well as Common Seal of the Bank both must be put on Pro-note.
4. Separate Pro-note should be submitted for Female loanee members.
5. Separate Pro-note should be submitted for Block Capital & Working Capital.



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GUIDELINES FOR PROMPT DISPOSAL OF LOAN CASES

RECEIPT OF LOAN APPLICATION

The management of the ARDB should specify who would be the competent authority to receive the loan application. The designated officer on receipt of the loan application shall verify if the loan application is in the right direction. If he is primarily satisfied he will record in the loan application register in the following format.

Sl. No.	Name, Address & Mobile No. of applicant	Date of Receipt of application	Nature of Loan & Amount prayed for	Date of receipt by CEO	Date of Receipt of Enquiry Report	Date of Sanction & Amount	Issue of Loan Sanction Order
1	2	3	4	5	6	7	8

The designated officer shall satisfy himself and thereafter put up the file before the Chief Executive along with note sheet and his opinion.

PROCESSING OF LOAN APPLICATION

Immediately on being informed of the applicant, the Chief Executive (CE) of the concerned PCARDB will appoint one officer as Enquiry Officer. The Enquiry Officer will:

- 1) Enquire into the purpose of loan;
- 2) Title and possession of land, proposed to be mortgaged;
- 3) Security offered and its adequacy;
- 4) Valuation of land;
- 5) Repaying capacity of the applicant;
- 6) The land on which the scheme/project would be installed/ implemented should be free from all encumbrances and should be suitable for the project.

The Enquiring Officer shall be appointed as per volume of the loan as mentioned in the LOAN MANUAL. In all cases enquiry is to be conducted by spot visit and local enquiry. While assessing the repaying capacity of the applicant, the enquiring officer will prepare an appraisal detailing about the:

- 1) Feasibility, utility, marketability and bankability of the proposed scheme;
- 2) Whether the land is free from all encumbrances;
- 3) Whether all the executants of the bonds are competent to contract under Indian Contract Act;
- 4) Where the land offered as security is within permissible unit, imposed by Land Reforms Act;
- 5) Source of income of the applicant;
- 6) Marketability of the property to be mortgaged;
- 7) Social/economic and educational background of the borrower.

RECOMMENDATION OF LOAN BY ENQUIRING OFFICER

The recommendation of the enquiring officer is most important thing on the basis of which the CE will form his opinion and recommend to the Loan committee / Board of Directors for necessary sanction. If the CE him/herself is the enquiring officer, he/she should place the report before the Loan Committee/Board along with other papers for final consideration.



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LEGAL OPINION IN RESPECT OF TITLE

Scrutiny is to be conducted by Legal Expert. Legal Expert will give his opinion about the title of the land in clear terms. If any contrary to his opinion is found at any point of time said Legal Expert should be black listed then and there.

NON-ENCUMBRANCE CERTIFICATE

Non encumbrance certificate be obtained from the authorized lawyers. The certificate should cover the following period:

- 1) 1st Search – period of 12 preceding years from the date of loan application;
- 2) Subsequent search – from the date of loan application to the date of registration of mortgaged deed in favour of the Bank;
- 3) 3rd search – for a period of 4 months from the date of execution of the bond.

SANCTION OF LOAN

The Loan Committee, duly authorized by the Board of Directors, may sanction the loan cases, subject to ratification by the Board or Board may directly consider the loan applications and sanction the loan cases. The loan should be sanctioned within a period of 30 days from the date of receipt of the application. The period of time as may be required for processing the loan case is noted below:

1	Receipt of loan case and forwarding to Chief Executive (CE)	3 days
2	Appointment of Enquiring Officer by the CE	2 days
3	Enquiring into the cases by the Enquiring Officer	10 days
4	Consideration of loan cases by the CE	3 days
5	Obtaining legal opinion as regards to title and non encumbrance certificate	7 days
6	Booking of the loan case for consideration by the Committee	16 days from the date of receipt of the application

LOAN SANCTION ORDER

Loan sanction order be issued within 3 days from the date of sanction by the Committee/ Board. No amount will be released until and unless the terms & conditions are required to be fulfilled are properly attended to. The sanction order shall spell out:

(1) amount of loan sanctioned; (2) amount of subsidy, if any & its treatment/use; (3) rate of interest/penal interest; (4) period of repayment along with moratorium, if any; (5) Security/co-related security to be offered; (6) any other terms & conditions.

Intending borrower shall in writing give his/ her consent for acceptance of loan sanction order with signature and date.

EXECUTION OF MORTGAGE DEED

Before execution of mortgage deed it has to be ensured that up to date search has been conducted and there is no encumbrance on the land, proposed to be mortgaged.

The mortgage deed properly filled in by the borrower shall be sent to the Sub-register within 30 days from the date of execution.

DISBURSEMENT OF LOAN

As soon as the mortgage deed is executed/securities are obtained properly, the disbursement process will start. However, before release of the loan amount, utilisation of borrowers own contribution must be ensured.



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- 1) Payment should be made in case of supplier/contractor directly on satisfactory execution of the order and on receipt of delivery order from the loanee members. The payment will be made by cross cheque /Account Payee cheque to the supplier or the contractor as the case may be.
- 2) In case where the loans are to be disbursed in instalments, the first instalment should be released as per terms stipulated in the sanction order/scheme. Second and subsequent instalments should be released only after having certificate of proper utilization of the amount disbursed earlier from the field staff/technical officer as the case may be.
- 3) The utilization Certificate should contain in detail about the physical utilization of along with monetary value. Entire disbursement process should be completed within a reasonable time. Where a part of the project is subsidized, the loan amount together with the subsidy portion would be released. The subsidy when received would be adjusted against loan.

LOAN SANCTIONING POWER OF THE PCARDBS & BRANCHES OF THE WBSCARDB LTD.

The ARDBs and Branches of the WBSCARDB Ltd. will sanction loan up to specified limit as per the delegation of self sanctioning power from WBSCARDB. This delegation of authority is made according to the recovery/financial condition of the ARDBs and as per decision of the Board of Directors of the Apex Bank. After disbursement of these loans, the ARDB shall seek refinance from WBSCARDB against these loan submitting disbursement certificate and securities obtained from the borrowers.

Check List for processing of Loan Cases

A. At the Application Stage:

1. That the prescribed application form for the Loan has been duly filled up.
2. That the scheme has been duly prepared and submitted along with the application.
3. That Entrepreneur's Memorandum Card has been issued by the DIC/ Permit given/ Licence issued by the District Controller of F & S/ State's Health Directorate/ Local Body/ Sub-Divisional Health Inspector or other authorities concerned is still valid. (Non-farm cases)
4. That Licence / Permit has been issued by the issued by the District Controller of F & S/ State's Health Directorate/ Local Body/ Sub-Divisional Health Inspector or other empowered authorities for setting up the proposed unit. (Manufacturing and processing units)
5. That Trade Licence has been issued by the local body. (Non-farm cases)
6. That clearance has been obtained from the West Bengal Pollution Control Board in appropriate cases. (Manufacturing and processing units)
7. That supply of electricity and water has been ensured at the location where the unit will be set up. (Manufacturing and processing units)
8. That the construction plan for the work shed/ building/ godown etc. has been duly sanctioned by the local authority and whether it is still valid. (House building, manufacturing and processing units)
9. That the estimate of the cost of construction has been duly prepared by a qualified person. (House building, manufacturing and processing units)
10. Examine carefully the quotations submitted to ensure that these are genuine, currently collected and carry the signature and seals of the suppliers as well as the signature of the applicant himself. Quotation from approved suppliers is necessary for farm-mechanisation cases, if not endorsed by sponsoring department.



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11. Ensure that the quotations contain the details of all costs like ST, surcharges, transportation and installation costs etc. and mention the warranty period of the articles to be purchased, time required for delivery and other relevant points.
12. That the applicant's title to the immovable assets like land and dwelling house is good and verify whether the original copies of the deeds of conveyance, the land records and tax receipts pertaining to the properties have been submitted along with the application. Further, verify that the properties are in absolute possession of the applicant.
13. In case the land on which the dwelling house is situated comes under the category of agricultural land variously termed as Sali, Sona, Baid etc., verify whether conversion of the land into non-agricultural/ homestead category has been duly applied for/ allowed by the competent authority.
14. That valuation of the land has been made on the basis of the land value approved from The WBSCARDB Ltd.
15. That valuation of the dwelling house / work shed has been properly made by an approved Valuer.
16. That the dwelling house offered as mortgage is self-occupied and no portion of it is let out.
17. That the valuation of the existing plant, machineries, vehicles etc. has been properly made by an experienced Chartered Engineer and whether the depreciation of the assets have been duly taken into account.
18. Ensure that the value of the gold offered as mortgage is duly assessed by the bank's assessor and loan permitted against pledge thereof is correctly computed.
19. That the financial instruments offered as security are genuine and in the name of the applicant himself.
20. Verify whether the applicant has any dues to any other bank/ financial institution and whether he is in default in the repayment of loan to any of them.
21. In case the applicant is in whole time employment of any other organization, see whether he has obtained clearance from his employer to engage himself in another in another beneficial occupation.
 - a) In case the applicant is a house-wife/ has other business, ascertain how she/ he will find time to run the proposed business.
 - b) That declaration under Section 59 in prescribed format has been submitted along with particulars of employment duly signed by the DDO/ employer.

B. At the Post Sanction Stage:

1. Arrange for the following in the appropriate stages:
 - a. Execution of the mortgage bond / hypothecation bond of the existing assets by the applicant;
 - b. Pledge of the gold/ financial instruments and takeover of the gold/ instruments for custody of the bank;
 - c. Issue of delivery order to the suppliers/ contractors;
 - d. Issue of Demand Draft to the supplier on confirmation by the borrower of delivery, installation and faultless performance of the articles supplied.
2. Arrange for the execution of the hypothecation bond of the assets acquired through loan/ incorporation of the bank's name as financier in the records of the registering authority.
3. Keep in custody the duplicate key of the vehicle as well as a photo copy of the Blue-Book.
4. Ensure that insurance coverage for the assets is duly taken and the hypothecation of the assets to the bank is recorded by the Insurance Company in the policy document.
5. Arrange for the release of working capital in one or more installments as considered fit either to the suppliers through Demand Draft or to the applicant himself, where necessary.



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C. At the Post Disbursement Stage

1. Management of the PCARDB / District Manager of the Branches shall arrange verification through physical enquiry whether the loan has been properly and fully utilized by the applicant.
2. A report shall submitted by the verifying officer regarding completion of the project and utilisation of the loan, which shall be properly recorded and kept in the concerned loan file.
3. Asset Register shall be maintained and updated regularly at the ARDB/ Branch of WBSCARDB level noting the value of assets created out of these loans.

Documentation – Some Do's & Don'ts

1. No amount should be advanced until the requisite documents have been properly executed by all the parties concerned, including the guarantor.
2. **Document should invariably be executed in presence of the bank officer only. Do not hand over the documents to the borrower for obtaining signatures of other borrowers or guarantor.**
3. Do not leave any column blank in the documents. Keeping the document blank or even one/more columns in the document blank may invalidate the document.
4. Borrowers should normally fill up all columns in their own handwriting. In case, it is not possible, ensure that they at least understand the language of the documents.
5. Documents should be preferably hand –written and not typed.
6. No addition, deletion or replacement should be permitted in the printed language of the document without consulting the Legal Advisor since the banker may not be able to foresee the possible consequences of such a change.
7. Document should be of full value of sanctioned limit, although only a part amount of the limit might be disbursed or not be disbursed initially.
8. All documents should be executed in respect of an advance on one common date. Therefore DP Note, Letter of Continuity and Deed of Hypothecation etc. should bear the same date.
9. Unless there is a specific requirement in the document, it should not be got attested or witnessed since such attestation may change the character of the instrument and the document may become subject to *ad valorem* stamp duty. Mortgage deed, however, has to be witnessed compulsorily.
10.
 - (a) All alterations, additions, cuttings, overwriting, insertions, erasing, interlinings, removals, tearing, deletions and cancellations must be authenticated by the borrowers under their full signatures in the same style as they have otherwise signed the documents.
 - (b) Each and every page must be signed by each and every executants.
 - (c) Document should be got completed in one sitting only and in the same handwriting using the same ink and same pen.
 - (d) Signatures of the borrowers must tally with the specimen signature supplied to the branches. The borrowers must be asked to sign in full signatures in the same style throughout the documents. The documents should not carry initials or marks.
 - (e) Generally, the borrowers put their signatures using their right hand. If however, a borrower signs in left-hand, a small note should be annexed to the document recording that the borrower has signed in left-hand. Besides, the borrower's signature may also be attested by an independent acceptable witness on a separate piece of paper and this may be kept along with the documents.



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- (f) When co-borrowers are signing documents in different places & on different dates, the correct date & place must be mentioned in the document in their own handwriting.
 - (g) In case of illiterate borrowers, thumb impression should be obtained. Witnessing of the thumb impression should be done not on the document but on a separate paper. In the case of a illiterate person or a "Pardanashin" (Veiled) lady or a person signing in vernacular language, the broad contents of the documents should be explained to him/ her in his/ her language and a certificate in this regard should be obtained from him/ her.
 - (h) Never obtain the signature of the borrower on the Guarantee Form.
 - (i) Date and places of execution in each document should be mentioned invariably. They should invariably write the date below their signatures.
 - (j) The documents should not be obtained in double dates e.g. 1/ 2 or 2/3.
 - (k) All the executants should sign in the chronological order as per their name appearing on the face of the documents.
 - (l) It should be carefully noted that the signatures of the borrower must be obtained both at the end of the Loan Agreement forms and also at the end of the Schedule of Securities.
- 11.
- (a) Documents should be duly stamped before execution. Use proper stamp and of the requisite value. Where adhesive stamps are required, it should be used and where Non-Judicial or Special Adhesive Stamps are required, these stamps should be used.
 - (b) The date of the documents should be later than the date of the Stamp Paper. Documents should neither be antedated nor post-dated nor without date.
 - (c) Better debit the cost of stamps to the Borrower's Account.
 - (d) Documents such as DP Note, Letter of Acknowledgement of Debt, Balance Confirmation letter, etc., attracting adhesive stamps [in the form of Revenue Stamps] should be executed in such a manner that the same stamps cannot be used again. For example, the signatures or the thump impression should be taken in such a manner that half of it overlaps the Revenue Stamp or the Revenue Stamps should be crossed.
 - (e) Where a Letter of Acknowledgement of Debt is being executed by more than one person, ensure that each person puts his signature on the Revenue Stamp of requisite value.
 - (f) Stamps printed and published in one State cannot be used in another State.
 - (g) If a document, which is partially executed in another State with lower Stamp as per requirement of that State, but requires further execution in another State with higher Stamp duty area, the difference in value of the Stamps is payable before such execution in another State.
- 12.
- (a) Do not obtain the signature of the minor on the document, even though, he may be the beneficiary of the Partnership Firm.
 - (b) Partners of a borrowing firm should not only sign the Demand Promissory Note and the Letter of Continuity in their representative capacity as Partners but also sign in their individual & personal capacity.
 - (c) Deed of Hypothecation, a letter of pledge etc. should be signed by the partners of the borrowing firm only in their representative capacity as partners. They should not sign those documents in their personal capacity, lest the documents should be treated as Bond and would attract administrative valorem stamp duty.
 - (d) If a Partnership Firm is guaranteeing the advances, ensure that all the partners sign the Guarantee Form unless giving of guarantees is the normal business of the Partnership Firm.
13. (a) Directors [in case of Limited Company] borrowers need not sign DP Note and Letter of Continuity in their personal capacity. It is advisable to take a separate guarantee form executed by them, if necessary.



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- (b) Do not forget to obtain Board Resolution in case of a Limited Company executing the documents. Signatures and Common Seal should be obtained on the documents as per the Resolution.
 - (c) Registration of the hypothecation charges created by the Limited Company should be made within 30 days in Form No VIII.
 - (d) Mortgage obtained in the case of Limited Company should be registered within 4 months of creation with the Sub-Registrar.
 - (e) A Search Report of company's files must be made to determine that there are no previous charges created by the borrowing Limited Company. It should also be done after registration to ensure that no charge has intervened.
 - (f) Do not obtain fresh set of documents while renewing the limit of a Limited Company. The registered charge may be treated as satisfied. It is, therefore, necessary to take the Letter of Acknowledgement of Debt of old limit and documents and fresh set of documents for the enhanced limit.
14. All the documents must be entered in the Document Execution Register and kept in safe custody in envelopes since punching for the purpose of filing may deface some important parts of the documents.
 15. Almost all executed documents are valid only for 3 [three] years from the date of execution. The documents should be renewed before the expiry of 3 years, as after that they become time-barred. In case of a mortgage deed of an immovable property, where the money is payable on demand, the period of limitation for enforcement of the mortgage is 12 years from the date of the mortgage deed; where, however, instalments are stipulated and the whole debt falls due upon default of one or more instalments, then 12 years from the date of default. However, for enforcement of personal liability of the mortgagor, the period of limitation is 3 years from the date of mortgage deed from the date of default as the case may be.
 16. The dates of renewal of documents to be recorded distinctly and renew them well before their expiry.
 17. Interest variability clause must be incorporated in the loan documents.



LOAN MANUAL

VOLUME - I



COOPERATIVE ENTERPRISES BUILD A BETTER WORLD.

