

**IMPORTANT POINTS (CHANGES/ADDITIONS) OF THE**  
**“REVISED LOAN POLICY” 2015 HSCARDB**

- 1) *The admission fee for membership shall be Rs. 10/- (See page-3).*
- 2) *The detail of main documents which are necessary to be available in a complete loan case file has been mentioned in the loan policy.(See page 4-7).*
- 3) *Personal/Consumer loan facility to employee of State Bank, District Banks, Govt., Board & Corporation etc. can be provided on the terms and conditions to be fixed by the State Bank subject to the approval of Registrar and availability of surplus funds. (See page -8).*
- 4) *The detailed guidelines about the project appraisal, essences of project appraisal & methodology have been mentioned in the loan policy. (See page 10-17).*
- 5) *The Agriculture land offered for security against loan, situated near Yamuna belt or any river on their both sides atleast upto half kilometer shall not be accepted due to apprehension of soil erosion. No ‘Shamlat land’ shall be accepted as security against loan. (See page-17).*
- 6) *Two sureties of every type of loan (Agriculture & Non Agriculture) shall be necessary to be provided by the borrowers before disbursement of loan. (See page-17)*
- 7) *The power to make final appraisal and sanctioning the loans upto Rs.6.00 lacs shall be vested with a committee called as ‘Appraisal & Loan Sanction Committee’ at the level of District Bank consisting the following members :*
  - i) *The Chairman of District Bank.* *Chairman*
  - ii) *Two Directors of District Bank. (By Rotation)* *Members*
  - iii) *The CEO of District Bank.* *Member Secretary*

*In case of those DPCARDBs where Managing Committee or Board has no elected/nominated Chairman, the Chairman shall be elected for the day. The quorum for the aforesaid committee shall be of atleast three members. For the loan proposals above Rs. 6.00 lakhs, the project reports and appraisal of loan cases shall be considered provided the same are duly scrutinized and verified by a C.A. (See page- 20).*

- 8) The District Banks who own their Plot/land, may seek the loan facility for the construction of their banks building from the State Bank for which terms and conditions shall be decided by State Bank. (See page- 27).*
- 9) The duties of all field staff have been incorporated.(See page 28-35)*
- 10) The detailed guidelines to ensure qualitative lending have been incorporated.(See page 36-38).*
- 11) The detailed guidelines about recovery strategies for overdues, NPA accounts, recovery methods, recovery through legal process and recovery against post dated cheques have been incorporated.(See page 39-55).*
- 12) Guidelines to improve the recoveries have been incorporated. (See page 56).*
- 13) The demand of 1<sup>st</sup> installment on the loan disbursed between 1<sup>st</sup> January to 30<sup>th</sup> June. (Ist half of the calendar year) shall be falling due on coming 31<sup>st</sup> December and after that on half yearly basis. Similary the demand of 1<sup>st</sup> installment on the loan disbursed between 1<sup>st</sup> July to 31<sup>st</sup> December shall be falling due on coming 30<sup>th</sup> June after that on half yearly basis. The broken period interest shall be recovered alongwith 1<sup>st</sup> installment. The aforesaid procedure shall be applicable at DPCARDB and HSCARDB both levels.(See page-57)*
- 14) The existing method of equated installments for recovery shall be substituted with equal installments method on half yearly basis for all the outstanding loans and fresh loans by District Banks w.e.f. 1<sup>st</sup> July, 2015. Under this method, the amount of loan divided by*

*number of installment plus interest upto a particular date shall be the amount of installments payable by the borrowers. No grace period in recovery of interest shall be allowed in any purpose of loan. Accordingly, the District Banks shall raise their demand of Kharif Harvest alongwith interest upto preceding 30<sup>th</sup> June and the demand of Rabi Harvest, alongwith Interest upto preceding 31<sup>st</sup> December on all outstanding loans. (See page-57).*

- 15) The State Bank shall have the option to adopt either equated installment method or equal installment method whatever is possible. The method of taking interest income on accrual basis and making provision of overdue interest shall remain unchanged (See page-57).*
- 16) The existing recovery due date i.e 31<sup>st</sup> January for Kharif harvest shall be replaced as 31<sup>st</sup> December as existed previously for all outstanding as well as fresh loans. Thus, the recovery due dates shall be 30<sup>th</sup> June & 31<sup>st</sup> December of each year at both levels . (See page -57).*
- 17) At the end of financial year, if the demand inclusive of interest upto preceding 30<sup>th</sup> June on all loans remains unrealized, the same shall be treated as overdue and necessary provision of overdue interest shall be made by the District Banks in their balance sheet. The interest from 1<sup>st</sup> July to 31<sup>st</sup> March (9 months) shall be treated as **“Interest accrued but not due”** and taken to income account. However, if it is not received in next year, the same shall also be treated as overdue for which necessary provision shall be made (See page- 58).*
- 18) The loan fee shall be charged by the branches from the applicant borrower @ Rs.4/-per thousand as collected at present. (See page- 58 ).*
- 19) The share money shall be collected by the branches from the applicant-borrowers @ 4% of the amount of loan sanctioned as collected at present. (See page -58).*

- 20) *The face value of one share shall be Rs. 500/- at both levels i.e State Bank and District Bank instead of Rs.100/- at present. The revised face value of one share shall be applicable to those who become the new members of the District Banks on or after the effective date of the “Revised Loan Policy 2015”. However, this revision in the face value of one share shall not have any effect on the voting right of existing member who have one share of Rs. 100/- only with no outstanding loan. (See page 58).*
- 21) *The existing norm of taking the landed security of loans shall remain unchanged for all loans but for NFS loans, the surety bonds from two “A” Class members shall be necessary.(See page- 58).*
- 22) *To ensure timely recovery/repayment from the borrowers , the Post Dated Cheques(PDC) duly filled in and signed by the borrower drawn on local bank within the jurisdiction of the branch for the each installment of loan and interest payable on due dates shall be necessary to obtain from the borrowes before the disbursement of loan. (See page 58).*
- 23) *It will be mandatory on the part of LVO and Manager to effect recoveries who recommended/sanctioned/ disbursed the loan, even if they are transferred from one station to another. Any default in such loan cases will tantamount to fix the responsibility of the concerned LVO's and Managers alongwith accountability of the concerned CEO, District Bank. (See page 58).*
- 24) *The State Bank & District Bank shall charge simple interest at the rate fixed/ to be fixed by State Bank. The District Bank shall charge penal interest from the defaulter/borrower @ 2% per annum more than normal rate of interest on the outstanding loan amount for the period of default e.g a loanee who raised the loan @12% per annum and became defaulter, the District Bank shall recover the interest @ 14% per annum for the defaulting period. The District Bank shall make the recovery of penal interest as and when the loanee deposits the installment after default. Although, this practice is already in existence in District Banks but it is a clarification thereof. (See page 59).*

- 25) *A clause of consent in loan application form and loan sanction order to furnish post-dated cheques by borrowers have been added. (See page 64).*
- 26) *All the useful formats namely loan application, borrower appraisal, project appraisal. Loan sanction order, proper utilization certificate, cash inflow & out flow, application for referring case to the Arbitrator, a specimen of resolution, loan account. application for referring case U/S 104, application for execution of award, application for sale of property, notice by sale officers, notice to defaulter, consent of leasing out the land and notices to legal heirs have been prescribed. (See page 64-89).*