

The Kangra Co-operative Bank Limited
New Delhi

LOAN RULES

(APPROVED BY THE BOARD AT ITS MEETING HELD ON 23.04.2023)

1. Unsecured (surety) loans –

The maximum credit limit for this loan will be Rs. 5 lacs subject to meeting of certain *conditions . Newly enrolled member will be eligible for this loan after completing 3 months membership. However Board may consider any increase /decrease in this stipulation of 3 months .

*Members having 5 years membership and employed in Govt/PSU/Good Limited company , having sufficient income and has not availed any loan can be eligible for Rs.5 Lakh . Rest all other members will be eligible for Maximum Rs,3 Lakh only .

Loans eligibility criteria will be as given below.

a. Member having completed 3 months (**office note no 14 dated29.04.2023 changed to one month annexure ii**) membership if provides proof of income in the form of ITR or salary certificate from the employer in a proper form to the satisfaction of the Bank will be eligible for loan equal to 12 times of monthly income (take home salary) or Rs. 3 lacs or 5 lakh as the case may be , whichever is less..

b. A member having completed 3 months membership if provides income proof in the form of salary certificate from the employer not in the proper form acceptable to the bank or provides affidavit for income proof will be eligible for loan up to 12 times of the monthly income (take home salary) and Rs. 2 lacs whichever is less.

Example 1: If monthly income of a member who has not taken any other loan is Rs. 18,000, he will be eligible for loan of Rs. 2.16 lacs and if the income is Rs. 25,000 per month then he will be eligible for Rs. 3.00 lacs. If income is Rs. 40,000 per month he will be eligible for Rs. 3 lacs and not Rs. 4.80 lacs as the maximum limit for unsecured loan is Rs. 3 lacs. However if he is employed in Govt/PSU/Good Limited company loan up to maximum 5 lakh can be considered.

If the member has provided income through affidavit or salary certificate not in a proper form, his eligibility will be 12 times of the monthly income or Rs. 2 lacs whichever is less, even if, he has shown income more than Rs. 20,000 per month.

Example 2: When a member has already taken secured loan and he applies for surety loan then the eligibility calculation will be made in the following manner:

The total repaying capacity of the member will be calculated on the basis of existing formula of 100% of the monthly take home salary or monthly income as per ITR. and thereafter from the monthly income calculated the EMIs' of the existing loans will be subtracted and whatever income will be left will be multiplied by 12 to know for how much surety loan the member is eligible.

If a member's monthly income on the basis of 100% calculation comes out Rs. 50,000 per month and he has taken other loans for which the total EMI is Rs. 30,000 per months then the member will be eligible for surety loan of Rs. 2.40 lakh only because 12 multiple of the remaining income (Rs. 20,000/-) will be Rs. 2.40 lakh.

Note :- Surety Rules and Criteria will be as per annexure –I attached to this document.

Classification of loans

Priority Sector Loans

Un-secured loan which came under the priority sector i.e. education, house . MSME , etc with the production of documentary evidence to the satisfaction of verifying officer. Loan up to 1 lakh with the condition annual income not exceeding more than 1,60,000/-

Weaker Section Loans (loans sanctioned for priority purpose subject to meeting either or more following condition.

1. Loan sanctioned for priority purpose to SC/ST.
2. Loan sanctioned to minority communities as noted by GOI.(Muslim , Christians , Sikhs ,Budhistss and Parsis.)
3. Loan sanctioned to women up to Rs 1 lakh.
4. Loan sanctioned to person with disabilities

2. Secured Loans

A new member can take Secured Loan immediately after enrolling as a member_of the bank. However, during the first 12 months of the membership he will be entitled for only two loans i.e. One Unsecured/Surety Loan after 3 months and one hypothecation/Secured Loan. However, there will be no restriction of Secured Loan against the mortgage of property.

In general in any type of two loans there should always be a gap of minimum three months to make assessment of the repaying capacity.

The following types of secured loans can be considered:

- i) **Consumer Durables** - Loan for consumer durables such as Computers, TV, Fridge, VCR, AC etc up to 80% of the cost or Rs. 1,00,000/- whichever is less. Loan amount to be disbursed direct to the vendor/supplier after taking the margin money. Advance payment will not be allowed. Limit of consumer durable and unsecured loans will be maximum Rs.5 lakh.

Loan will be recovered in 48 equal monthly installments. Item to be purchased will remain hypothecated to the Bank. 5% of the loan with minimum Rs. 1000/- is taken as security for giving post loan disbursement papers. This amount on request will be returned immediately on receipt of papers. Surety from a regular paymaster member **in Government Service** having minimum five years outstanding service / Member having house on his own name or on the name of spouse/or in the name of parents and the member must have been living with them / two regular paymaster members.

In DCG loans for submission of post loan disbursement papers , 5 % of the loan will be taken as security. This security amount will be refunded on receipt of requisite papers.

- ii) **Vehicle Loans** - The maximum permissible loan limit would be 100% of the ex-showroom price of the vehicle. Loan will be paid direct to the vendor/supplier/dealer. The loan will be considered on the performa invoice in favour of the member. Margin money and loan processing charges will be taken. Name of the bank will be written on the RC and the vehicle will be insured jointly with the bank during the continuation of the loan. **If the name of the vehicle could not be written on RC, disclaimer certificate should be obtained from the transport authority.** For company fitted CNG kit shown separately in the invoice the maximum permissible loan will be up to 80% of the cost of CNG kit. For private fitted CNG kits the maximum permissible limit will be up to 60%.

- a)) For Transport / commercial vehicles (HMV & LMV both) maximum repayment period will be 60 Months. However, for private (personal use) vehicles the maximum repayment period can be up to 80 months and repaying capacity will be considered as per rule 31 of this document (given below).
- b) Ttransport loan for commercial purpose repaying capacity will not be taken into account but customer has to provide transport business proof in the form of GST/UDDYAM Aadhar or any certificate issued by the government . This is mandatory condition for sanctioning of loan for commercial use. .However , if a member applies for business loan or LAP or any other type of loans then the repayment capacity will be computed taking into account the EMI already being paid by him for transport (commercial purpose) loan .
- c) Maximum repayment period both for HMV and LMV will be 60 months .
- d) If a member who runs transport business from his own residence or from some other rented premises can be given loan only for maximum 2 transport loans valuing not more than Rs 25 lacs with 2 government sureties having remaining service of minimum 5 years / 2 house owner sureties having income through ITR or through satisfactory salary certificate , one government surety plus one house owner. The income of each surety other than affidavit and not on proper format should not be less than Rs 20,000/- per month. The income of affidavit and not proper salary certificate will not be accepted .. Transport loan above Rs 25 lacs must be given to a member having his own residential house in NCTD.
- e) The member who run *transport business on a large scale through his own travel agency with sound transport business, having his own office and also having his own residence regular paymaster member having completed minimum 10 years of membership ,will be eligible to take loan up to Rs 50 lacs and normally no collateral security will be required for transport loans up to Rs. 50 lacs. However, Board/LC-I may impose the condition of collateral security even for loan below Rs. 50 lacs if there is any doubt for regular repayment. For transport loans above Rs. 50 lacs collateral security is invariably required. However, in case of mortgage of property as security, security coverage can be taken up to 80% of RV of the property and no personal surety would be required. **Security Coverage has been**

changed to 100% effective 20.03.2023 (Ref. Office Note 162 dated March 24, 2023).

- f) Board allowed registration of vehicles in **NCR region in transport loan to those members who have their own house or office in self /spouse name in NCTD having established transport business. (Reference Office Note No, 22/163 dated 15.02.2022).

****If a member wants to get the vehicle registered in NCR (Ghaziabad, Faridabad, Gurgaon, Noida, Bahadurgarh, Sonapat) the following conditions will apply .**

Any member who runs transport business from his own residence (owned by him or his spouse) on a **small scale will be eligible to get registered only maximum two vehicles in NCR. The member who runs ^transport business on a large scale through his own travel agency having his own office and also having his own residence will be eligible to take loan up to Rs. 50 lakhs for registering in NCR. Above Rs. 50 lakhs collateral security of a property situated in Delhi will be required.**

^List of such transporters will be prepared and got approved from the Board.

- g) **For second hand vehicles** the loan eligibility will be 80% of the insurance value for one year old model, 70% for 2 years model and 60% for 3 years model. No loan on second hand vehicle will be given if it is more than 3 years old.
For second hand transport loans security will be 10% of the loan. This security amount will be refunded on receipt of requisite papers.

Security – Hypothecation of vehicle in favour of the Bank plus surety as decided by the LC/Board. Advance payment up to 25% of the cost is allowed subject to providing satisfactory proof.

- h) If the vehicle loan has been paid fully in regular way with increased EMIs and /or in lump sum payment voluntarily by the member before the agreed period of repayment, sanctioning of a fresh Surety Loan–Secured to him/her with the earlier hypothecation of the vehicle on prevailing rate of interest and to be recovered with same EMIs spread over in left over contracted period of the earlier loan that would have otherwise been paid in normal

way, may be considered. For example if a member has taken a transport loan of Rs. 9/- lacs repayable in 60 EMIs with monthly EMI of Rs. 15000/- but pays the entire loan earlier in regular instalments say in 30 EMIs then he can be eligible for general loan (secured) against the security of the vehicle already under hypothecation with maximum EMI of Rs. 15000/- and maximum repayment period of 30 months.

- i) For transport loans the repaying capacity will not be taken into account. However, if a member applies for business loan or loan against property or unsecured loan or personal vehicle loan then the repaying capacity will be computed taking into account the EMIs already being paid by him for transport loan also.
- j) For transport loans if consecutively 3 installments were not paid then physical verification of the vehicle has to be done and a report to be submitted to AGM (CRD) to be placed at the High Power Committee or at Board Meeting for deciding necessary action.
- k) If a member wants to take transport loan on the name of firm of which he is the sole proprietor and has GST /MSME number on the name of firm, he will be permitted to do so on his request. On the RC Book the name of the firm with the name of the proprietor must be mentioned. The member will have to submit an affidavit stating that he is the sole proprietor of the firm.
- l) If a member who has taken transport loan become defaulter he can be permitted to sell his vehicle on the market price with prior permission of the LC—1 / Board and he has to deposit the entire sale amount in his loan account. Whatever loan outstanding amount will be left will be re-cast on the same rate of interest to enable the member to clear the balance loan conveniently. (Reference Office Note - 22/141 dated 16.12.2021)
- m) Secured transport loan for commercial purpose to a member having UDYAM registration under service sector with the production of documentary evidence shall be classified under loan given to weaker section .if the same is given to SC/ST, sanctioned to minority communities - Muslim , Christians , Sikhs ,Budhishts and Parsis , and sanctioned to person with disabilities)

- n) In case of default in repayment of transport loan where bank decides to sell the vehicle in the auction process , the successful bidder can be sanctioned loan against same vehicle maximum to 30% of the auction value , subject to other conditions of obtaining membership and repaying capacity etc..
- o) For all Transport Loans above Rs. 1 Crore, Collateral Security of property or any other tangible asset has to be provided where coverage percentage of property can be up to 100% of RV. .(**ref. office Note 162 dated March 24.03.2023**)
- p) In general , loanee member who applies for transport loans must have residential house on his own name or on the name of spouse or in the name of parents or in the name of son and member must have been residing with them or business premises has been on the name of member or spouse.(**Ref. office Note 162 dated March 24.03.2023**)
- q) For privileged customers, transport loans up to Rs. 1 Crore for vehicles to be registered in NCTD and NCR only ONE SURETY/ TWO SURETIES as mentioned in Surety Rule will be required. However, member must have residential house on his name or on the name of spouse or parents or son and the member has been living with them. FOR loans above Rs. 1 Crore collateral security will be required.

To expedite sanction of loans to this privilege category, a member can come to H.O. on any working day with prior information and get the loan sanctioned on the same day and if member desired, such loans can be disbursed on the same day at the Central Loan Section at H.O

Loan sanctioned by the Special Committee at H.O will be placed before LC 1 for post-facto approval.

Note: For privileged customers having membership for more than 10 years having own house and having own business premises and who have good repayment record, surety condition can be waived by Board, LC 1, LC 2 but their re-payment record will be monitored on a monthly basis. If any default occurs in such loans, he will lose privilege category status. .
(**Ref. office Note 162 dated March 24.03.2023**)

- iii) **Loan for plant and machinery** - Loan up to Rs. 10 lacs for purchasing new machinery will be sanctioned against the hypothecation of the machinery and with two sureties from members in Government service having minimum 5 years remaining service or 2 sureties from a member having residential house on his own

name or on the name of spouse. The machinery will be insured jointly with the bank up to 1.5 times of the loan. Above Rs. 10 lacs with collateral security of property duly evaluated from the approved valuer and search report from advocate on the approved panel. In case of old machinery the evaluation of machinery from the approved valuer is required. The loan limit for old machinery will be up to maximum 50% of its value and for new machinery up to 70% of the valuer. For such loans the security will be hypothecation of machinery and mortgage of property.

Joint insurance of machinery and property required separately and both jointly with the bank. The maximum repayment period for loans up to Rs. 10 lacs will be 60 EMIs and for loans above Rs. 10 lacs it can be up to 120 EMIs.

Secured Plant and Machinery loan to a member having UDYAM registration under priority sector with the production of documentary evidence shall be classified under loan given to weaker section if same loan is sanctioned to SC/ST, Loan sanctioned to minority communities - Muslim , Christians , Sikhs ,Budhishts and Parsis and loan sanctioned to person with disabilities

iv) **Business loan or loan against property**- On the basis of income (to be taken as per Rule No. 31) and collateral security (to be taken up as per rule 37) and within the MCL of the member, loan can be considered for business/LAP. For such loans verification of business and property has to be invariably done.

a) If a member has taken Secured Loan against the mortgage of the property then for other transport and/or general loan (secured) to be attached with the property, the percentage of RV security coverage will be increased up to 80% of RV of Category I property and up to 70% of RV for Category II property. For NCR Category I property the security coverage will be up to 60% of RV.

In such cases no surety will be required. However, if the transport or general loan exceeds the security coverage percentage of the property mentioned above then personal surety will be required as per the decision of the Loan Sanctioning Committee.

b) At present the security coverage percentage of the property is as given below:

Category I property	70% of RV
Category II property	55% of RV
NCR only Category I property	45 % of RV

(Prior to March 23,2023 coverage percentage was 65%,50% and 45%)

Example: If a Category I property has RV of Rs. 100 lacs then as per the existing security coverage percentage the member will be eligible to take loan up to maximum Rs. 65 lakhs. If a member has taken loan against the mortgage of this property and he applies for transport/general loan then eligibility for the transport/general loan without surety against the security of property will be up to Rs. 80 lacs minus the outstanding loan.

If the applied/sanctioned loan is more than the difference between the existing loan and Rs. 80 lacs then he will have to provide surety. Similarly, the same condition will prevail in respect of Category II properties where the maximum additional limit will be up to 70% of the RV and in NCR Category I property the limit will be 60% of the RV.

- c) Secured loan under this type of loan to a member having UDYAM / MSME registration under priority sector with the production of documentary evidence shall be classified under loan given to weaker section if loan is sanctioned to SC/ST, sanctioned to minority communities - Muslim , Christians , Sikhs ,Budhishts and Parsis , sanctioned to person with disabilities)
- d) If loan request is up to Rs.10 lakhs against the security of , no valuation would be required if the verification team/sanctioning authorities(LC-1, LC-II or Board) is convinced with justification that RV of the property seems more than the Rs 30 lakh .
- v) **OD limits** - No unsecured OD limit will be given. OD limit will be considered up to 60% of value of stock or 25% of turnover or security coverage of property as mentioned at Rule No. 37, whichever is the least. However, when sufficient collateral security and turnover are available then 60% of stock condition can be relaxed. Stock and property to be insured separately but both jointly with the bank. Annual accounts for all OD limits are required but above **Rs. 10 lacs** duly certified from a Chartered Accountant with UDIN. **Limits can be sanctioned / renewed up to maximum three years at one time and to be reviewed every year and in case of any deficiency or non-matching transaction, limit can be reduced / cancelled.**
 - a) **Temporary OD LIMIT** in properly operated overdraft limit accounts will be up to maximum 25% of the sanctioned OD limit for a period of maximum 3 months. After three months no extension will be given and the member has to clear the TOD amount. For TOD, proportionate processing charges to be taken and share money ratio to be maintained
 - b) OD limit given to a member having UDYAM / MSME registration under priority sector with the production of documentary evidence shall be classified under loan given to weaker section if OD is sanctioned to SC/ST,

sanctioned to minority communities - Muslim , Christians , Sikhs ,Buddhists and Parsis , sanctioned to person with disabilities .)

- c) If a member has taken loan against the mortgage of property and has been repaying EMIs regularly and has repaid minimum Rs.5 lakh, then he can be given OD up to the paid amount.

Example: If a member has taken term loan of Rs.20 lakh and has been repaying regularly and has repaid Rs. 7 lakh (More than the minimum prescribed limit of Rs.5 lakh) he can be given OD limit up to Rs,7 Lakh against the security of already mortgaged property .

There will be a requirement of taking stock statements duly analyzed and verified on quarterly basis / as per terms of sanction from all OD customers where limit has been sanctioned for business purpose . Financial statements like Balance Sheet/ P&L account etc shall be taken at the time of regular renewal which is once in two years and annual review of OD limits may be considered based on the following criteria without insisting for financial statements. (Ref Office Note 97 dated 01.10.22)

1. Satisfactory verification report of business and collateral by BM.
2. Satisfactory account operation report by BM/DM.
3. Copy of GST returns

- vi) **Fund based limit** for bills discounting within the permissible limits can be considered separately if required by the customer against the collateral security. This limit will be restricted to the level of difference in the collateral security value as per Rule No.37.

vii) **Non Fund Based Limit-Bank Guarantees**

- a) **Bank Guarantees** will be considered against FDR(s) of equal amount or against the percentage of collateral security as mentioned in Rule no. 37, whichever is less.

Branch Heads can issue all kinds of BGs up to **Rs. 5 lacs** against FDRs of minimum equal amount or within the approved OD limit sanctioned and AGM jointly with Branch Head concerned can issue BGs under their signatures above **Rs. 5 lacs** and up to **Rs. 15 lacs** against FDRs of minimum equal value or against the approved limit sanctioned for this purpose. **BGs above Rs. 15 lacs** and up to Rs. 25/- lacs can only be issued under the joint signatures of GM and concerned Branch Head either against FDRs of

minimum equal amount or against the limits sanctioned for this purpose. BG above Rs. 25/- lacs to be issued under the joint signatures of CEO and Branch Head either against FDRs of minimum equal amount or against the limits sanctioned for this purpose . All BGs to be issued at branch level (within the Branch Head's sanction power) on the same day without any delay, BGs above Branch Head's sanction power to be issued within two bank working days.

- b) **Solvency Certificates** are required by the customers (Borrowal & Non-Borrowal) for submission to Government Departments / Municipal Bodies etc. in connection with their registration as approved contractors / suppliers etc.

Solvency Certificates can be issued to our existing members/customers having current account/ FD / OD account with our bank with satisfactory dealings after due diligence as per b(i) and b(ii) and having assessed the net worth of the customer as per b(iii) and b(iv) :

- b(i) If the member is availing any loan /OD facility from our bank, the repayment track record should be satisfactory and there should not be any overdue.
- b(ii) CIBIL should be drawn and if CIBIL indicates loan from other banks/institutions, there should not be any overdue/ written-off/ settled accounts without convincing justification. If the party declines in having taken any such loan, an Affidavit to this effect should be obtained.
- b(iii) Copy of last three years ITRs, Balance Sheet & Profit and Loss account of customers should be obtained. If Balance Sheet & Profit and Loss account is not available for any valid reason, CA certified key financial figures of last three years i.e. sales, contracts, receipts and profit figures, capital, Reserves & Surplus should be obtained and trend should be satisfactory.
- b(iv) Estimated Net Worth of customers to be calculated as under:

*Net Worth=Capital Investment in the business + Free Reserves & Surplus less losses if any

Solvency certificate need to be issued in following format only:

"This is to state that to the best of our knowledge and information (name of the party), a customer of our Bank is respectable and can be treated as good up to a sum of ₹..... (Rupees in words)*.

It is clarified that this information is furnished without any risk and responsibility on our part in any respect whatsoever more particularly either

as guarantor or otherwise. This certificate is issued at the specific request of the customer."

* (to be calculated by the Branch)

In order to keep record of such solvency certificates issued by the branch, it is advised that all such certificates issued be numbered serially and should be entered in the register named as 'solvency certificate issue register' which should include the following:

Membership number
Current account number
Name, Address & Contact No of applicant
Solvency Certificate No and Date
Purpose for which solvency certificate was issued
Amount of Solvency Certificate

vii) **Housing loans** - For house purchase and house construction the following requirements to be fulfilled.

a.) **Housing Loan for building construction:**

i) In cases where the applicant owns a plot/land and approaches the bank for a credit facility to construct a house, a copy of the sanctioned plan by competent authority in the name of member applying for such credit facility must be obtained before sanctioning the home loan.

ii) An affidavit-cum-undertaking must be obtained from the member applying for such credit facility that he shall not violate the sanctioned plan, construction shall be strictly as per the sanctioned plan and it shall be the sole responsibility of the executants to obtain completion certificate within 3 months of completion of construction, failing which the Bank shall have the power and the authority to recall the entire loan with interest, costs and other usual bank charges.

iii) An Architect appointed by the bank must also certify at various stages of construction of building that the construction of the building is strictly as per sanctioned plan and shall also certify at a particular point of time that the completion certificate of the building issued by the competent authority has been obtained. **The loan will be released in three installments @ 40%, 35% and 25%. For release of each installment physical verification will be done and also a certificate has to be received from an Architect that the construction has been done as per the approved plan.**

b. Housing Loan for purchase of constructed property/built up property:

i) In cases where the member approaches the bank for a credit to purchase a built up house/flat, it should be mandatory for him to declare by way of an affidavit-cum-undertaking that the built up property has been constructed as per the sanctioned plan and/or building bye-laws and as far as possible has a completion certificate also.

ii) An Architect appointed by the Bank must also certify before disbursement of the loan that the built up property is strictly as per sanctioned plan and/or building bye-laws.

iii) In case for purchase of DDA flat or flat constructed by any other government / non government (registered and/or approved by the government) agencies including Cooperative Group Housing Societies mortgaged permission in favour of Bank is invariably required and the payment to be made direct to the DDA / Govt. or non Govt. Agencies as the case may be.

Housing loan facility in NCR can also be extended for house constructed by Government run authorities such as GDA, HUDCO etc and well known and established builders' for fully built up flats / houses which fulfill all mandatory conditions prescribed by Hon'ble Delhi High Court such as construction of the proposed property has been done as per sanctioned plan and/or building - bye laws and completion certificate has been obtained.

c.) No loan will be given in respect of those properties which fall in the category of unauthorized colonies unless and until they have been regularized and development and other charges paid. Properties allotted under PM UDAY scheme will be considered as approved properties.

d.) No loan should also be given in respect of properties meant for residential use but which the member intends to use for commercial purposes and declares so while applying for loan.

e.) Housing loans must be ensured with following requirements:-

i) After construction/purchasing two photographs of the house duly signed by the member.

- ii) Location plan duly signed by the member (self made to show the exact location).

The maximum limit of housing loan is Rs. 1.40 crore per member or as decided by RBI from time to time. Maximum repayment period 240 months.

For repairs and renovation maximum loan limit will be Rs10/- lacs repayable in maximum 120 EMI

In case loan for purchase of DDA flat or flat constructed by any other government agency and it is not freehold then mortgage permission in favour of bank is invariably required and the payment to be made direct to the DDA / Govt. Authority. For such loan maximum limit will be 80% of agreed price (settled value) for which sale deed will be executed and 70% of agreed price in case of NCR property and maximum up to Rs. 1.40 crore; whichever is less.

d) Housing loan for Lal Dora properties.

- i) If a member having plot of land in Lal Dora Area wants to take housing loan for constructing a house as per the building plan approved by the Government authorities will be permitted to have the housing loan. This housing loan will be given up to maximum 70% of the cost of construction. The loan will be released in three installments at the rate of 40%, 35%, 25% respectively. The loan after each installment will be released after obtaining a certificate from architect the construction has been done as per the approved plan. Loan in Lal Dora will also be given for the built up house if it has been built as per the approved plan and meet other requirements of Loan Rules.

Note :- Two photographs duly signed and location plan has to be taken in record alongwith other required paper.

- viii) **Education loan** - Education loan will be up to maximum Rs. 5 lakhs (Ref.o.kCB/2023-24/32 Date: 27.06.2023 changed annexure 1 page no 29) against the surety from two regular pay master members in Govt. Service having remaining service of more than 5 years or one of which should be in Government service having minimum more than 5 years remaining service and the second surety from a member employed in limited/ private limited company or other reputed business concern acceptable to bank or from a member having residential house either on his own name or on the name of his spouse and the member should have been filing IT returns regularly.

Insurance of life of applicant for minimum amount equal to the loan. Policy to be assigned to the Bank. Premium to be paid annually to keep it alive. On the contrary, Bank will get it renewed and the premium to be debited to loan. However, if for education loan up to Rs.5 lakhs property having stress value minimum 150% of the loan amount or liquid security valuing minimum 125% of the loan amount in the shape of FDRs/NSCs/Surrender value of Life Insurance Policies in the name of students/parents/guardian, is given as security there will be no requirement of personal surety and taking insurance policy by student shall be optional. Above Rs. 5 lacs the loan will be given against the collateral security of the property and its maximum limit will be up to **Rs. 50 lacs or 5% less of 65%/ 50%/ 40% of RV (i.e. 60%,45% and 35%) of the property as per Note-2 of rule number 37 (whichever is least.** However, if a member wants to take loan above Rs. 50 lacs his request can be considered by the Board.

Repayment in 60 EMI within six months after completion of the course or getting employment whichever is earlier. Loan only for regular professional courses from recognized institutions. No margin money. Interest to be paid every month on the released installment. Member can also start payment of EMI (of full loan) immediately after taking loan.

In respect of education loan, along with tuition fee, hostel and transport charges can also be considered / paid provided the demand for the above is received in a proper way from the Institution. The demanded amount will be paid through bank draft / banker cheque drawn on the name of the Institution and proper receipt is received.

If a person has applied for membership to get education loan but before the membership is granted or the loan is sanctioned he has to pay fee on the demand of the institution, the Loan Committee will consider loan ignoring the fee already paid to the institution. This paid fee can be refunded to the member from the sanctioned loan on production of any document, evidence of having paid the fee to the institution on its demand. The period of this payment should not be more than three months.

Disbursement of loan shall be done according to the demand pattern of the institution and spread over the duration of the course.

Example:- MBA course is of two years and the institution has given total fee structure amounting to 20 lakhs for two years to be received in 4 installments of 5 lakh each. Member has been sanctioned loan for Rs.10 lakh . Rs.10 lakh loan will also

be disbursed in 4 installments as per the fee structure / pattern of the institution .The bank on received of member's request duly supported with institution demand for 1st installment of Rs.5 lakh , the bank will ask the member to deposit Rs.2.5 lakh and release the demanded amount of Rs. 5 lakh by debiting his loan account with Rs.2.5 lakh as 1st installment of Loan .

If at the time of loan application, student, requests for additional loan for insurance premium also, branches while forwarding the proposal to HO, will calculate one time insurance premium for 5 years and make it a part of loan component.

Irrespective of loan amount (up to Rs 5 lakh or above Rs. 5 lakh), branches can also accept liquid security in the shape of NSC/KVP/LIC policy or any other acceptable liquid security offered by student having surrender value minimum 125% of the loan amount. Beneficiaries of such security will give an undertaking to keep the maturity proceeds in Fixed Deposit under bank lien as security till the full and final re-payment of education loan and will stand as Co-borrower/ guarantor in the loan account. In cases where liquid security (125% of loan amount)/ mortgage of property (RV 150% of loan amount) is available, life insurance policy of the student shall be optional and if student opts for life insurance policy, premium to be paid by student/guardian and will not be made component of loan amount. There will be no change in other loan conditions.

ixi) **Real Estate loan** - Real estate loan can be sanctioned to a member up to **maximum Rs. 2/- crore** against collateral security of property other than the property under construction and on the basis of income (to be taken as per Rule No. 31) and collateral security (to be taken up as per rule 37) and within the MCL of the member. For such loans verification of business & income and property has to be invariably done.

xv) **Loan against FDR**

Up to 90% of the face value of the deposits as on date and 70% of the base value of the FD where interest is payable to member monthly or quarterly. Renewal of FD in such cases will be done after squaring up the entire loan with interest .

xvi) **Loan against NSC/KVP/IVP/LIC**

Up to 75% of the face value in case of NSC/KVP/IVP and in the case of LIC policy upto 75% of the surrender value.

3) Valuation and Search Report of Property

For loans up to Rs. 15/- lacs one valuation and one search report will be required. For loans above Rs. 15/- lacs and up to Rs. 50/- lacs, two valuations from different

valuers and one search report will be sufficient. For loans above Rs. 50/- lacs, two valuations and two search reports from different Valuers and Advocates will be required. The charges for the second valuation and second search report will be borne by the Bank. Only one search report with certified copy will be taken and the second search report will be without certified copy. However, search reports will continue to be taken from two advocates.

Member has to deposit required charges (excluding taxes) to be paid to valuer and advocate along with his loan application. Search report and valuation both have to be arranged by Bank only from the approved panels. Member is restricted to get it done at his own as had been practice for some time back. In case he do so, same will not be acceptable to the bank even carried out by the advocate/valuer from the approved panel.

- 4) Maximum repayment period for term loan except transport loans will be 240 months. However, normal repayment of any loan for the members upto 55 years of age would be 180 installments (EMI) and above 55 years the same would be 120 instalments (EMI).
5. The combined limit of general loan and DCG loans will be up to maximum Rs. 5/- lakhs.
6. If a member resides in NCR and employed on regular basis in Delhi then for hypothecation loans he will have to provide surety from a regular paymaster member in government service having minimum five years remaining service or having house on his or his spouse or on the name of parents and the member must have been living with them/two regular paymaster members in Delhi.
7. The processing charges will be 0.254% plus applicable GST of the loan/advance sanctioned subject to maximum Rs. 15,000/- plus applicable GST. However, in the case of second or subsequent OD limit renewal the charges will stand reduced by 50% in respect of OD limits being operated properly as per the laid norms.
8. The share linkage will be 2.5% for secured loan and 5% for unsecured loan subject to maximum Rs. 20,000/- **or as provided in the Delhi Cooperative Societies Act 2003 and rules amended from time to time or as directed by RBI.** Minimum amount of share money will be Rs. 1,000/-.
9. If loan request of the member is not considered the reason thereof will be conveyed to him.

10. In joint loans compliance to SM ratio will be taken only in one account.
11. A member can take any number of loans within his overall MCL, repaying capacity, collateral security coverage, previous loan repayment record , credit information company reports/score and also meeting other relevant conditions wherever required.
12. Against the security of one property maximum three loans can be considered to only one member. However, in the case of transport loans there will not be any such restriction on the number of loans. **On one property loan to different members can be given only with the permission of the Board.**
13. Loan to a defaulter member who has been debarred for loan for a specific period will be considered only by the Board.
14. Loan sanctioning power of LC -I and LC -II will be as given below :
LC-I : Up to Rs. 2/- crore (total)
LC-II : Up to Rs. 15 lacs (total)
Above Rs. 2/- crore will be considered by the Board.
15. The power to consider loan against the mortgage of rented property or against vacant house or plot will lie only with the Board.
16. Clubbing of income of spouse will be permitted if he/she is befittingly employed in govt./semi-govt./PSU/reputed companies and or having separate and regular source of income duly verified by the verification team. Latest **three salary slips or three ITRs** will be required.
17. A member can stand max four sureties but total surety liability should not be more than Rs.50 lakh.
18. The following will be the holiday period :
 - i) Transport loans 2 months
 - ii) Housing loans 3 months
 - iii) Business loans 2 months
 - iv) Education loans 6 months after the completion of the study or getting employment, whichever is earlier.
 - v) Loan for Coop. Group 12 months or taking over the possession Housing Flats whichever is earlier
 - vi) DDA Self finance flats - do -

This period shall be specifically mentioned in the loan bond.

- 19.** The Branch Heads will have bill purchase power up to 10% of the sanctioned limit or Rs. 2/- lacs whichever is less for a period of 6 working days. The rate of interest on this amount will be 3% over and above the normal rate of interest. The CEO will have power to sanction bill purchase up to 10% of the sanctioned limit or Rs. 10/- lacs whichever is less for maximum 10 days. The Branch Head can purchase govt. bill or bank draft up to Rs. 2 lacs or 90% of the amount of bill whichever is less even where there is no ODL. However, Branch Heads cannot allow cash withdrawals or cash payment facility while exercising this power.
This power will be exercised by Branch Head / CEO only when a bill is presented in clearing but sufficient credit is not available to clear the bill. If within 10 days the position was not regularized, the Branch Head will inform CEO in writing.
- 20.** Sanctioned loans have to be taken by the members within 60 days from the date of sanction. Thereafter re-validation of the same up to next 30 days can be permitted by the LC-I/LC-II/Board on written request. After 90 days the sanction to be cancelled and fresh application to be given for loan. If no revalidation has been sought, the sanction will be cancelled after 60 days.
- 21.** When a loan has been sanctioned against the security of the property the member can neither give that property on rent nor part with the possession in any way without the written permission of the Bank. The borrower will also not make any structural changes without the written permission of the Bank. If it happens entire loan will be recalled.
- 22.** If loan request is up to Rs. 10/- lacs against the security of property, no valuation would be required if the face value is more than the requested loan. However, as usual search report would be required.
- 23.** After the clearance of transport loan no dues certificate and form no. 35 may be sent to the member through post.
- 24.** A Special Loan Sanction Committee consisting of Chairman, Vice-Chairman, CEO , gm/DGM and Secretary of LC I will be authorised to sanction in exigency maximum two transport loans with loan amount not exceeding Rs. 35 lakhs (**up to Rs. 50 lakh effective 20.03.2023 – changed vide office note 162 dated 24.03.2023**) and unsecured general and education loan up to the prevailing limit fixed by the Board. For sanctioning such loans apart from signature of Secretary and in his

absence Alternate Secretary of LC I, minimum two other officials have to sign the proceedings register being maintained for this purpose where relevant detail of sanctioned loan would be recorded. For such loans in the next meeting of the LC I, post facto approval has to be obtained. **However If at any time, both Chairman and Vice-Chairman are not available, then CEO, GM/ DGM and Secretary of LC 1 will be authorized to sanction loans but, in such cases, applications has to be routed through HCA or HA before sanction. (Ref. office note 162 dated March 24, 2023.**

25. Power to sanction rebate will lie with the DS Committee up to Rs. 30,000/- and above by the Board on the recommendations of the DS Committee.
26. Power of reversal of interest as approved by the Board will lie ONLY with the **Chief Executive Officer (CEO)**.
27. In case of theft or total loss of vehicle rebate in interest can be given up to maximum 50% of interest amount accrued for four months or till the time insurance claim against total loss vehicle is received, whichever comes earlier. Above rebate can be approved by CEO on receipt of an application from the member duly supported with documentary proofs along with recommendations of concerned **Branch Head**.
28. If a regular paymaster member has repaid 50% of the loan taken against the security of property then on his request additional loan not more than the repaid loan will be admissible on the same EMI. In such a case the existing outstanding loan will be cleared and a new loan bond for total loan (existing plus additional sanctioned) will be executed with **new** sureties. For example, if a member has taken a loan of Rs. 10/- lacs payable in 120 EMIs, each EMI amounting to Rs. 13000/- and has repaid minimum 50% of the loan (i.e., an amount of Rs. 5/- lacs) in regular installments then on his request, with the same EMI of Rs. 13000/-, he can be given additional loan up to Rs. 5/- lacs. This will be an additional facility for such regular paymaster needy members whose income has not increased but they need additional loan. If there is any interest variation the EMI can be re-cast accordingly.
29. When mortgaged property belongs to any member/person other than the loanee member or his/her spouse, it will be the duty of Bank to explain to the owner about the loan being raised over the security of property and the fact that in case of default the property can be disposed of.
30. If a member has his own residential house but wants to give collateral security of another property owned by him given on rent, in such case the tenant should not be

more than 5 years old and a registered tripartite agreement has to be executed amongst the owners of the property, the bank and the tenant. Rent of property should be deposited invariably in an account being maintained by the loanee member in the Kangra Co-operative Bank.

31. The following will be the repaying capacity percentage of income to be computed while considering loan request :

- | | | |
|------|-----------------------------------------|------------------------------|
| i) | Regular paymaster – upto 70% of the ITR | upto 70% of take home salary |
| ii) | Normal paymaster – upto 60% of ITR | upto 60% of take home salary |
| iii) | Irregular paymaster – upto 50% of ITR | upto 50% of take home salary |

In case of regular paymaster members having completed 10 years membership, income up to 100% can be considered.

32. If a member wants to take loan to purchase a property already taken into possession by the Bank under SARFAESI Act, then the following will be the Loan Rule :

- i) He has to pay himself minimum 30% of the liability on the property.
- ii) He will be eligible for loan amount equal to the remaining liability on the property or CRV of the property, whichever is less. The loan will be considered as per the repaying capacity norms.
- iii) He should meet all the conditions for becoming a member as per Bank policy to be able to become eligible for loan.

33. Swapping of loan in between the members of the KCB will be allowed subject to the following norms :

- a) The loanee member should not be a defaulter.
- b) Both members will give a joint request for swapping.
- c) The member interested to purchase the property should not be a defaulter. He should have repaying capacity as per the norms of the Bank for the loan to be swapped.
- d) He will submit a formal application and will comply with share money and processing charges requirement as per the prevailing norms.

34. No loan will be considered if during physical verification the properties are not properly identifiable or separately indicated in a plan where the portion to be mortgaged to be marked in red colour and the detail of the properties on its right and left is distinctly mentioned.

35. For almost all secured loans and first surety loans physical verification has to be done.
36. Unless specifically mentioned, “house owner surety” means the member living in a house either owned by him or his spouse or by his father, mother and son provided they live together in the same house.
37. The security coverage percentage and classification of property will be as given below up to 19.03.2023:

- a). **Category I Properties- Security coverage up to maximum 65% of the RV. Security Coverage has been changed to 70% effective 20.03.2023 (Ref. Office Note 162 dated March 24, 2023).**

Properties based on conveyance deed:

- I. DDA allotted free hold flats. Housing and group housing societies flats
- II. Houses built on Government allotted plots as per the approved plan
- III. Any other types of free hold plots allotted by Government or any Government agency.

- b) **Category II Properties- The security coverage percentage will be up to maximum 50% of the RV. Security Coverage has been changed to 55% effective 20.03.2023 (Ref. Office Note 162 dated March 24, 2023).**

Properties purchased/transferred through sale deed having full previous chain and lying in areas not mentioned under Category III properties. Freehold flats/houses built by reputed builders as per approved plan in Delhi and transferred through Sale Deed. The width of the street on which these houses are situated should not be less than 15 feet and the property should not be below road level. **Conveyance deeds executed under PM UDAY Scheme will considered in Category –TT property.**

- c) **Category III properties (Properties in non-conforming areas)**

Sant Nagar Burari , Bhajanpura , Mandawali, Fazalpur , Sagarpur Mahavir Nagar I, II, III , Chanakya Place , Nihal Vihar , Nazafgarh , Uttam Nagar Usmanpur , Khajuri Khas , Gandhi Nagar Pulpehladpur ,Mahavir Vihar Palam Budh Vihar Shastri Nagar (Both Shastri Nagars) Sultanpur, Mehrauli Sangam Vihar Aya Nagar All Lal Dora properties **and** all adjoining areas

The security coverage percentage for these properties will be maximum 40% of RV and with the condition that width of lane should be minimum 10 feet and

should not be below road level. Security Coverage has been changed to 45% effective 20.03.2023 (Ref. Office Note 162 dated March 24, 2023).

d) NCR- Only Category I properties and the coverage will be up to maximum 45% of RV.(Ref. office Note 62 dated 06.08.2022) Security Coverage has kept same even after 20.03.2023 (Ref. Office Note 162 dated March 24, 2023)

Note 1: Security coverage up to 40% of RV of properties valuing above Rs. 1 crore. Minimum loan eligibility will be Rs. 40 lakhs. Loan against category I property lying in NCR should be given only if it is owned by the member/spouse /parents /son and not to any other relation (Reference Office Note No.22/131 dated 26.11.2021)

Note 2. The security coverage percentage of the property for education loan will be 5% less than the normal percentage of coverage as given above .

For example: the normal percentage of security coverage is 65% for Category –I property, 50% for Category II properties and 40% for Category III and properties in NCR. But, when this security is given for education loan, it will be 60%, 45% and 35% accordingly.

Note 3.Lal Dora properties to be considered under category I (65%) instead of category II (50%)

Note 4.In Category III properties if the width of the street is 15' and above and prospects of its selling are good, the verification team can recommend security percentage up to 50% of RV.

Note 5.In Category III properties if the width of the street is in between 10' and 15', the eligibility of loan will be up to 40% of the RV of the property. In specific cases if the width of the street is even less than 10', the prospects of its selling are good, the verification team can recommend sanction of loan up to 40% of security. The verifying team has to write about the prospects, **Loans up to 50% as a special case on the recommendation of verification team stating property is well situated and can be sold easily.**

Note 6. The security coverage percentage of property will be 10 % more for repair and renovation loan of Rs.5 Lakh and For GL sec.

Note 7. Property built/constructed in private colony having approved sanctioned plan from competent authority will be considered category -I properties for considering LAP.

Note 8. Security coverage for transport loans, can be up to 100% of RV.(
Security Coverage shall be 100% effective 20.03.2023 (Ref. Office Note 162 dated March 24, 2023.

38. No loan on farad / agriculture land will be considered.
39. The re-valuation will be taken only after a period of three years or as and when required by the bank.
40. If in two property valuations there is a variation of more than 20% in RV, third valuation to be taken by the Bank.
41. The properties will be invariably re-verified physically by a team consisting of area Director and Branch Head / Deputy Manager **if consecutively three EMIs were not paid.** At the time of verification the description of the property will be matched with the description given in the valuation report. A visit report to be kept in loan file and a copy to be sent to CEO .
42. In the loan form at first page, date of receipt of the application in the branch, date of receipt of the application at HO from branch and date of sanction has to be specifically mentioned to ensure that no inordinate time has taken place.
43. All approved and empanelled Valuers and Advocates will prepare valuation and search reports of properties to be mortgaged **ONLY after seeing the original property papers. This should be specifically mentioned in the reports that original property papers have been seen.** No report based on photocopies would be accepted. Valuers should clearly/distinctly demarcate and mark the coloured sketch of the property and its adjoining areas / door numbers and land marks etc so as to identify the property duly mortgaged to the Bank. On the contrary, the valuation report will not be accepted. **Irrespective of the property valuation amount, the charges will be Rs. 2500/-.**
44. Property verification visiting team will verify from the Property Dealers in the vicinity of the property to be verified that RV of the property given in the valuation report is correct. The name of the valuer(s) consulted to be mentioned.

45. If a member has taken loan against the mortgage of property and has been repaying EMI's regularly and has repaid minimum Rs. 5 lacs, then he can be given OD up to the paid amount.

Example: If a member has taken term loan of Rs. 20 lacs and has been repaying EMI's regularly and has repaid Rs. 7 lacs (more than minimum prescribed Rs. 5 lacs) he can be given OD limit up to Rs. 7 lacs against the security of already mortgaged property.

46. If from a defaulter member the recovery has been made through Recovery Department of RCS after filing arbitration case or recovery has been made through SARFAESI case or through Section 138 of NIA, such members will be debarred from loan for 5 years after the full repayment of the previous loan and demanded amount in Section 138 cases. If a member pays the dues before the case is sent for recovery in the RCS office or under SARFAESI Act he clears the dues before the ceiling of the property, such members will be debarred from loan for 1 year after making full repayment of the previous loan. Other defaulter members whose loan has not become NPA will be debarred for 6 months.

47. BOD will have full power to amend to make departure/relaxation in the Loan Rules.

48. Credit Information Report of the following four Companies will be taken by branches at to be attached with loan application:

Company Name

1. Trans-union- CIBIL
2. CRIF- HIGHMARK Credit Information
3. Equifax Credit Information Services Ltd.
4. Experion Credit Information

Each loan proposal must accompany with all the four CIR's (one from each of the CIC's) while sending the same to H.O. for approval.

On the basis of all the fours CIR's, respective Loaning Committee / board will consider the reports and decide about Loan Amount for approval depending upon the comments and score in CIR.

Loan committees Secretaries of both committees are required to examine the reports critically and in case of adverse features in reports like overdue/written off accounts / heavy borrowings from other banks, will put separate note for the consideration of committee members.

49. When a loan against property is applied, information about CERSAI report should also be given that there is no loan on the property.
50. If a member has been given loan against the mortgage of two properties and subsequently he wants to take back one property, then the security coverage percentage of the property which will remain with the bank will be considered 10% less than the normal security percentage coverage. Valuation of the remaining property has to be taken latest not more than 3 months from the request date .
51. Bank will not seal the property provided borrower deposit overdue amount plus legal charges and amount equal to 6 additional installments. This amount of 6 installments will be kept in the Optional Deposit account adjustable against the next 6 EMIs.
52. Where the property has been sealed under SARFAESI Act but defaulter member gives a request in writing that he would make some payment to get the property de-sealed, he will have to pay **minimum 50%** of the total dues plus legal charges. The balance amount will have to be paid in maximum 10 regular EMIS or as decided by the Board. The request has to be given in writing.
53. Wherever property is proposed to be given as security for any type of loan/advance, two photographs duly signed and location plan has to be given invariably.
54. No person/officials/employees /director/committee is authorized to make departure to these rules except the Board of Directors of the bank. The reasons for departure with justification have to be recorded in minutes of the meeting.
55. Insurance of immovable properties mortgaged / to be mortgaged equivalent to 100 % of construction / superstructure value as per valuation is to be taken by the borrower member . Land value to be excluded from the insurance. In case of two valuations, higher of the two should be considered for insurance purpose (Ref Office Note-90 dated 01.10.2022).
56. Surety Rules and criteria as mentioned above shall be as per attached Annexure -1
57. In case of loan facility or Bank Guarantees provided to a Pvt. Company/Limited Company /LLP – (Limited Liability Partnership), charge has to be filed /registered with ROC (Registrar of Companies) within 30 days of creation of such charge and registration certificate issued by ROC to be kept in record .

CEO

The Kangra Cooperative Bank Limited
C-29, Pankha Road , Janak Puri Community Centre
Janakpuri , New Delhi-58
(Loan Rules)

Annexure-I

Surety Rules and Criteria

Surety Rules

1. No personal surety will be required for loans/ advances for which property or any other tangible asset has been given for security.
2. For all loans up to Rs. 1 Crore in NCTD and up to Rs. 50 Lakhs in NCR, the following will be the surety requirement provided, in general, member has residential house in NCTD on his name or on the name of spouse or parents or son and the member has been living with them.

ONLY ONE surety will be required, if a member is in Government service and the remaining service is more than the repayment period.

OR

ONE HOUSE OWNER surety (house to be on the name of member or spouse or parents or son and loanee member has been living with them).

OR

Two sureties from regular paymaster non-house owner members.

However, Board or the Loan Sanction Committees may put condition of more than one surety where there is doubt for repayment of loan or there are some other reasons.

For vehicles above Rs. 50 Lakhs and up to Rs. 1 Crore in NCR the loanee member should have membership of minimum 5 years and surety(ies) has to be provided from a regular paymaster member having minimum 5 year membership.

Note: For privileged customers having membership for more than 10 years having own house and having own business premises and who have good repayment record, surety condition can be waived by Board, LC 1, LC 2 but their re-payment record will be monitored on a monthly basis. If any default occurs in such loans, he will lose privilege category status. **(Ref. Office note 162 dated March 24, 2023)**

Surety Criteria will be as under

A regular paymaster can stand only 4 sureties but total surety liability should not be more than Rs 50 lacs (Reference Office Note 22/132 dated 26.11.21). **Total Liability of sureties has been changed to 2 crores effective 20.03.2023. (Reference Office Note no. 162 dated 24.03.23..**

If a member has to stand surety for a loan up to Rs 5 lakh , he should give one latest ITR or copy of latest proper salary slip/ certificate issued by his employer & monthly income should not be less than Rs 20,000/- p. m

For surety above Rs 5 lakh up to Rs 10 lacs , 2 latest ITR/2 latest salary slips /certificate required and monthly income should not less than Rs 25,000/- p.m.

For surety above Rs 10 lakh up to Rs 20 lakh , 2 latest ITR/2 latest salary slips /certificate required and monthly income should not less than Rs 30,000/- p.m and should have residing in a house owned by him or his spouse or parents.

For surety above Rs 20 lakh , 3 latest ITRs/3 latest salary slips /certificate required and monthly income should not less than Rs 35,000/- p.m and should have residing in a house owned by him or his spouse .

However if surety has income through affidavit or through a salary certificate not in a proper format he can stand surety only up to to maximum Rs 5 lakh. And monthly income should not be less than Rs 20,000/- p.m..

When for a loan two members have to stand sureties , individual income must be not less than Rs 20,000/- p.m, through proper salary certificate / through ITR.

If general loan including COVID-19 relief loan scheme exceeds more than Rs 3 lakh, two sureties from members in Government service having remaining service more than 5 years OR one member in government service having remaining service of more than 5 years+ one from a member having house owned by him OR his spouse and filing income tax returns OR sureties from members having residential houses on their own names or on the names of their spouses and both filing income tax returns. (Reference Office note - 22/151 dated 27 /12/2021)

Surety from a family member permitted if provided a documentary evidence of independent income submitted, however, no CROSS SURETY will be permitted among family member. (Reference Office Note 19/154 dated 19/02/2019).

Female members employed in government /Semi -Govt/ Autonomous Bodies service will be permitted to stand surety for the loan of a male member. However surety from a female member to another female member will be permitted only when either of them is in Government /Semi -Government/ Autonomous bodies service. (19/154 dated 19/02/2019)

CEO

Annexure 1

**THE KANGRA CO-OPERATIVE BANK LTD.
H.O. C-29, Community Centre, Pankha Road, Janak Puri,
New Delhi -110058**

Ref.o.kCB/2023-24/32

Date: 27.06.2023

OFFICE NOTE

At the meeting of Board held on 18 June, 2023 one more option for standing surety for unsecured Education Loan up to Rs. 5 Lakh has been provided.

At present the following is the Surety requirement:

Surety from two regular pay master members in government service having minimum remaining service of more than 5 years OR one of which should be in government service having minimum more than 5 years remaining service and surety from a member employed in limited/ private limited company or other reputed business concern acceptable to the Bank or from a member having residential house either on his name or on the name of his spouse and the member should have been filing IT Return regularly.

New option approved by the Board: Surety from two regular pay master - members both having minimum 5 years membership and should have residential houses on their own name or on the name of their spouses OR on the name of parents or son (when the loanee member has residing with them) and both members should have been filing IT returns regularly for the last 3 years).

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CEO

Annexure ii

THE KANGRA CO-OPERATIVE BANK LIMITED
HEAD OFFICE, JANAKPURI,
NEW DELHI

Ref. No. KCB/2023-24/14

29.04.2023

OFFICE NOTE

1. It has been decided by Board at its meeting held on 23.04.2023 that with immediate effect new members will be eligible for taking General Loan after 30 days from getting membership.
2. It has also been decided by Board that with immediate effect, for introduction purpose, the introducer should have minimum 1 year membership instead of 2 years.

GENERAL LOAN IF HE HAS TAKEN ALREADY LOAN AGAINST PROPERTY THE FORMULA FOR CONSIDERING INCOME SHOULD BE IN POLICY.