

## **CHAPTER-I : PRELIMINARY**

### **1. SHORT TITLE AND COMMENCEMENT**

- A.** These rules shall be called Business Rules or Business Policy of The Sahu Cooperative Urban Thrift & Credit Society Ltd.
- B.** These Rules shall come into force after approval of the General Body and subsequent w.e.f. the date fixed by the managing committee vide a resolution passed in its meeting.

### **2. DEFINITIONS**

- A.** “Act” means the Delhi Cooperative Societies Act, 2003.
- B.** “Rules” means The Delhi Cooperative Societies Rules, 2007
- C.** “Bye-laws” means registered bye-laws of the society which includes all amendments in the byelaws duly approved by the general body of the society and subsequent approval/deemed approval of the Registrar, Cooperative Societies, Delhi as per rules.
- D.** All word, term, abbreviations used in the Business Policy, which have not been specifically defined herein, shall have the same meaning as defined in the Act, Rules and Bye-laws.

## **CHAPTER-II : MEMBERSHIP**

### **3. GENERAL RULES FOR MEMBERSHIP**

- A.** Membership in the society shall be granted as per provisions of the Act, Rules, Bye-laws and Business Policy of the society.
- B.** Number of members to be admitted in the society from time to time shall be decided by the managing committee keeping in view of its capacity and other means & ways as well as financial position of the society to serve the members properly and for this purpose, the committee may take decisions not to admit members in the society for a specific period.

- C. The society shall not admit Associate/Nominal Membership, only share holder member shall be admitted, if required.

#### **4. APPLICATION AND DOCUMENTS FOR MEMBERSHIP**

The applicant shall apply for seeking membership of the society on the application form to be obtained from the office of the society at a cost of Rs.30/-(25.42+4.58) inclusive of GST as applicable, together with the followings: -

- A. Fully filled in and signed application form, free from over writing/cuttings and corrections, duly introduced by any existing member of the society eligible for the purpose.
- B. The following members shall not be eligible to introduce any applicant for seeking membership of the society: -
  - i) Who is already defaulter in payment of his/her loan installments and/or compulsory deposit.
  - ii) Who stood surety to a member making default in payment of loan installments/compulsory deposits.
  - iii) Who has already introduced any member who is in default in payment of loan installments/compulsory deposits.
  - iv) Who has not completed at least one year of his/her membership in the society.
- C. The documents pertaining to his/her personal identity i.e., Aadhaar & PAN, proof of his residence, proof of his income and business/ occupation/ profession up to the satisfaction of the committee.
- D. An Affidavit declaring -
  - i) That the applicant is neither a member of any other Co-operative Bank/ Thrift & Credit society nor shall take membership in such another Bank/Society before resignation from membership of this society.

- ii) That the applicant neither runs a business parallel to the business of the society nor shall engage/undertake any such business before resignation from the membership of the society.
- iii) That all information provided in the application form are true and correct and all documents submitted therewith are genuine and copied from originals and has been obtained in lawful and fair manner.
- iv) That the applicant, if admitted as member in the society, undertakes to follow and observe all duties of members, rules and proper discipline in the society and shall not act/ be involved in any act which is contrary to the interest of the society or disrupt the goodwill of the society.
- v) That the applicant, if admitted as member in the society, undertakes ever not to misbehave with the office bearers/members of managing committee as well as staff of the society.
- vi) That after admission in the society as a member, if any information given in the application form is found wrong and incorrect or any document is found bogus or obtained by unlawful and unfair manner or fails to observe the undertaking/conditions of this affidavit or fails to observe/follow the duties of members as per rules, the membership shall be immediately terminated by the managing committee.

**E. No Objection-Cum-Undertaking by the Introducer member declaring and undertaking: -**

- i) That How does the Introducer know the applicant and what is relation between them?
- ii) That as per knowledge and belief of the introducer, the applicant is honest, peace loving, possessing good moral & character and not a defaulter regarding payment of any kind of loan or other dues to any other financial organization/institution.

- iii) That the introducer undertakes the liability and responsibility of all transactions to be done with the society by the applicant after becoming member of the society.
- iv) That the introducer undertakes to indemnify/ compensate the society, within fifteen days from the date of intimation to him/her, if any loss occurred to the society due to any activity/ transaction/ conduct/behavior of the applicant after becoming member of the society.
- v) That the introducer shall always update the society about change of address, contact no. etc. by the applicant after his/her admission as a member in the society.
- vi) That the introducer undertakes to present the applicant after becoming member of the society, as and when the society ask him/her to do so

**F.** In case the applicant is residing not in his/her own property, a declaration/undertaking of the landlord of the applicant shall be obtained declaring and undertaking: -

- i) That the landlord is the owner of the property wherein the applicant is residing. (self-attested photocopies of the title documents showing ownership of the landlord over the property be attached).
- ii) That the applicant is residing in the property of the landlord as a tenant/relative.....
- iii) That the landlord undertakes to receive all communications, letters, notices, summons, warrants etc. and deliver, inform, convey and handover the same to the applicant after becoming member of the society.
- iv) That the landlord undertakes to inform the society immediately about change of address by the applicant/member to the society.

- v) That the landlord undertakes to present the applicant/member before the society or any other authority concerned as and when required.
- G.** Proof of bank Account (Cancelled Cheque/Copy of Pass Book).
- H.** Copy of Aadhaar of nominee of the applicant.
- I.** Details of Family members (Spouse and Children) in the prescribed format, for the purpose of welfare schemes of the society.
- J.** Name, Address and Contact No. of any near relative, in case of membership without Introducer as per discretion of the managing committee.
- K.** Any other documents asked by the managing committee to satisfy its doubt at any point.

## **5. FEE/ CHARGES FOR MEMBERSHIP**

- A.** Amount of Rs. 2,358/- inclusive of GST at the stipulated rate (being Share Money Rs.1,000/- + Compulsory Deposits Rs. 650/- + Admission Fee Rs. 118/- (100/- + GST 18/-) + Miscellaneous Charges Rs. 590/- (Rs.500/- +GST Rs.90/-).
- B.** Amount of Admission Fee and Miscellaneous Charges together with GST thereon shall be non-refundable.

## **6. CONSIDERATION OF APPLICATION FOR MEMBERSHIP**

- A.** All applications for membership shall be entered in a register maintained for the purpose and the amount received therewith shall be kept under the head of Suspense/Member application Account.
- B.** The postal and physical verification of the applicant as well some of the important contents of application shall be done before presenting the same in the meeting of the managing committee for consideration. In some urgent cases such verification may be got done after presenting the application in the meeting of the managing committee.

- C. All application for membership shall be considered within 45 days from the date of its receipt and membership shall be granted/rejected in the meeting of the managing committee after or before postal and physical verification of the member as well contents of the application and documents therewith.
- D. If any adverse report comes through postal/physical verification of the member and/or the contents of the application and the documents therewith, the membership application/membership shall be cancelled immediately without any notice to such applicant/member and share money and compulsory and other deposits, if any shall be refunded forfeiting non-refundable amount as mentioned in clause 5(B). However, the managing committee shall have discretionary power to provide some relaxation in forfeiting the amount as mentioned in clause 5(B).
- E. The member not making compulsory deposits or not observing rules/discipline of the society properly or misbehaving with the office bearers/members of managing committee or misbehaving with the staff of the society or doing any act contrary to the interest of the society may be suspended from the membership of the society for any period of time by a resolution of the managing committee and such member shall not be eligible to avail any services of the society. This situation of a member may cause expulsion from the membership of the society.

## **7. CESSATION OF MEMBERSHIP**

- A. The membership of a member shall be ceased under the following conditions: -
  - i. **On Death of a Member: -**
    - a. The Managing Committee, on receiving information of death of a member from the Nominee/other family member/or anyone else together with the documentary evidence, shall enquire and verify the same through the staff of

the society and then consider the matter in its following meeting.

- b.** The society after verification of the nominee of the deceased member shall accept the application for membership together with necessary documents for the purpose from the nominee. The nominee shall also submit an affidavit undertaking all duties, rights and liabilities of the deceased member. Thereafter, the committee shall admit the nominee as a member in the society and transfer all the amount lying in the credit of the deceased member into the account of the nominee, subject to adjust first in the dues/liability of the deceased member.
- c.** In case the nominee does not want to become a member of the society, the amount lying in credit of the deceased member shall be paid to the nominee through banking channel, subject to adjust first the dues/liability of the deceased member.
- d.** The nominee shall give an affidavit and Indemnity Bond declaring that other than the nominee, none is entitled to receive the amount lying in the credit of deceased member and undertaking to settle himself/herself all disputes and claims of other legal heirs etc. if arises and further undertaking to indemnify the society, if any loss occurs due to any claim by anyone else in future.
- e.** In case the nominee has expired before the deceased member and none has been further nominated by the deceased member or the nominee expires after the death of the deceased member but before settlement of the account of the deceased member. The society shall take registered family (containing all legal heirs of the deceased member) settlement /relinquishment deed or succession certificate

issued by the competent authority and accordingly settle the account of the deceased member after taking proper affidavit/indemnity bond etc.

- f. In case the member expires leaving behind him/her a loan or liability being surety to any unpaid loan, the action/proceedings to recover the same shall be as per provisions of law.

**ii. On Being Insolvent and/or a Person of Unsound Mind: -**

- a. The society on getting proper application and documentary evidence of insolvency, shall deal with the rules then available under the circumstances.
- b. Under the circumstances of unsound mind of a member, the society on getting proper application and relevant documentary evidence, admit the nominee of that member as a member in the society and thereafter deal with rules of the society framed hereinabove.

**iii. On Withdrawal of Membership by Resignation: -**

- A. Any member may withdraw the membership from the society by an application for the purpose, if: -
  - a. the member has completed one year of membership;
  - b. the member does not owe payable to the society;
  - c. the member is not a surety to any unpaid loan.
- B. a. The member fulfilling the above conditions, may give an application in writing for withdrawing membership from the society and the society shall consider the same in the following meeting of the committee and if it is



accepted, the amount lying credit the account of the member shall be paid through banking channel to the member or as per his/her direction in writing.

- b. on such cases account closing charges of Rs. 100/- + GST as applicable shall be taken from the member.

**iv. Suspension/Expulsion from Membership: -**

- A.** The member not making compulsory deposits or not taking any service (making deposit or taking loan) of the society or not standing surety to any member for availing loan since last two years shall be declared as defunct member after giving a notice and such member shall not be eligible to use any right of member.
- B.** The members neither performing their duties nor observing rules/discipline of the society properly and/or misbehaving with the office bearers/members of managing committee or misbehaving with the staff of the society or doing any act contrary to the interest of the society may be suspended from the membership of the society for any period of time by a resolution of the managing committee and such member shall not be eligible to avail any services of the society and use any right of member during suspension. In case the managing committee thinks that the member is liable to be expelled from the membership of the society, the committee shall start expulsion proceedings against such member as per provisions of DCS Act and Rules frame thereunder.
- C.** The member being suspended or expelled shall be issued show cause notice so as to giving him/her chance to be heard and being not satisfied with the answer of the member, the committee shall pass a resolution to suspend/expelled the member.

## CHAPTER-III : DEPOSITS

### 8. Types of Deposits: -

The society shall accept the following types of deposits from the members so as to create a habit of savings amongst the members as well as for strengthen the financial position and increase the working capital of the society: -

- i. Fixed Deposits
- ii. Money Multiplier Deposit Scheme
- iii. Recurring Deposit
- iv. Monthly Income Scheme
- v. Compulsory Deposit
- vi. Optional Deposit

### 9. Interest on Deposits: -

The Interest on the different types of deposits shall be provided at the rate detailed below: -

RATE OF INTEREST ON DEPOSITS		
SL. NO.	PARTICULARS	RATE OF INTEREST
<b>i. FIXED DEPOSITS</b>		
1.	03 TO BELOW 06 MONTHS	08.00% P.A.
2.	06 TO BELOW 12 MONTHS	09.00% P.A.
3.	12 TO BELOW 30 MONTHS	10.00% P.A.
4.	30 MONTHS & ABOVE	11.00% P.A.
<b>ii. MONEY MULTIPLIER DEPOSIT SCHEME (M.M.D.S)</b>		
1.	DOUBLE IN	075 MONTHS
2.	TRIPPLE IN	117 MONTHS
3.	FIVE TIMES IN	168 MONTHS
4.	TEN TIMES IN	240 MONTHS
<b>iii. RECURRING DEPOSITS (R.D.)</b>		
1.	12 MONTHS TO BELOW 36 MONTHS	08.50% P.A.
2.	36 MONTHS & ABOVE	09.50% P.A.
<b>iv. MONTHLY INCOME SCHEME (M.I.S.)</b>		
1.	24 MONTHS TO BELOW 36 MONTHS	09.00% P.A.
2.	36 MONTHS TO BELOW 60 MONTHS	10.00% P.A.
3.	60 MONTHS AND ABOVE	11.00% P.A.
<b>E. COMPULSORY DEPOSIT</b>		06.00% P.A.

<b>F. OPTIONAL DEPOSIT</b>	06.00% P.A.
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**10. Mode and Calculation of Interest: -**

**A. Interest on Fixed Deposits** shall be calculated at the rate stipulated above by using the formula **Principal X rate of interest X period in months /1200**. The interest shall be calculated at the end of the year i.e., 31<sup>st</sup> March or the date of maturity whichever is earlier and credited in the account just to maintain the accounts and calculate the actual profit/loss during the year, but the payment of interest shall be made only on maturity. Thus, the interest is simple interest and not compoundable at any stage.

**B. Interest on Money Multiplier Deposit Scheme** shall be calculated at the following rate of interest which shall be yearly compoundable: -

1	In the Scheme of Double	11.73% P.A.
2	In the Scheme of Triple	11.93% P.A.
3	In the Scheme of Five Times	12.18% P.A.
4	In the Scheme of Ten Times	12.20% P.A.

The interest shall be calculated at the end of the year i.e., on 31<sup>st</sup> March or the date of maturity whichever is earlier and credited in the account just to maintain the accounts and calculate the actual profit/loss during the year, but the payment of interest shall be made only on maturity. At the time of maturity, any difference in the amount of interest and maturity amount, the amount of interest at the maturity shall be adjusted from the Interest Paid A/c.

**C. Interest on Recurring Deposit** shall be calculated at the stipulated rate of interest which is quarterly compoundable and credited into the account at every 31<sup>st</sup> March or maturity date whichever occurs earlier to maintain the books of accounts but the payment is made only on maturity. At the time of maturity, any difference in the amount of interest and maturity amount, the amount of interest at the maturity shall be adjusted from the Interest Paid A/c. However, to make the calculation easier, the following chart of interest as well maturity amount shall be used for this scheme: -

Sl. No.	Amount per	Maturity Amount in				
		12	24	36	48	60

	Month	months	Months	Months	Months	Months
		8.50%	8.50%	9.50%	9.50%	9.50%
1	100	1256	2622	4175	5849	7688
2	200	2512	5244	8350	11698	15376
3	300	3768	7866	12525	17547	23064
4	400	5024	10488	16700	23396	30752
5	500	6280	13110	20875	29245	38440
6	600	7536	15732	25050	35094	46128
7	700	8792	18354	29225	40943	53816
8	800	10048	20976	33400	46792	61504
9	900	11304	23598	37575	52641	69192
10	1000	12560	26220	41750	58490	76880
11	2000	25120	52440	83500	116980	153760
12	3000	37680	78660	125250	175470	230640
13	4000	50240	104880	167000	233960	307520
14	5000	62800	131100	208750	292450	384400
15	6000	75360	157320	250500	350940	461280
16	7000	87920	183540	292250	409430	538160
17	8000	100480	209760	334000	467920	615040
18	9000	113040	235980	375750	526410	691920
19	10000	125600	262200	417500	584900	768800

- D. Interest on MIS** shall be calculated at the stipulated rate of interest by using the formula **Principal X Rate of Interest /1200** on the last day of every month and shall be paid between every 1<sup>st</sup> to 10<sup>th</sup> day of the following month to the member. In the first month of deposit, Interest for the remaining number of days from the date of deposit shall be calculated and paid accordingly and in the month of maturity of deposit, the interest shall be calculated from the first days of the month to date of maturity and shall be paid accordingly.
- E. Interest on Compulsory Deposit** shall be calculated at the stipulated rate by taking monthly product method and credited in the interest on C.D. Account at the end of every year i.e., on 31<sup>st</sup> March. For calculation of product the lowest balance in the account between 11<sup>th</sup> to last day of the month shall be considered.
- F. Interest on Optional Deposit** shall be calculated at the stipulated rate by monthly product method and credited in

the Optional Deposit Account itself at the end of every year i.e., on 31<sup>st</sup> March. For calculation of product the lowest balance in the account between 11<sup>th</sup> to last day of the month shall be considered.

**11. Rules/Terms and Conditions of Deposits: -**

- A.** All amount of deposit exceeding Rs. 10,000/- per year shall be accepted and paid from/to the member through banking channel only.
- B.** The society does not deduct TDS (Tax Deduction and Source) on the amount of interest on deposit but the amount of interest is taxable at the end of the beneficiary member as per his/her tax slab as per rules of Income Tax Act.
- C.** The society is not bound to make payment of the premature term deposit. However, if it is insisted by the depositor member and the society agrees to make payment, the interest on term deposit shall be calculated and paid at the rate of interest on Optional Deposit i.e. 6.00% P.A. from the date of deposit to till the date of payment for the complete months only. Incomplete months are mostly the month of deposit and the month of payment and no interest is paid for these incomplete months.
- D.** The amount of R.D. to be deposited by fifth of every month, otherwise a penalty @ 0.2% per day from sixth day of the month to till the date of deposit on monthly amount of deposit shall be charged as delayed deposit fee. Further, If a member deposits his/her R.D. amount after 5th of the month consecutively for three months, R.D. a/c shall be automatically closed and the amount shall be transferred to O.D. a/c without any notice.

**CHAPTER IV: LOAN**

**12. Maximum Credit Limit of the Members: -**

Maximum credit limit of a member shall be fixed by the managing committee at the time of admission of a member and shall be revised at the time of consideration of a member's loan application or at the time of accepting surety of the member to a loan, on the

basis of share money deposited in the society as well as monthly income of the member. The Maximum Credit Limit of the member shall be fixed at twenty times of the amount of share subscribed in the capital of the society or 20 times of his monthly income (50% of net salary income as per latest salary slip/certificate or 50% of amount shown in latest I.T.R.)

Provided that in case the M.C.L. of member could not be fixed by the managing committee due to oversight, it shall be deemed that the M.C.L. of a member shall be the same amount which comes as per above said criterion, on the basis of the details of latest income proof available in the record of the society.

**13. Emergency Loan: -**

- A.** Emergency Loan shall be granted to a member up to Rs. 50,000/- to a member subject to the amount secured by share money and compulsory deposit of the member which shall be repaid by the member within ten monthly installments commencing from the next month of disbursement of loan.
- B.** Interest on such loan shall be charged at the rate of 16.2% P.A. from the date of disbursement of loan from the society end.
- C.** The member willing to avail emergency loan shall apply on the application form available in the office of the society at a cost of Rs. 30/-(25.42+4.58) inclusive of GST as applicable.
- D.** The emergency loan application of a member shall be immediately disposed off by the office-in-charge of the society and the loan amount shall be disbursed through banking channel after executing the necessary documents. Such cases shall be presented before the managing committee in its next meeting for their subsequent approval.
- E.** The borrower member shall submit post-dated cheques for repayment of loan installment and pay processing fee @ 0.5% of disbursement of loan amount + GST at the stipulated rate as at the time of disbursement of loan.

- F.** All instalment of loan together with the interest, penal interest and other incidentals shall become due and payable on 1st day of the month and shall be payable maximum by 10th of the same month. However, the managing shall be competent to decide the date by which the instalment must be paid by the member by way of writing the same on the document executed for the purpose.
- G.** The amount paid in repayment of loan shall first be credited in the other incidentals due thereon and remaining amount shall be credited subsequent in due Penal Interest, Interest and finally remaining amount in Principal amount of loan account.
- H.** The terms and conditions of the loan written on loan bond executed for the purpose shall be final.

**14. Ordinary/Regular Loan: -**

- A.** Ordinary/Regular Loans are the loans which are provided by the society to its members on personal surety of other members. Such loans are provided to the members those who have completed at least 30 days of membership in the society.
- B.** Such loans shall be granted to a member up to Rs.4,00,000/- subject to his maximum credit limit and considering the repaying capacity, previous loan repaying record of the applicant member. The Staff/ Committee shall also consider financial viability & social status, previous loan repaying record of the sureties proposed for the purpose. The loan repaying record of the members for whom the applicant and proposed sureties have been surety in the past.
- C.** Interest on such loan shall be charged at the rate of 16.2% P.A. from the date of disbursement of loan from the society end.
- D.** Such loans shall be repaid within 100 monthly instalments commencing from the next month of disbursement of loan. However, if the committee thinks it fit and proper on the

request of the applicant the loan instalment may be commenced from the month as agreed on the loan bond.

- E.** The member shall apply for loan on prescribed application form available in the office of the society at a cost of Rs. 30/- (25.42+4.58) inclusive of GST as applicable.
- F.** The loan application form duly filled in, free from overwriting and corrections and signed by the applicant as well as its sureties together with all required documents shall be submitted in the society. The following documents shall be attached with the loan application form: -
- i)** Self-attested copies of Aadhaar and Pan of the applicant and all sureties.
  - ii)** Self-attested copies of title documents of residence together with copy of water or electricity bill of the same property pertaining to applicant.
  - iii)** Self-Attested Copies of documents showing business/profession/source of income of the applicant.
  - iv)** Self-attested copies of Service I. Card and last salary slip/certificate, duly certified by the concerned competent authority, of the applicant and all the sureties (for those who are salary earner).
  - v)** Self-attested copies of I.T.R. filled by the applicant for last three years (for those who are doing business/profession).
  - vi)** Cancelled cheque showing bank details of applicant and all sureties.
  - vii)** Any other document asked by the society to satisfy the doubt/query.
  - viii)** In case the loan is granted, the borrower and all sureties shall have to submit their two cheques each for security of the loan amount as well as interest and other incidentals due thereon.



**G.** The following no. of sureties shall be arranged and produced by the loan applicant member: –

- i) One surety up-to the loan of Rs. 50,000/-
- ii) Two Sureties for the loan above Rs. 50,000/- and up-to Rs. 1,00,000/-
- iii) Three sureties for the loan above Rs. 1,00,000/- and up-to Rs. 2,00,000/-
- iv) Four sureties for the loan above Rs. 2,00,000/- and up-to Rs. 3,00,000/-
- v) Five sureties for loan above Rs. 3,00,000/- and up-to Rs. 4,00,000/-

Provided that the sureties must be financially viable and possessing good social reputation/status and should not be defaulter in payment of their instalment and compulsory deposit. The member should not be surety to a loan under default.

**H.** The loan applications shall be entered in a register maintained for the purpose and thereafter, shall be decided by the managing committee of the society in its following meeting. If the loan applications are rejected, the committee shall not be bound to show the reasons thereof. In case the application is granted, the applicant shall be informed to appear in the office of the society together with all his sureties to execute the documents.

**I.** The applicant and sureties shall submit their two security cheques each and they will deposit their due C.D. and Share Money required for the purpose and the applicant shall pay the processing fee at the rate of 0.5% of the loan amount granted and 0.5% of the loan amount as Common welfare fund plus GST as applicable thereon.

**J.** The applicant/borrower shall submit post dated cheques also for repayment of loan installment.

- K.** The applicant and sureties shall execute the documents pertaining to loan (Loan Bond, Undertaking by Sureties, Borrower's Consent Note, Surety Consent Note, Letter to submit cheques and undertakings /affidavits required for the purpose). All documents shall be executed and signed by the applicant and sureties in the premises of the society only.
- L.** After completing all formalities and being satisfied with the borrower and sureties, the society shall disburse the loan to the borrower or as per his/her instruction in writing through banking channel.
- M.** All instalments of loan together with the interest, penal interest and other incidentals shall become due and payable on 1st day of the month and shall be payable maximum by 10th of the same month. However, the managing committee shall be competent to decide the date by which the instalment must be paid by the member by way of writing the same on the document executed for the purpose.
- N.** The amount paid in repayment of loan shall first be credited in the other incidentals due thereon and subsequent remaining amount shall be credited in due Penal Interest, Interest and finally remaining amount in Principal amount of loan account.
- O.** The terms and conditions of the loan written on loan bond executed for the purpose shall be final.

## **15. Loan Against Deposits**

- A.** The member can avail loan against his term deposits with the society which shall be granted by the managing committee up to 90% of the principal deposit. However, in some special cases, keeping in view the viability/security of the loan amount, the amount of loan may be increased considering the interest accrued thereon the term deposit.
- B.** Interest on such loan shall be charged at the rate of 2% above the rate of interest being paid on the term deposit as mentioned in clause 9 and 10(B) of this policy.

- C. Such loans shall be repaid as per terms and conditions of loan bond executed by the applicant/borrower at the time of disbursement of loan.
- D. The member shall apply for loan on prescribed application form available in the office of the society at a cost of Rs. 30/-(25.42+4.58) inclusive of GST as applicable.
- E. The member shall enclose the original deposit certificate alongwith the loan application form.
- F. The application shall be entered in a register maintained for the purpose and the application shall be disposed of immediately and the amount of loan shall be paid through banking channel after executing the loan bond and other documents as per discretion of the committee.
- G. All instalment of loan together with the interest, penal interest and other incidentals shall become due and payable on 1st day of the month and shall be payable maximum by 10th of the same month. However, the managing shall be competent to decide the date by which the instalment must be paid by the member by way of writing the same on the document executed for the purpose. The borrower shall pay processing fee of Rs. 50/- + GST as applicable.
- H. The amount paid in repayment of loan shall first be credited in the other incidentals due thereon and subsequent remaining amount shall be credited in due Penal Interest, Interest and finally remaining amount in Principal amount of loan account.
- I. The terms and conditions of the loan written in the bond executed for the purpose shall be final.

**16. Loan against property: -**

- A. Loan against the property are the loans which are provided by the society to its members against collateral security of fixed assets such as residential/commercial plot, house, flat, shop, office etc. In addition to collateral security, personal surety of other two members capable to stand surety shall also be compulsory. Such loans are provided to the members

those who have completed at least 30 days of membership in the society.

- B.** Such loans shall be granted to a member up to Rs.50,00,000/- or 75% of market value of the collateral security whichever is lesser, subject to his maximum credit limit and considering the repaying capacity, previous loan repaying record of the applicant member. The Staff/Committee shall also consider financial viability & social status, previous loan repaying record of the sureties proposed for the purpose. The loan repaying record of the members for whom the applicant and proposed sureties have been surety in the past.
- C.** Interest on such loan shall be charged at the rate of 16.2% P.A. from the date of disbursement of loan from the society end.
- D.** Such loans shall be repaid within 200 monthly instalments commencing from the next month of disbursement of loan. However, if the committee thinks it fit and proper on the request of the applicant the loan instalment may be commenced from the month as agreed on the loan bond. The terms and conditions of the loan written on loan bond and mortgage deed executed for the purpose shall be final.
- E.** The member shall apply for loan on prescribed application form available in the office of the society at a cost of Rs. 30/-(25.42+4.58) inclusive of GST as applicable.
- F.** The loan application form duly filled in, free from overwriting and corrections and signed by the applicant as well as its sureties together with all required documents shall be submitted in the society. The following documents shall be attached with the loan application form: -
  - i)** Self-attested copies of Aadhaar and Pan of the applicant and all sureties. The applicant shall submit his recent four passport size photo also in addition to those affixed on the loan application form.

- ii)** Self-attested copies of title documents of residence together with copy of water or electricity bill of the same property pertaining to applicant.
- iii)** Self-Attested Copies of documents showing business/profession/source of income of the applicant.
- iv)** Self-attested copies of Service I. Card and last salary slip/certificate, duly certified by the concerned competent authority, of the applicant and all the sureties (for those who are salary earner).
- v)** Self-attested copies of I.T.R. filled by the applicant for last three years (for those who are doing business/profession).
- vi)** Cancelled cheque showing bank details of applicant and all sureties.
- vii)** Self-attested copies of title documents of the collateral security together with complete previous chain.
- viii)** Legal opinion/search report, from any of the advocate on panel of the society, pertaining to the collateral security offered by the applicant, at his own cost.
- ix)** Valuation report of the collateral security, from any of the qualified professional on panel of the society, pertaining to the collateral security offered by the applicant at his own cost.
- x)** Any other document asked by the society to satisfy the doubt/query if any.
- xi)** In case the loan is granted, the borrower and all sureties shall have to submit their two cheques each for security of the loan amount as well as interest and other incidentals due thereon.

**G.** The loan applications shall be entered in a register maintained for the purpose and thereafter, shall be decided by the managing committee of the society in its following meeting. If the loan applications are rejected, the committee

shall not be bound to show the reasons thereof. In case the application is granted, the applicant shall be informed to appear in the office of the society together with all his sureties to execute the documents.

- H.** The applicant and sureties shall submit their two security cheques each and they will deposit their due C.D. and Share Money required for the purpose and the applicant shall pay documentation charges Rs. 2,500/- to the professional on panel of the society and the processing fee of Rs. 1,000/- to the society together with 0.1% of the loan amount as Common welfare fund.
- I.** The applicant/borrower shall submit post-dated cheques also for repayment of loan installment.
- J.** The applicant and sureties shall execute the documents pertaining to loan (Mortgage Deed, Memorandum to Deposit Title Documents, Affidavit declaring mortgage of property and loan taken thereon, Special Power of Attorney, Indemnity Bond, Form No. 9, affidavit submitting Cheques in the society, Loan Bond, Undertaking by Sureties, Borrower's Consent Note, Surety Consent Note, and undertakings /affidavits required for the purpose). All documents shall be executed and signed by the applicant and sureties in the premises of the society only.
- K.** After execution of the above documents, some of the documents shall be notarized and the borrower and sureties shall visit the office of the notary to sign on the register maintained by the notary public.
- L.** After completing all formalities and being satisfied with the borrower and sureties, the society shall disburse the loan to the borrower through banking channel.
- M.** All instalment of loan together with the interest, penal interest and other incidentals shall become due and payable on 1st day of the month and shall be payable maximum by 10th of the same month. However, the managing committee shall be competent to decide the date by which the instalment must be paid by the member by way of writing the same on the document executed for the purpose.

- N. The amount paid in repayment of loan shall first be credited in the other incidentals due thereon and subsequently remaining amount shall be credited subsequent in due Penal Interest, Interest and finally remaining amount in Principal amount of loan account.
- O. Terms and conditions of loan written in the Mortgage deed executed for the purpose shall be final.

#### 17. **MODE OF INTEREST ON LOAN: -**

- A. The interest on all loans shall be charged on the rate stipulated above on the last day of the month on the principal sum remaining balance in the loan account.
- B. The interest shall be calculated on simple method of interest using the formula for the first month **Amount of loan X Rate of interest X No. of days remaining in the month inclusive of date of disbursement/36500= amount of interest.**
- C. The further interest shall be calculated on simple method of interest using the formula **Amount** (Balance as on last day of the month) **X Rate of interest/1200=amount of interest.**
- D. The amount of interest is rounded off as per GAAP (Generally Accepted Accounting Practices) wherein amount of one to forty-nine paisa is ignored and fifty-one to ninety-nine paisa is rounded off/taken as 1 rupee. In case the amount of 50 paisa, it is ignored, if it is together with the even amount of Rupee and if it is together with the odd amount of rupee, taken as one rupee.
- E. The interest on all types of loan shall be charged as simple interest and not the quarterly, half yearly or yearly compoundable

#### 18. **DELAY/PENAL INTEREST**

- A. That in case the member fails to pay the installment or part thereof by the stipulated date, shall pay interest at the stipulated rate on the amount of the installment (Principal)

from the first day of the month to till the date of payment. Such interest shall be called the delay interest. This arrangement is for the payment of instalment in the same month in which it was due.

- B.** That in case the member fails to pay any installment or part thereof in the month in which it was due and payable, the member in addition to normal rate of interest shall pay penal interest @ 3% p.a. on all overdue principal loan amount.

## **19. REBATE ON INTEREST**

- A.** The member making timely payment of their installment regularly (having no amount of instalment or any part there of unpaid for previous month) shall be given a rebate @ 1.8% p.a. on interest on Emergency & Ordinary Loan Account and @ 2.4% on interest on Loan against property. No rebate is applicable on loan against deposits.

## **20. LOAN RENEWAL CHARGES**

Society shall charge Loan Renewal Charges @ 1% of the amount of loan required to fully clear the existing loan a/c + GST from the member who shall apply for another regular/ordinary loan and loan against property before clearing the previous loan.

## **21. MODE OF PAYMENT/RECEIPT**

- A.** All payments to a member from any type of deposit/loan a/c exceeding Rs. 5,000/- shall be made only through banking channel.
- B.** All payments to a non-member exceeding Rs. 5,000/- shall be paid only through banking channel only.
- C.** All receipts from a member exceeding Rs. 5,000/- in a financial year shall be accepted through banking channel only.

Sd/-  
(HAZARI LAL SAHU)

Sd/-  
(RADHEY SHYAM GUPTA)



PRESIDENT

SECRETARY

Sd/-  
(RAM BAHADUR)  
TREASURER

Sd/-  
(RAJA RAM SAHU)  
VICE PRESIDENT