

TERMS AND CONDITIONS FOR SEGP 2005-06.

1. The applicant should be a resident of Manipur. Residential Certificate issued by the concerned SDO/SDC office should be enclosed.
2. The age of the applicant should be within 20 to 45 years as on the date of application (Certificate to be enclosed. In case of uneducated persons, certificate should be obtained from the local MLA/Councilors/Pradhans/ Village Cheifs/School where last studied).
3. The applicant should not have availed financial assistance under any other Government Schemes like PMRY/SEEUY etc from departments/ agencies like MANIDCO, KVIB, DIC, MTDC.
4. Canvassing, personal query, gratification, bribe and or any kind of pressure, physical or otherwise, for selection of the applicant will amount to rejection/disqualification of the proposal.
5. Duly filled-up SEGP Loan form shall be submitted to the Deputy Commissioner of the District concerned which in turn forward the same to the Implementing Agency/Bank after due scrutiny. Any SEGP Loan form submitted to the Bank directly will not be accepted. The Implementing Agency/Bank will examine the SEGP Loan forms forwarded by the Deputy Commissioners and the Bank reserves the right to reject any application if found unsatisfactory and unsuitable. The Implementing Agency/Bank will forward the SEGP Loan forms which fulfill all requirements to the Planning Department for placing it before the State Level Committee for SEGP constituted by the State Govt. for approval. The Planning Department will forward a list of the approved applicants and the Implementing Agency/Bank will issue the sanction letters to the approved applicants.
6. Any person selected by the State Level Committee for availing loan under the SEGP should open a Savings/Current Bank Account with the Bank.
7. Promoter's contribution should be preferably deposited to the Bank by all the approved beneficiaries only after their approval has been communicated to the Bank by the Planning Department as per condition No.9 below.
8. All the approved beneficiaries are required to purchase Bank's Share @ 1 % of the loan amount preferably after the sanction letter has been issued to them or before the release of the loan amount to them. This is refundable after repayment of loan or after 5 years whichever is later.
9. The pattern of financing between the Bank and the beneficiary will be as below :
 - (i) 95: 5; if the cost of the Scheme is upto Rs.2.00 lakhs.
 - (ii) 90:10; if the cost of the Scheme is above Rs.2.00 lakhs but not more than Rs.5.00 lakhs.
 - (iii) 85:15; if the cost of the Scheme is above Rs.5.00 lakhs.

The maximum ceiling of loan admissible under the Scheme will be Rs.5.00 lakhs per loanee. However, in respect of purchase of Truck, the upper limit of loan will be Rs.8.00 lakhs. For coverage of more unemployed persons, preference to Schemes of lower cost shall be given.

10. The rates of interest to be charged by the Financing Agency/Bank from the loanee shall be as below :
 - (i) Loans upto Rs.2.00 lakhs - 4 % p.a.
 - (ii) Loans above Rs.2.00 lakhs but not exceeding Rs.5.00 lakhs - 5 % p.a.
 - (iii) Loans above Rs.5.00 lakhs but not exceeding Rs.8.00 lakhs - 7 % p.a.

There shall be a penal interest of 4 % against outstanding repayments.

Contd. on 2/.....

11. The repayment period of the loan will depend on the purpose and size of the limit as indicated below :

- I. For small economic activities - Repayable within 2 years.
- II. For Industry/Traders/Business - Repayable within 5 years.
- III. For Transport/Fisheries/Veterinary/
Sericulture/Agriculture/Medical - Repayable within 7 years.
- (i) All loans advanced under Industry/Transport/Medical/Agriculture will be repayable in quarterly instalments with a moratorium period of 6 months.
- (ii) Loans under small economic activities/Trading/Business shall be repayable in monthly instalments with 3 months moratorium period.
- (iii) Loans under Fisheries/Veterinary/Sericulture shall be repayable in half yearly instalments with a moratorium of 12 months.

12. SECURITY NORMS :

(a) For loan amount up to Rs.1.00 lakh:-

- (i) The loan applicant's own landed property (s), value of which shall be more than 20% of the loan amount, to be mortgaged in favour of the bank;

Or,

- (ii) One Government employee irrespective of grade of service shall be required to stand guarantee;

Or,

- (iii) Liquid security (s) of the loan applicant or of any other person(s) in the form (s) of National Saving Certificate, Indira Vikas Patra, Kisan Vikas Patra, Fixed Deposit of MSCB whose total face value shall not be less than the loan amount and Life insurance Corporation (LIC) policy whose surrendered value shall not be less than the loan amount to be lodged/ pledged to the Bank with an assignment of lien.

Or,

- (iv) One credit worthy person whose landed property(s), value of which shall be more than 20% above the loan amount to be mortgaged in favour of the Bank.

(b) For loan amount above 1.00 lakh and upto 2.00 lakhs:

- (i) The loan applicant's own landed property(s) value of which shall be more than 20% of the loan amount, to be mortgaged in favour of the bank;

And,

- (ii) One Government employee not below the level of Grade-III shall be required to stand guarantee;

Or,

Liquid security (s) of the loan applicant or of any other person(s) in the form (s) of National Saving Certificate, Indira Vikas Patra, Kisan Vikas Patra, Fixed Deposit of MSCB whose total face value shall not be less than the loan amount and Life insurance Corporation (LIC) policy whose surrendered value shall not be less than the loan amount to be lodged/ pledged to the Bank with an assignment of lien;

Contd. on 3/....

Or,

One credit worthy person whose landed property(s), value of which shall be more than 20% of the loan amount to be mortgaged in favour of the Bank.

(c) For loan amount above Rs. 2.00 lakhs and upto Rs.5.00 lakhs;

(i) The loan applicant's own landed property(s) value of which shall be more than 20% of the loan amount, to be mortgaged in favour of the Bank;

And,

(ii) One Government employee not below the level of Grade-III shall be required to stand guarantee;

Or,

Liquid security (s) of the loan applicant or of any other person(s) in the form (s) of National Saving Certificate, Indira Vikas Patra, Kisan Vikas Patra, Fixed Deposit of MSCB whose total face value shall not be less than the loan amount and Life insurance Corporation (LIC) policy whose surrendered value shall not be less than the loan amount to be lodged/ pledged to the Bank with an assignment of lien;

Or,

One credit worthy person whose landed property(s), value of which shall be more than 20% of the loan amount to be mortgaged in favour of the Bank.

(d) For loan amount above Rs. 5.00 lakhs and upto Rs.8.00 lakhs;

(i) The loan applicant's own landed property(s) value of which shall be more than 20% of the loan amount, to be mortgaged in favour of the Bank;

And,

(ii) Two Government employee not below the level of Grade-III shall be required to stand guarantee;

Or,

Liquid security (s) of the loan applicant or of any other person(s) in the form (s) of National Saving Certificate, Indira Vikas Patra, Kisan Vikas Patra, Fixed Deposit of MSCB whose total face value shall not be less than the loan amount and Life insurance Corporation (LIC) policy whose surrendered value shall not be less than the loan amount to be lodge/ pledged to the Bank with an assignment of lien;

Or,

One credit worthy person whose landed property(s), value of which shall be more than 20% of the loan amount to be mortgaged in favour of the Bank.

*** A Govt. employee means a regular employee, having a minimum of 2 years service more than the operative period for loan repayment, of the State Government or autonomous bodies of the State Govt. namely, District councils, Manipur Police Housing Corporation, Board of Secondary Education; Manipur, Council of Higher Secondary Education; Manipur, Manipur Development Society, Loktak Development Authority, Manipur State Co-operative Bank Ltd. and other State Government Societies/ Organizations/ PSUs to be notified by the State Government from time to time including any other Central Government agencies whose employees are not transferable outside the state executing and undertaking to the State Government to abide by the terms and conditions of the loan in regard to making deductions from the monthly salary of their salaries standing as guarantors for SEGP loan.**

**** Credit worthy persons means a person who can offer his/ her own landed property(s) as security to be mortgaged in favour of the Bank on behalf of the loan applicant, value of which shall be more than 20% the loan amount to be mortgaged in favour of the Bank.**

***** In respect of landed property (s) in the Hill areas in the State where the a MLR Act have not yet been introduced, the certificate of landed property(s) in non – judicial paper of appropriate value issued by the duly recognized Chairman of the concerned Village Authority who has been notified by the Deputy Commissioner with approval of the Hills department and after proper verification by the District Commissioner of the District and duly countersigned by him shall be accepted as collateral securities (s) in respect of loan issued under the present programme along with a deed mortgaging the property to the bank. However, the bank shall give preference to applicants who are able to offer collateral security which is covered by the MLR & LR Act or guarantors or other forms of securities of adequate value covering the loan amount.**

The Bank reserves the right to make verification of securities offered for mortgage of loan and the genuineness of guarantors offered.

- 13. The amount of the loan shall be paid to the beneficiary directly or to the supplier/company, as the case may be, on the execution of the necessary bonds/documents etc. But, no portion of the loan shall be given/dispursed before it is actually required for expenditure such as, if shed construction is required in the proposed trade/scheme, the amount required for shed construction will be released first and the remaining amount of loan will be released after the completion of the construction of the shed.**
- 14. All the selected beneficiaries are required to attend training before the disbursement of loan and asset to them. The training will be conducted at the Districts by the Implementing Agency/Line Departments/ various other training institutions. Participation in the training to be arranged under the Scheme shall be a precondition for eligibility for actual availing of the loan under the Scheme.**
- 15. Assets related to the business/project must be insured with an Insurance Company approved by the Financing Agency/Bank till full repayment of the loan. Therefore, the applicants will have to abide by the insurance policy adopted by the bank for the specific schemes under SEGP.**
- 16. If Business site is required under the project, photocopy of Jamabandi/Patta dully attested by the concerned SDC (if own) should be enclosed. If it is rented, the beneficiary will be required to furnish a copy of the Lease Deed/Agreement, the period of which should be at least 2(two) years more than the repayment period of loan.**
- 17. Processing fee @ 0.50 % of the loan amount will be levied from each of the loanee by the Financing Agency/Bank.**
- 18. If there be any increase in the cost of machine/article/component of the scheme over the cost fixed under SEGP, the differential amount will have to be borne by the applicant.**
- 19. All the beneficiaries should utilise the loan amount for the purpose for which it has been sanctioned and the financing Bank will monitor/examine as to the utilisation of the loan released within one month and the Govt./ Implementing Agency will have the right to recall the whole amount of loan or any amount thereof, if any of the terms and conditions is violated by the beneficiaries.**