

**OWN FUND SCHEMES OF KERALA STATE MINORITIES  
DEVELOPMENT FINANCE CORPORATION LTD.  
(KSMDFC)**

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**Scheme 1: SELF EMPLOYMENT SCHEME FOR MINORITIES (KSMDFC SCHEME)**

The scheme is intended for individual beneficiaries who are capable of running new projects and who have track record of running income generating units/establishments. The scheme may also help the youth returning from foreign countries who intend to establish an income generating project in Kerala.

**Means of Financing are as follows:**

KSMDFC contribution	90%
Beneficiary contribution	10%

Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilize the amount along with the loan amount received from the KSMDFC. The maximum loan amount that can be disbursed under this scheme is limited to 90% of the project cost or the amount requested by the beneficiary whichever is lower. The maximum amount that can be disbursed under this scheme will be Rs. 20 Lakh.\*

For purchasing commercial vehicles 90% of the on the road price of the vehicle, shall be given as loan amount. The balance amount (the beneficiary contribution) shall be remitted by the beneficiary directly to the dealer. Hypothecation of the vehicle in favour of KSMDFC is compulsory. The vehicle should be used for Self Employment income generating activities only.

**Rate of Interest:** The interest rate will be 8%.\*\*

**Repayment Period:** The maximum repayment period is fixed as 84 months (7 years).

**Eligibility Criteria:**

1. Applicant must belong to any one of the notified minority communities. (Muslims, X'ans, Sikh, Parcis, Budhha & Jain).
2. Annual Family Income of the Applicant shall not be more than Rs. 6 Lakh.\*\*\*
3. The applicant should not be a beneficiary under Self Employment Scheme of NBCFDC or NMDFC Scheme.
4. Age of the beneficiary shall be between 18-58 years as on the date of application.

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*\* Revised in Board Meeting on 27<sup>th</sup> May, 2017 with effect from the date of the meeting vide Resolution No. 04. Previously Maximum Amount was Rs. 10 Lakh till 27<sup>th</sup> May, 2017.  
\*\*Previously Interest rate was 6% till 27<sup>th</sup> May, 2017. \*\*\*Previously Annual Family Income limit was Rs. 1,03,000/- till 27<sup>th</sup> May, 2017.*

**~~Scheme 2: SELF EMPLOYMENT SCHEME FOR MINORITIES RETURNED UNDER NITAQAT LAW PRAVASI LOAN SCHEME (NITAQAT)~~**

~~The scheme is for individual beneficiaries who are returned from Saudi Arabia due to the introduction of the Nitaqat law in Saudi Arabia, providing for mandatory recruitment of locals in the private sector. The applicant should be returned to Kerala due to compulsory EXIT from KSA with in the period 2 April 2013 and 3 November 2013. Under this scheme, Projects costing up to 10 lakhs are considered for financing.~~

**~~Means of Financing are as follows:~~**

~~KSMDFC contribution ————— 90%~~

~~Beneficiary contribution ————— 10%~~

~~Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilize the amount along with the loan amount received from the KSMDFC. The maximum loan amount that can be disbursed under this scheme is limited to 90% of the project cost or the amount requested by the beneficiary whichever is lower. The maximum amount that can be disbursed under this scheme will be Rs10 lakhs.~~

~~For purchasing commercial vehicles 90% of the on the road price of the vehicle, shall be given as loan amount. The balance amount (the beneficiary contribution) shall be remitted by the beneficiary directly to the dealer. Hypothecation of the vehicle in favour of KSMDFC is compulsory. The vehicle should be used for Self Employment income generating activities only.~~

~~**Rate of Interest:** The interest rate will be 3%.~~

~~**Repayment Period:** The maximum repayment period is fixed as 84 months (7 years).~~

**~~Eligibility Criteria:~~**

- ~~1. Applicant must belong to any one of the notified minority communities. (Muslims, X'ans, Sikh, Pareis, Budhha & Jain).~~
- ~~2. The annual family income must be below 1,03,000/—.~~
- ~~3. The applicant should not be a beneficiary under Self Employment Scheme of NBCFDC or NMDFC Scheme.~~
- ~~4. Age of the beneficiary shall be between 18-58 years as on the date of application.~~
- ~~5. The applicant should be returned to Kerala due to compulsory EXIT from KSA with in the period 2 April 2013 and 3 November 2013.~~

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**Scheme 3: PRAVASI LOAN SCHEME/SELF EMPLOYMENT SCHEME FOR MINORITIES RETURNED FROM FOREIGN COUNTRIES (KSMDFC SCHEME)**

The scheme is for individual beneficiaries who are returned from FOREIGN COUNTRIES and decided to settle in Kerala by starting a self employment venture. Under this scheme, Projects costing up to 10 lakhs are considered for financing.

**Means of Financing are as follows:**

KSMDFC contribution	90%
Beneficiary contribution	10%

Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilize the amount along with the loan amount received from the KSMDFC. The maximum loan amount that can be disbursed under this scheme is limited to 90% of the project cost or the amount requested by the beneficiary whichever is lower. The maximum amount that can be disbursed under this scheme will be Rs10 lakhs.

For purchasing commercial vehicles 90% of the on the road price of the vehicle, shall be given as loan amount. The balance amount (the beneficiary contribution) shall be remitted by the beneficiary directly to the dealer. Hypothecation of the vehicle in favour of KSMDFC is compulsory. The vehicle should be used for Self Employment income generating activities only.

**Rate of Interest:** The interest rate will be 5%.

**Repayment Period:** The maximum repayment period is fixed as 84 months (7 years).

**Eligibility Criteria:**

1. Applicant must belong to any one of the notified minority communities. (Muslims, X'ans, Sikh, Parcis, Budhha & Jain).
2. The annual family income must be below 1,03,000/- .
3. The applicant should not be a beneficiary under Self Employment Scheme of NBCFDC or NMDFC Scheme.
4. Age of the beneficiary shall be between 18-58 years as on the date of application.
5. Pass Port and Visa Particulars of the applicant.
6. The applicant should be returned to Kerala by EXIT from foreign countries on or after Jan 2013.

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**Scheme 4: VISA LOAN SCHEME FOR MINIORITIES TO FIND JOB IN FOREIGN COUNTRIES**

The scheme is for individual beneficiaries who are planning to find a job in foreign countries. The applicant should produce a valid passport and visa for availing the loan. The applicants spouse/father/mother/ brother/ sister shall be the co-borrower along with the applicant. The maximum Loan amount under this scheme is Rs. 3lakhs.

**Means of Financing are as follows:**

KSMDFC contribution	90%
Beneficiary contribution	10%

Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilise the amount along with the loan amount received from the KSMDFC. The maximum amount that can be disbursed under this scheme will be Rs. 3 lakhs.

**Rate of Interest:** The interest rate will be 5%.

**Repayment Period:** The maximum repayment period is fixed as 84 months (7 years).

**Eligibility Criteria:**

1. Applicant must belong to any one of the notified minority communities. (Muslims, X'ans, Sikh, Parcis, Budhha & Jain).
2. The annual family income must be below 1,03,000/- .
3. Age of the beneficiary shall be between 18-58 years as on the date of application.
4. Valid Pass Port and Visa Particulars of the applicant.

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## **Scheme 5 – EDUCATIONAL LOAN SCHEME FOR MINORITY STUDENTS/STUDENT PLUS (KSMDFC SCHEME)**

**(The annual family income must be below 81,000/- in rural area and 1,03,000/- in urban area)**

The scheme is for individual beneficiaries (students). The applicant for the loan is the Student. The parent will be the co-borrower for the loan. Under this scheme an amount up to **7.5 lakhs** (Rs. SEVEN LAKH FIFTY THOUSAND ONLY) are considered for financing for studying **technical, professional and skill development courses** of durations not exceeding 5 years. The maximum amount per year is limited to 1.5 to 2 lakhs.

For courses with duration ONE year the maximum loan amount is Rs. 3 lakhs

For courses with duration Three years the maximum loan amount is Rs. 5 lakhs (Max 2lakh per year)

### **Means of Financing are as follows:**

KSMDFC contribution            95%

Beneficiary contribution        5%

Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilize the amount along with the loan amount received from the KSMDFC. The maximum loan amount that can be disbursed under this scheme is limited to 95% of the cost or the amount requested by the beneficiary whichever is lower. The maximum amount that can be disbursed under this scheme will be Rs.7. 5 lakhs.

The student shall submit the details of the Admission Fee, Tuition fee and other fees to be paid by the student in the college in each year certified by the Principal or Head of the institution.

The admissible expenditure includes Admission fee, Tuition fee, Exam fee and Hostel Expenses only.

The applicant should have obtained admission for any full-time professional/Technical /Skill development Courses through a Selection process based on Merit. Distant education/ Part-time programmes are also not covered under this scheme.

The college/institute that offering the course should be a recognized institution by the Central/State Government or by an appropriate authority such as UGC/ AICTE/MCI etc.

**Rate of Interest:** The interest rate will be 3%.

**Mode of release of loans:** The installment amount will be paid by A/c payee cheque in the name of Applicant and Co-borrower. (The parent will be the co-borrower of the loan amount).

For availing subsequent installments, the successful completion of the previous years of study is compulsory. A certificate in this regard shall be obtained from the head of the institution and submitted before the corporation to avail the subsequent installments.

**Repayment Period:** The maximum repayment period is fixed as 60 months (5 years).

The repayment will start after 6 months from the completion of the course or immediately after getting job on completion of the course whichever is earlier.

Even if the student has not successfully completed the course in the final year or he/she is perusing for higher studies, the repayment will start as per schedule i.e. after 6 months of the end of the course, for the loan is availed.

**Eligibility Criteria:**

1. Applicant must belong to any one of the notified minority communities. (Muslims, X'ans, Sikh, Parcis, Budhha & Jain).
2. The annual family income must be below 81,000/- in rural area and 1,03,000/- in urban area.
3. The applicant should not be a beneficiary under Educational Scheme of NMDFC or NBCFDC or other financial institutions of Kerala State.
4. Age of the beneficiary shall be between 16-32 years as on the date of application.
5. Confirmed admission in the intended course is the pre-requirement for availing the loan amount. Applications can be submitted in anticipation of the admission.
6. The applicant should have obtained admission for any full-time professional/Technical/Skill Development Courses through a Selection process based on Merit.
7. Selection of beneficiary out of the eligible candidates will strictly be on merit and availability of fund.
8. Distant education/ Part-time programmes are also not covered under this scheme.

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## **Scheme 6 – FOREIGN EDUCATIONAL LOAN SCHEME FOR MINORITIES (KSMDFC SCHEME)**

The scheme is for individual beneficiaries. Under this scheme an amount up to 20 lakhs are considered for financing for studying technical and professional courses of durations not exceeding 5 years in a foreign country. The maximum amount per year is limited to 4 lakhs. Only courses at Graduate Degree/Diploma and Post Graduate level will be covered under this scheme.

### **Means of Financing are as follows:**

KSMDFC contribution	90%
Beneficiary contribution	10%

Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilize the amount along with the loan amount received from the KSMDFC. The maximum loan amount that can be disbursed under this scheme is limited to 90% of the cost or the amount requested by the beneficiary whichever is lower. The maximum amount that can be disbursed under this scheme will be Rs.20 lakhs.

The student shall submit the details of the Admission Fee, Tuition fee and other fees to be paid by the student in the college in each year certified by the Principal or Head of the institution. The admissible expenditure includes Admission fee, Tuition fee, Exam fee and Hostel Expenses only. The loan is available to students perusing approved full time and regular courses only. The college/institute that offering the course should be a recognized institution by the Central/State Government/UGC or by an appropriate authority such as AICTE/MCI etc. The original broacher of the course, the website details etc. shall be submitted along with the application. All the details/certificates shall be submitted in English Language only.

**Rate of Interest:** The interest rate will be 3%.

**Mode of release of loans:** The installment amount will be paid by A/c payee cheque in the name of Applicant and Co-borrower. (The parent will be the co-borrower of the loan amount). For availing subsequent installments, the successful completion of the previous years of study is compulsory. A certificate in this regard shall be obtained from the head of the institution and submitted before the corporation to avail the subsequent installments.

**Repayment Period:** The maximum repayment period is fixed as 84 months (7 years). The repayment will start after 6 months from the completion of the course or immediately after getting job on completion of the course whichever is earlier. Even if the student has not successfully completed the course in the final year or he/she is perusing for higher studies, the repayment will start as per schedule i.e. after 6 months of the end of the course, for the loan is availed.

### **Eligibility Criteria:**

1. Applicant must belong to any one of the notified minority communities. (Muslims, X<sup>2</sup>ans, Sikh, Parcis, Budhha & Jain).
2. The annual family income must be below 81,000/- in rural area and 1,03,000/- in urban area.
3. The applicant should not be a beneficiary under Educational Loan Scheme of NMDFC or NBCFDC or other financial institutions.
4. Age of the beneficiary shall be between 16-32 years as on the date of application.

5. Confirmed admission in the intended course is the pre-requirement for availing the loan amount. Applications can be submitted in anticipation of the admission.
6. The admission of the candidate in the course shall be through a merit-cum-selection process.
7. Selection of beneficiary out of the eligible candidates will strictly be on merit and availability of fund.

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## **Scheme 7: BUSINESS EXPANSION LOAN (BEL)/ BUSINESS DEVELOPMENT LOAN (BDL) FOR EXISTING ENTREPRENEURS**

### **Objectives:**

The loan scheme is to assist small and micro entrepreneurs belonging to the Minority communities to expansion/modernization of their business by investing in the same line or in a different line that supports the business of existing unit or scheme.

Applicants should submit the details of the current unit / scheme with solid proofs. The existing unit/scheme shall be minimum 6 months old. The venture should have necessary permissions from appropriate authorities.

### **Eligibility Criteria:**

1. The applicant must belong to any one of the notified Minority communities of the state.
2. The annual family income of the applicant must be below Rs. 6,00,000/-.\*
3. Age of the applicants must be between 18 and 58.
4. The applicant should not be an existing beneficiary of Self Employment loan of KSMDFC or other SCAs
5. All the required documents/certificates must be in the name of the Applicant only.
6. Applicant should be operating any viable self employment venture successfully for at least 6 months prior to the date of application.

### **Loan Amount:**

Maximum loan amount under the scheme shall be Rs.5 lakh.

### **Pattern of Financing:**

(1) Loan amount will be released in one/two installments only based on the project undertaken. Subsequent installments will be released only after producing utilization of the previous installments.

(2) For commercial vehicles 90% of the invoice amount will be given as one installment.

For purchasing machinery/vehicle invoice shall be submitted. Amount will be given in favour of the supplier only.

KSMDFC contribution for the scheme in max 90% and the Beneficiary contribution is 10%. Beneficiary contribution need not be collected from the beneficiary under this scheme. The beneficiaries are expected to utilize the amount along with the loan amount for the project. The maximum loan that can be disbursed under this Scheme is 90% of the project cost or Rs. 5,00,000/- whichever is lower and is limited to the amount requested by the beneficiary.

**Rate of Interest:** 8%\*\*

**Maximum Repayment period :** 60 months

*\* Revised in Board Meeting on 27<sup>th</sup> May, 2017 with effect from the date of the meeting vide Resolution No. 04. Previously Annual Family Income limit was Rs. 1,03,000/- till 27<sup>th</sup> May, 2017. \*\*Previously Interest rate was 7% till 27<sup>th</sup> May, 2017.*

## **Scheme 8 - MULTI PURPOSE LOAN FOR EMPLOYEES (UDYOGASTHA VAYPPA)**

This loan scheme is meant for the employees working in State/Central Government, Govt. Autonomous Bodies, Public Sector Undertakings, Govt. Companies and Co-operative Institution of repute who belong to Minority communities. The objective of the scheme is to financially help the employees for their different type of needs viz. House repair, Purchase of passenger Vehicle for their family, purchase of house hold consumer items, costly medical treatment of their family, professional education of their children, marriage of daughter etc.

### **1. Eligibility criteria**

1. The applicant must belong to any one of the notified Minority communities of the state.
2. The Annual family income of the Applicant shall be not more than Rs. 6,00,000/-.\*
3. The age of the applicant shall be between 18 and 55 years.

### **2. Other conditions:**

1. The loan shall be used for maintenance of the existing house/building owned by the applicant or his/her spouse or jointly by the applicant and his/her spouse. If necessary, detailed quotations from contractors or firms shall be submitted to assess the financial requirement.
2. For the purchase of vehicles, invoice from the supplier is must. The loan component is limited to 90% of the cost of the vehicle.
3. For the purchase of consumer durables invoice/ quotations shall be submitted.
4. For the medical treatment of the family members, a certificate from the Medical Institution or Doctor specifying the details of disease, treatment and cost of treatment shall be submitted.
5. For professional education of children, course and fees particulars from the college authorities shall be submitted. The college/institute that offering the course should be a recognized institution by the Central/State Government or by an appropriate authority such as AICTE/MCI etc.
6. For Marriage of daughters: Marriage Invitation Card (Wedding Card) or Certificate from concerned religious institutions shall be produced.

### **3. Quantum of loan and pattern of financing**

This is an own fund scheme of the corporation. Maximum loan amount available under the Scheme is Rs 5,00,000/- (Rupees Five Lakh only).

For Vehicle the hypothecation of the vehicle in favour of the corporation is necessary.

Loan amount will be released in one/two installments only based on the project undertaken. Subsequent installments will be released only after producing utilization of the previous installments.

### **4. Rate of interest: 9%\*\***

### **5. Maximum Repayment period: 60 months.**

*\* Revised in Board Meeting on 27<sup>th</sup> May, 2017 with effect from the date of the meeting vide Resolution No. 04. Previously there was no Annual Family Income limit till 27<sup>th</sup> May, 2017.*

*\*\* Previously Interest rate was 7% till 27<sup>th</sup> May, 2017.*

## **Scheme 9 - FINANCIAL SUPPORT TO PARENTS OF MINORITY STUDENTS WHO PURSUE TECHNICAL/PROFESSIONAL EDUCATION/ PARENT PLUS (KSMDFC SCHEME)**

The scheme is for parents. Under this scheme an amount up to **10 lakhs** are considered for financing for the technical and professional education of their child. The duration of the course shall be up to 5 years. The maximum loan amount per year is Rs. 1.5 to 2 lakhs only. Maximum loan amount per year allowable for education abroad i.e for foreign education cases is Rs. 3 Lakhs.\*\*

The student will be the co-borrower for the loan. Under this scheme an amount up to **10 lakhs** are considered for financing for studying technical and professional courses of durations not exceeding 5 years.

### **Means of Financing are as follows:**

KSMDFC contribution            90%

Beneficiary contribution        10%

Beneficiary contribution need not be collected from the beneficiary, instead the beneficiaries are expected to utilise the amount along with the loan amount received from the KSMDFC. The maximum loan amount that can be disbursed under this scheme is limited to 90% of the cost or the amount requested by the beneficiary whichever is lower. The maximum amount that can be disbursed under this scheme will be Rs. 10 Lakhs.\*

The parent shall submit the details of the Admission Fee, Tuition fee and other fees to be paid by the student in the college in each year certified by the Principal or Head of the institution.

The admissible expenditure includes Admission fee, Tuition fee, Exam fee and Hostel Expenses only.

The applicant should have obtained admission for any full-time professional/ Technical Courses. Distant education/Part-time programmes are not covered under this scheme.

The college/institute that offering the course should be a recognized institution by the Central/State Government or by an appropriate authority such as AICTE/MCI etc.

**Rate of Interest:** The interest rate will be 7%.

**Mode of release of loans:** The installment amount will be paid by A/c payee cheque in the name of Applicant and Co-borrower. (The student will be the co-borrower of the loan amount).

For availing subsequent installments, the successful completion of the previous years of study is compulsory. A certificate in this regard shall be obtained from the head of the institution and submitted before the corporation to avail the subsequent installments.

**Repayment Period:** The maximum repayment period is fixed as 60 months (5 years). Since this loan is meant for financial support to the parent, the repayment will start after the completion of 6 months from the date of availing of last installment. Even if the student has not successfully completed the course in the final year or he/she is perusing for higher studies, the repayment will start as per schedule.

### **Repayment of Interest accrued in the previous Installments:**

The interest accrued in the previous installments must be remitted in lump sum or in installments before availing the subsequent installments. That is a pre-requisite for availing the subsequent installments.

**Eligibility Criteria:**

1. Applicant must belong to any one of the notified minority communities. (Muslims, X'ans, Sikh, Parcis, Budhha & Jain).
2. The student should not be a beneficiary under Educational Scheme of NMDFC or NBCFDC or other financial institutions of Kerala State.
3. Age of the beneficiary shall be below 55 years as on the date of application.
4. Confirmed admission in the intended course is the pre-requirement for availing the loan amount. Applications can be submitted in anticipation of the admission.
5. The admission of the candidate in the course shall be through a merit-cum-selection process.
6. Selection of beneficiary out of the eligible candidates will strictly be on merit and availability of fund.

**Security:**

Collateral Security as per the norms of KSMDC is applicable for this loan

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*\*Revised in Board Meeting on 27<sup>th</sup> May, 2017 with effect from the date of the meeting vide Resolution No. 04. Previously Maximum Amount was no Rs. 5 Lakhs till 27<sup>th</sup> May, 2017.*

*\*\*Last Sentence in this para relating to maximum loan amount per year for foreign educational loan, was inserted in Board Meeting on 22<sup>nd</sup> July, 2017 with effect from the date of the meeting vide Resolution No. 12.*

## **SCHEME – 10 - GENERAL HOUSING LOAN SCHEME (APPROVED BY BOARD OF DIRECTORS IN ITS MEETING DATED 27<sup>TH</sup> MAY, 2017)**

### **Objectives:**

The loan scheme will be focusing on supporting financially backward middle class section of the Minority community to build a house who do not possess a house and whose family annual income is below 600,000/-. The aim is to give a support at a nominal rate of interest compared to the higher rate prevailing in the market. Even though there are other schemes like PMAY supporting construction of House, the reach of the programme and the support from the intermediaries is very minimal. Also the conditions and formalities for availing the subsidy is complex. The Corporation will extend the financial assistance as a helping hand at a nominal rate of interest compared to the present market rate.

### **Detailed Summary of the Loan Scheme:**

**Project Cost:** The amount for the scheme will be met from Share Capital provided by the Government of Kerala. A total of Rs.3 Crore to be set aside from the Share Capital to meet the demand under the scheme.

**Loan Component:** The Scheme will aim to provide financial assistance to **about 50 applicants @ maximum of 6 Lakh per applicant.**

**Rate of Interest:** Considering the prevailing market rate, proposed rate of interest is **8% per annum.**

**Repayment Period:** 7 years (84 months)

**Average amount of EMI (for 6 Lakhs):** 9,500/- per month for 7 years

### **Eligibility Criteria:**

1. The applicant must belong to any one of the notified Minority communities of the State.
2. The annual family income of the applicant must be below Rs.6,00,000/-
3. Age of the applicants must be between 18 and 58.
4. The applicant should not be an existing beneficiary of KSMDFC.

### **Other Eligibility Conditions:**

1. The applicant shall be homeless ie. He/She should not own a house in his/her name or in the name of their spouse or applicant shall be having requirement to renovate or modify the existing house.
2. He should have a suitable land in his name or his spouse's name for construction of a house. Those who do not have land in his/spouse name can also apply for loan subject to the condition that, will purchase a suitable land before availing the loan amount from KSMDFC.
3. Plan and estimate approved by a competent authority not below the rank of an Assistant Engineer of a local body/PWD.
4. The area in Sq.ft of the house plan should not be more than 1600 Sq Ft and the estimated cost of construction should not be more than Rs.20 Lakh.
5. Approval of the local body shall be obtained for the construction as per the approved plan.

6. The applicant or his spouse shall not be a beneficiary of any other housing scheme of the Government of Kerala.

### **Stages of Disbursement**

Stage - I Rs.1,50,000/- (Foundation & Basement)

Stage –II Rs. 2,50,000/- (Structure, Roofing)

Stage –III Rs. 2,00,000/- (other finishing works.)

### **Utilization/Implementation**

The work shall be completed as per the time schedule fixed by the corporation. The maximum time allotted for the completion of different stages is as follows:

Stage I: 4 – 6 weeks

Stage II: 6-8 weeks

Stage III: 8-12 weeks

**Total: 3.5 months – 6 months**

A completion certificate from a competent person not below the rank of an Assistant Engineer shall be submitted along with photographs of the work completed and supporting bills for availing the subsequent installments.

### **Completion Certificate:**

A copy of final completion certificate with a photograph of the building shall be submitted to the corporation within 10 days of the period allotted for completing the work.

The officials of the Corporation have the power to physically inspect the site and issue directions or orders in connection with the implementation of different stages of the project.

### **Repayment:**

The repayment will be started on completion of 6 months from the date of availing of the first installment or 1 month after the completion of the work whichever is earlier. Even if the applicant has not successfully completed the work within the stipulated period, the repayment will start as per schedule i.e. 6 months from the date of availing of the first installment.

### **Penalty:**

Those who become a defaulter in remitting the EMI will attract an amount @ 9% as penalty for the EMI defaulted/short EMI. A chronic defaulter in repayment will attract recovery action including Revenue Recovery Action and/or Legal Action.

Those who are failing to complete the different stages of the work in time without valid reasons (to be decided by a competent authority of the Corporation) will also attract penal action. For willful failure from the side of the beneficiaries to complete the works in time, the KSMDFC has the right to cancel further installments and re-fix the loan amount to the extent of the loan amount already disbursed and recover the amount in lump sum or installments with penalty @ 9%.

### **Security of the Loan**

The beneficiary should furnish necessary security prescribed by the Corporation.

Land or Surety of employees as per the general guidelines of KSMDFC will be applicable as security of loan amount. Linking of more than one type of security is not allowed

If security opted by the beneficiary is deposit of title deeds, then extend of land for which title deeds are depositing as security, shall be minimum 4 cents for loan up to Rs. 4,00,000/- and 5 cents for loan from Rs. 4,00,001/- to Rs. 6,00,000/-

**Processing & Legal Charges:**

Processing & Legal fees will be applied as per the general guidelines of KSMDFC.

**Pre-disbursement Counseling & Awareness Camp:**

To educate the potential beneficiaries on constructing a cost effective house, pre-disbursement counseling and awareness camps shall be organized at different locations of the state.

**Others**

All other conditions will be as per the general conditions of KSMDFC or as communicated by the Managing Director time to time.

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**SCHEME – 11 - LOAN SCHEME FOR MINORITY EDUCATIONAL INSTITUTIONS (APPROVED BY BOARD OF DIRECTORS IN ITS MEETING DATED 27<sup>TH</sup> MAY, 2017)**

**Objectives:**

The scheme is intended for Minority Educational Institutions to assist them for developmental activities. In our state there are Minority unaided schools/colleges which are run by trusts/managements, many of the institutions run in a good manner as they exploit the students for any developmental activities in their institution. But still there are schools/colleges which are running with the objective of development of the community and most of the students studying there are from poor families who will not be able to afford a higher fees. The Corporation will be aiming such institutions.

The adverse part is the rate of interest prevailing in the market for such institutions, which is very high ranging from 10 to 16% and also the banks look for the financial positions/net worth. In short no financial institutions offer any financial support to these institutions.

The Corporation will extend the financial assistance as a helping hand at a nominal rate of interest compared to the present market rate. The extend of financial support will be a maximum of Rs. 10 Lakh each subject a collateral security.

**Detailed Summary of the Loan Scheme:**

**Project Cost:** The amount for the scheme will be met from Share Capital provided by the Government of Kerala. A total of Rs.1 Crore to be set aside from the Share Capital to meet the demand under the scheme.

**Loan Component:** The Scheme will aim to provide financial assistance to 10 Educational Institutions @ 10 Lakh per applicants. The amount can be used for any developmental activities which will support the students to have a better education.

Developmental activity may be defined as any **construction** in the institution such as labs, library, class rooms etc. or **renovation/furnishing** of any buildings/lab/library or **purchase** of any specific item for the institution.

**Rate of Interest:** Considering the prevailing market rate, proposed rate of interest is 9% per annum.

**Repayment Period:** 7 years (84 months)

**Average amount of EMI:** 15,900/- per month

**Eligibility Criteria:**

1. The Educational Institution shall belong to a nonprofit company, trust or societies engaged in public charitable purpose for which at least 75% of the members of the company/trust/society concerned shall belong to minority communities. Or an individual who runs a minority educational institution may also apply.
2. The institution must be minimum 3 years old from the date of registration.
3. The Trust/society should be with the objective of public charitable purpose.
4. Minimum number of students should be more than 300.
5. Good repayment track of existing loans (if any)
6. Strong and committed Management.



7. The applicant should not be an existing beneficiary of KSMDFC or any other financial institution under the Govt. of Kerala.

**Other Eligibility Conditions:**

1. The detailed report of the project to be implemented shall be submitted.
2. Last 6 months Bank statements and Balance sheet of last 2 years.
3. Copy of Society/Trust registration, Bye laws, updated members list, minutes of the last general body meeting.
4. Resolution in the Management committee of the Trust/society authorizing the Manager for availing the loan from KSMDFC.
5. Copy of recognition and affiliation certificates.
6. Society/Trust Pan card and Pan card of applicant and co applicant.
7. Plan and estimate for building/renovation or Quotation and estimate for furnishing/purchase approved by a competent authority to be submitted.
8. Approval of the local body shall be obtained for the construction as per the approved plan.

**Stages of Disbursement**

The fund will be disbursed in 3 installments subject to submission of proper utilization of the previous installments.

Stage - I Rs.400,000/-

Stage –II Rs.300,000/-

Stage – III Rs.300,000/-

**Utilization/Implementation**

The work shall be completed as per the time schedule fixed by the corporation. The maximum time allotted for the completion of different stages is 5 months and it is the duty of the institution to ensure all the funds before the stipulated period.

**Total: 3.5 months – 5 months**

A completion certificate from a competent person shall be submitted along with photographs of the work completed and supporting bills for availing the subsequent installments.

**Completion Certificate:**

A copy of final completion certificate with a photograph of the building shall be submitted to the corporation within 10 days of the period allotted for completing the work.

The officials of the Corporation have the power to physically inspect the site and issue directions or orders in connection with the implementation of different stages of the project.

**Repayment:**

The repayment will be started on completion of 6 months from the date of availing the first installment or 1 month after the completion of the work whichever is earlier. Even if the applicant has not successfully completed the work within the stipulated period, the repayment will start as per schedule i.e. 6 months from the date of availing of the first installment.

**Penalty:**

Those who become a defaulter in remitting the EMI will attract an amount @ 9% as penalty for the EMI defaulted/short EMI. A chronic defaulter in repayment will attract recovery action including Revenue Recovery Action and/or Legal Action.

Those who failed to complete the different stages of the work in time without valid reasons (to be decided by a competent authority of the Corporation) will also attract penal action. For willful failure from the side of the beneficiaries to complete the works in time, the KSMDFC has the right to cancel further installments and re-fix the loan amount to the extent of the loan amount already disbursed and recover the amount in lump sum or installments with penalty @ 9%.

**Security of the Loan**

The beneficiary should furnish necessary security prescribed by the Corporation.

Land in the name any member of the nonprofit company/trust/society as per the general guidelines of KSMDFC will be applicable as security of loan amount.

**Processing & Legal Charges:**

Processing & Legal fees will be applied as per the general guidelines of KSMDFC.

**Pre-disbursement Counseling & Awareness Camp:**

To educate the potential beneficiaries on constructing a cost effective house, pre-disbursement counseling and awareness camps shall be organized at different locations of the state.

**Others**

All other conditions will be as per the general conditions of KSMDFC or as communicated by the Managing Director time to time.

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