

LOANEES DISTRESS RELIEF FUND (LDRF) SCHEME 2015

(With Effect From 01/10/2015)

Introduction

The Loan Schemes of KSBCDC Ltd is implemented aiming for the economic and social empowerment of the weaker and poorer sections of Other Backward and Minority Communities. But in unfortunate situations like demise or full disability of the Loanees who would be the sole earning member may put that family in extreme hardship. In such untoward situations the bereaved family may not have sufficient means to clear the outstanding dues of the deceased. The Corporation thus felt the need to devise some distress relief scheme to rescue such Loanees and their families and thus implemented a scheme by creating a fund known as 'Loanees Distress Relief Fund (LDRF)'.

Reasons for Revision of the existing LDRF Scheme

1. The National Funding Agencies required for taking Insurance on all loans disbursed so that the Corporation will not sustain any loss on default either due to death or permanent disability of those borrowers.
2. Any single Insurance Company does not give coverage on both death and permanent disability simultaneously.
3. The financial burden falling up on the Loanees will be increased because of premium so required to be paid to the Insurance Company for such Insurance protection.

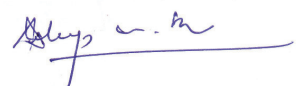
Objectives of the Scheme

For providing solace to the bereaved family of the Loanees when he is deceased, or in such other extreme distress situations like he being made incapacitate due to his permanent disability after such loan is taken. Under such circumstances, the Principal, Interest and Penal Interest which remained outstanding after when the above said cases are reported, to be adjusted against the LDRF fund kept by the Corporation.

Eligibility:

Loanees of KSBCDC Ltd when met with the untoward incidents like:

- a) Death of the Loanees by all means. It may be either due to accident, suicide or on all natural causes, provided when there is an outstanding loan liability and the family has no means to clear the dues.



- b) Total disability of the Loanee due to the permanent loss of his earning capacity, which happened either due to accident or such chronic diseases after availing the loan from the Corporation and the family, has no means to clear the dues.

Note:-

Such death/disability should be happened during the pendency of that loan so taken and also before the expiry of the loan period. Any incident happened on the period over loans category will not be considered for the Scheme.

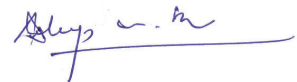
- The Chronic disease explained here in means those Persons with Severe Disability having 80% or more on one or more prescribed diseases which the Medical Board certifies as chronic along with the percentage of such severity.
- The prescribed diseases are - Neurological Diseases, heart disease, cancer, stroke, blindness etc. which the Medical Board considers as eligible for and the Corporation satisfies as the reason for his permanent disability.
- The prescribed Medical Board means and includes the Medical Board constituted in the respective District level and also the Medical Officers practicing in Government Hospitals, who issues certificate in the name of that hospital. However in case of private hospitals, such certificates showing the disability of the concerned will be accepted only after getting the approval from Medical Board to be constituted at the Corporation level.

Note

A Loanee, who is a Government Employee, entitles to get the Social Security Measures declared by the Government, is exempted from getting the benefit under this Scheme.

Procedure:

- 1) Based on petition received from the loanee/ spouse/surety/legal heirs, the Manager of the unit has to make a personal visit and make enquiry and submit a factual report before the BOD/Sub Committee.
- 2) The report of the Manager shall contain inter alia the following information.
 - a) The amount of loan and date.
 - b) Amount of loan repaid so far.
 - c) The nature of security for the loan.
 - d) The loan outstanding, showing separately, the interest, penal interest and the principal outstanding.
 - e) Action taken so far for realizing the default dues.



- f) Possibility/ Non-possibility of realizing the dues, clearly eliciting the financial background of the family.
- g) The specific grounds under which it proposes to grant.
- h) The Board of Directors/ the Sub-Committee of the Board of Directors may consider the petition along with the report of the Concerned Managers and after an objective evaluation may consider the quantum of relief.

Sources of Fund

- 1) Out of 0.75% of the loan amount collected as processing fee, 2/3 to be apportioned to the Distress Relief Fund.
- 2) Such percentage of profit as may be decided by the Board of Directors from time to time as per the audited Balance Sheet and Profit and Loss Account of the year to be credited to the Fund as contribution of the Corporation.
- 3) The contribution received from NBCFDC, NMDFC and such other Agencies on requisition.

Extend of Relief

- 1. The amount of relief permitted from the Fund shall be limited to the outstanding balance in the Loan account.
- 2. The Principal, Interest and Penal Interest can be considered for waiver in all cases of death /disability of the Loanee provided the conditions mentioned under the 'Eligibility' criteria are satisfied.

Documents required in support of claim

- 1. Death Certificate from Local Self Government
- 2. Permanent Disability Certificate from the Medical Board

Effective Date

The new Scheme is effective from 01-10-2015.

Accordingly if death/disability happened before 01/10/2015, the existing Scheme will be applicable. All applications in this regard shall be disposed off on or before 31/03/2016.


Managing Director

KSBCDC