

THE ANGUL UNITED CENTRAL CO-OPERATIVE BANK LTD., ANGUL



(Regd. No. 9/D., Dated 08.10.1956)

At / P.O. / Dist. - ANGUL, ODISHA - 759122

Email ID : auccebank.ho@auccebank.com, credit.ho@auccebank.com

06764 - 233116 (Off.)

- 233115

- 233411

- 233117 (Fax)



No. 995

Date : 19/05/2022

To

All the Branch Managers,
The Angul U.C.C. Bank Ltd., Angul.

Sub : Adoption & Implementation of the Scheme for Interest Subvention on Working Capital Term Loan for Stage/ Contract Carriage Operators.

Ref : Letter No.OSCB/ DoCM/ 256(17)/ 2022-23 Dt.18.04.2022 of the Managing Director, Odisha State Cooperative Bank Ltd., Bhubaneswar.

Sir,

With reference to the letter on the above captioned subject it is to inform you that the Collector & District Magistrate, Angul being the Administrator of the Bank has been pleased to approve for adoption and implementation of the Scheme for Interest Subvention on Working Capital Term Loan for Stage/ Contract Carriage Operators in our Bank.

Hence, you are directed to take necessary steps at your end for sanctioning the application by following the object of the scheme as given below and submit the information on the total no. of applications received, sanctioned and rejected to the undersigned immediately for onward transmission to the higher quarters.

Object :

01. The scheme is called "The Scheme for Interest Subvention on Working Capital Term Loan for Stage/ Contract Carriage Operators" to provide financial support to the private operators of stage/ contract carriages in the state for repair and maintenance of their vehicles, to keep their fleets operational.
02. The eligible beneficiaries under the scheme would include the borrowers from different Co-operative Banks and Commercial Banks of the State.
03. The rate of interest will be as per the prevailing rate of the Banks. However, the interest subvention will be made on maximum of 12% ROI.
04. The loan amount would be Rs.1,00,000/- (Rupees one lakh only) per vehicle. For owners having a fleet of 5 vehicles or more, the maximum amount of loan would be limited to Rs.5,00,000/- (Rupees five lakhs only).
05. Government will provide interest subvention of 75% in First Year and 50% in Second Year. No interest subvention will be available for the borrowers if the account turns NPA.

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06. On receipt of proof of payment of EMI (Principal + Interest) from the concerned Bank, the concerned RTO will release and reimburse the interest subvention amount to the loan account of the borrower on quarterly basis.
07. This scheme will be applicable only to the registered Private Stage/ Contract Carriage Operators having valid route permit and which are in operation.
08. The operators should not be a defaulter (Except for COVID Pandemic Period)/ Insolvent/ Blacklisted earlier by any Financial Institution/ Agency. The borrower shall submit an affidavit to this effect.
09. If a bus owner avail loan for multiple numbers of buses, and after availing the loan, he will declare some buses off-road and fails to pay the EMI regularly, then the RTO will assist the Bank for recovery of EMI and no interest subvention will be paid by the Government.
10. The borrower shall furnish an undertaking to the effect that he/ she will pay the installments regularly failing which their interest to be paid by Government shall be withheld. After receipt of information from the Bank on NPA, the interest subvention will be withheld.
11. The margin money @ of minimum 10% of the loan amount as stipulated by the Bank shall be borne by the borrower.
12. The Bank will complete the documentation and agreement for the above loan.
13. If the operator has already availed loan under Emergency Credit Line Guarantee Scheme (ECLGS), then he/she shall not be eligible under this scheme.
14. If the borrower has a vehicle loan for the vehicle for which he/she is applying for loan under this scheme, he/she should be approach only that Bank from which he/she had already availed the loan. If there is no loan against the vehicle, he/she can approach any Bank to avail the loan.
15. The loan under this scheme shall be covered under MUDRA Scheme (PMMY) and the guarantee premiums shall be borne by the borrower.
16. RTOs will assist the Banks in recovery of bank dues provided under this scheme in case of default.

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Period of Implementation

- The Scheme will commence from the date of Notification and closed on 31st December, 2022. The application received after the closing date will not be considered for Interest Subvention.
- The loan repayment period will be of Two (02) Years duration with maximum 24 EMIs commencing from the next month of loan disbursement.

Procedure for Applying Loan under the Scheme

01. The Bus Operators shall apply for the loan to the concerned RTO who will sponsor the case to the bank in a prescribed format as "Appendix- A".
02. After receipt of sponsorship from concerned RTO, the Bank will sanction the loan and complete the documentation process and other formalities as per guidelines of the Bank and release the amount under intimation to the RTO. The Bank will return a copy of the Application Form (Appendix-A) along with their remarks after sanction of loan for record in RTO.
03. The Department will release/ reimburse the interest subvention amount to the loan account of beneficiary through RTO on quarterly basis after ascertaining from the Bank that the concerned borrower has paid the EMI.
04. In case of default by any borrower in paying the monthly principal amount, legal action will be taken against him by the Bank as per laid down procedure.

Yours faithfully,


Secretary

Memo No. 996 / Date : 19/05/2022

Copy submitted to the Managing Director, Odisha State Cooperative Bank Ltd., Bhubaneswar for favour of kind information and necessary action.


Secretary

Copy to Bank's website for publication.


Secretary