



# Visvesvaraya Technological University

"Jnana Sangama"

Belgaum-590 018, Karnataka State

Prof.K.E. Prakash  
REGISTRAR

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Ref: VTU/Aca-Circulars/2013-2014/ 7382

Date: 24 SEP 2013

## CIRCULAR

Sub: Financial Support to meritorious students -- reg...


Ref: Letter of Chief Manager, Canara Bank



With reference to the above, please find enclosed herewith a copy of the communication sent by Letter of Chief Manager, Canara Bank dated further needful action.

Encl: As above

BY ORDER

  
23.9.13  
(Prof. K.E. Prakash)  
REGISTRAR

To,  
The Principals of All Engineering Colleges (Constituent, Affiliated Autonomous) under VTU

### Copy to:

1. Hon'ble Vice-Chancellor through the Secretary to VC, VTU, Belgaum
2. The Special Officers of all the Regional Offices of VTU
3. The Special Officer of Academic Section, VTU, Belgaum
4. The Case-workers of Academic Section(A1,A2,A3,A4) VTU, Belgaum

Respected Sir,

We have the pleasure of furnishing Educational Loan Scheme of our Bank here:

**Objective:** To provide financial support to meritorious students for higher studies.

**Eligibility:**

- Minor student represented by parent/guardian.
- Major student jointly with parent/ guardian.
- Should have secured admission in Recognized Institutions in India /abroad through entrance test/selection process.
- For student getting admission directly without undergoing any selection process, should have secured minimum 60% in qualifying exam.

**Eligible Courses:**

- Graduation/Post graduation Courses.
- Professional Courses.
- Computer Certificate Courses affiliated/accredited by Department of Electronics.
- CA/ICWA/CFA/Company Secretary
- IIM/IIT/IISc/XLRI/NIFT etc.

**Quantum of Finance:**

- Inland Studies: Rs. 10.00 Lakhs
- Studies Abroad Rs.20.00 Lakhs

(More than above limits may be considered on case to case basis. However entire loan shall be classified as Non Priority loan and attracts higher Rate of Interest)

**Margin:**

- Up to Rs.4.00 lakhs: No margin
- Above Rs.4.00 lakhs: 5% for inland studies and 15% for studies abroad.

**Security:**

- Up to Rs.4.00 lakhs: No Collateral securities.
- Above Rs.4.00 lakhs and up to Rs.7.50 lakhs: Collateral security in the form of suitable 3<sup>rd</sup> party guarantee or security worth 100%.
- Above Rs.7.50 lakhs: Tangible collateral security to cover.

**Rate of Interest:**

- Up to Rs.4.00 lakhs : 11.45% per annum
- Rs.4.00 lakhs to Rs.7.50 lakhs: 12.45% per annum
- Above Rs.7.50 lakhs: 11.45% per annum

**Note:**

- For girl students 0.50% concession.
- Interest subsidy scheme: For students belonging to Economically Weaker Sections with annual Parental/family income from all sources with upper limit of Rs.4.50 lakhs, interest during Moratorium period is reimbursed by Central Government.

**Repayment:**

For loans up to Rs.7.50 lakhs: Up to 10 years in EMI  
For above Rs.7.50 lakhs: U to 15 years in EMIs.

**Moratorium period:** Course period plus 1 year after completion of course or 6 months after getting job whichever is earlier.

Chief Manager  
S Nagaraja Setty

**For further details contact:** 0831-2483979 or Mobile: 94498 67122

केनरा बैंक  Canara Bank

(A Govt. of India Undertaking)

H.O.: BENGALURU

Circle Office, 1<sup>st</sup> floor, IMA House, B. N. Nagar, HUBLI 580 029

Phone : 0836-2358815, 0836-2358816, 0836-2358817, 0836-2358818, 0836-2358811

Ref : CO:HBI:MKTG:TVBR:2013

Date : 26-08-2013

To,  
Sri \_\_\_\_\_

Dear Sir,

**Sub : EDUCATION LOAN FACILITY IN CANARA BANK**

We are pleased to inform you that Our Bank is pioneer in providing Education loan facility to the needy students to persue their higher studies.

We understand that you have completed Second PU/Joined the technical course to persue your Higher studies.

We offer you our EDUCATION LOAN for continuing your studies.

***We are enclosing herewith :***

1. SCHEME GUIDELINES
2. BLANK APPLICATION FORM
3. DOCUMENTS REQUIRED TO BE SUBMITTED AS MENTIONED IN THE APPLICATION.

Kindly submit the duly filled and signed application along with the supporting documents to the Branch which is nearest to your permanent place of residence.

For any clarifications/details/solving any problems in this regard please feel free to contact the following Nodal Officers :

Sri. T. V B Rajan Agm Circle Office Hubli ;

97423 60202

Sri. S. A Patil Dm

Retail Asset Hub, Vidyanagar, Hubli

94817 39332

CANARA BANK  
CIRCLE OFFICE, HUBLI

canara

**EDUCATION LOAN AND OTHER PRIORITY SECTOR LOANS**

**A. (i) Loans for Students**

<b>Purpose</b>	Payment of course fees. Purchase of books, equipments, instruments, uniform, payment of hostel fees, examination fees, study tours, passage expenses (for studies abroad)	
<b>Eligible Courses :</b>		
<b>Studies in India:</b>	Graduation, Post-graduation including technical / professional courses with employment potential conducted by colleges / Universities approved by UGC / Govt./AICTE/Department of Electronics / IMC, autonomous institutions like IIT,IIM etc.	
<b>Studies abroad:</b>	Job oriented, technical / professional courses- (graduation / post graduation)	
<b>Quantum</b>	Need based finance	
<b>of Finance:</b>	For studies in India : Max. Rs.10.00 lacs	For studies abroad : Max. Rs.20.00 lacs
<b>Margin</b>	Upto to Rs.4.00 lacs – Nil	Above Rs.4.00 lacs – for studies in India – 5%
	studies abroad : 15%	
<b>Security:</b>	Loan is given jointly to the student and parent /guardian Assignment of future income of the student Upto Rs.4.00 lacs- No security Above Rs.4.00 lacs upto Rs. 7.50 lacs –Satisfactory third party guarantee (Note: If the proposed borrower prefers to offer collateral security of tangible assets (moveable or immovable) instead of bringing collateral securities in the form of third party guarantee, the same may be accepted, at his request, provided the securities with stipulated margin covers 100% of the loan amount): Above Rs. 7.50 lakhs: Collateral security equal to 100% of the loan amount.	
<b>Repayment</b>	Commences One year after completion of the course or Six months after getting employment, whichever is earlier. Loan with interest is repayable in equated monthly instalments as follows : - Upto Rs.7.5 lakhs - 10 years - Above Rs.7.5 lakhs - 15 years Loan can be availed from the branch nearest to the place of permanent residence of the parent / guardian.	

**(ii) MODEL LOAN SCHEME FOR VOCATIONAL EDUCATION AND TRAINING**

<b>Student</b>	The student should be an Indian National & should have completed 10th standard
<b>Eligibility</b>	Secured admission in a course run/supported by Ministry/Department of Central / State or an Organisation recognized/authorized by Government to do so. Loan can be availed from the branch nearest to the place of permanent residence of the parent / guardian.
<b>Eligible Courses</b>	Development Courses of duration from 2 months to 3 years preferably leading to a Certificate/ Diploma/ Degree, etc. issued by a Government Organization or an Organization recognized/ authorized by the Government to do so.
<b>Purpose</b>	Tuition/course fee, Examination/Library/Laboratory Fee, Caution Deposit Purchase of books, equipments and instruments Any other reasonable expenditure found necessary for completion of the course
<b>Quantum of Finance:</b>	Need based will be considered subject to the following ceilings: For courses of duration upto 3 months - Rs.20,000/- For courses of duration 3 – 6 months – Rs.50,000/- For courses of duration 6 months to 1 year – Rs.75,000/- For courses of duration above 1 year – Rs.1,50,000/-.
<b>Margin</b>	Nil
<b>Security:</b>	No security. No collateral or third party guarantee will be taken. However, the parent will execute loan document along with the student borrower as joint borrower.

**Repayment** Upon completion of the course, repayment will start after a moratorium period as indicated below:  
For courses of duration upto 1 year = 6 months from the completion of the course  
For courses of duration above 1 year = 12 months from the completion of the course.  
The repayment periodicity is given as under :  
Courses upto 3 months - In 2 to 5 years                      Courses 3 to 6 months - In 2 to 5 years  
Courses 6 months to 1 year - In 2 to 5 years                      Courses above 1 year - In 3 to 7 years

#### **B. Laghu Udyami Credit Card Scheme(LUCC)**

**Objective** LUCC Scheme is devised to provide hassle free financial support to small business units, retail traders, artisans, village industries, SSIs and tiny units, P & SE and small entrepreneurs.

**Purpose** To meet Working capital requirement of small business units, retail traders, artisans, village industries, SSIs.

**Eligibility** All existing small borrowers of above mentioned categories enjoying aggregate loan / limit of upto Rs 10 lakhs are eligible Borrowers should have satisfactory dealings with the bank for atleast for the last 3 years. borrowers with continuous satisfactory past dealings for a minimum period of 3 years but not having any liability right now can also be issued the card.

**Loan Quantum :** Maximum upto Rs.10.00 lakhs per borrower (aggregate)

#### **C. Loan for Retail Traders**

**Purpose** For meeting the working capital/term-loan requirements.

**Eligibility** Retail Traders dealing in essential commodities (fair price shops), consumer co-op stores and private retail traders with credit limit not exceeding Rs. 20 lacs.

#### **D. Loan for Solar Water Heating Systems**

**Purpose** To purchase brand new solar water heater systems with necessary accessories.

**Eligibility** Individuals, Institutions, Associations, Small Business establishments, Industrial establishments, Hospitals, Hotels, Hatcheries, SMEs etc..

Salaried individuals should have minimum monthly net take home salary of 25% of their gross salary OR Rs. 2000/- (after meeting the loan instalment) whichever is more. Professionals and other non-salaried class should have a minimum net yearly income of Rs. 50000/-.

#### **E. Direct Financing to Self Help Groups**

**Purpose** -To build mutual trust and confidence between the bankers and rural poor through formation of Self Help Groups

- To encourage banking activity both in thrift and credit operations.

- Credit Assistance to the Group on the extent of Savings mobilised, which varies from 1:1 to 1:4.

#### **F. Lending to Micro Credit Groups (MCG)**

**OBJECTIVE:** The objective of the scheme is to provide credit to Micro Credit Groups of persons belonging to economically disadvantaged sections of the society, irrespective of the place of residence, for taking up any Income Generating Activities, falling within the purview of priority Sector definition.

**COVERAGE:** a) The scheme is applicable to the persons belonging to economically disadvantaged sections of the society irrespective of the place of residence.

b) The scheme is applicable only to Micro Credit Groups against the group guarantee.

c) The scheme will cover the NGOs/MFIs/MFI-NBFCs for on lending to Micro Credit Groups

**PURPOSE:** The finance can be granted for starting/improving/expanding any type of income generating activity. Finance can also be given for agriculture and allied activity. The finance may be provided so as to enable the group members to improve their earning and living standard.

**QUANTUM:** The limit permitted is Rs.50000/- per member, with a maximum of Rs.500000/- per group. The loan for the debt swap could also be given to the members up to a maximum of Rs.25000/- within the overall limit of Rs.50000/- permitted per borrower.

#### **G. Finance to NGOs/mFIs for on-lending to SHGs**

##### **Type of eligible intermediaries:**

a) Societies registered under Societies Act, 1860 or similar State Acts.

b) Trusts registered under Public Trusts Act, 1882 or similar acts.

c) Not for profit companies registered U/S 25 of Companies Act, 1956.

**APPLICATION FOR EDUCATIONAL LOANS**

Place :  
From :

Date :  
To :

Name and address of the applicant/s :  
.....  
.....

The Manager/Senior Manager,  
Canara Bank  
..... Branch.

**1] Application:**

I/We hereby apply for an Educational loan of Rs. ....  
as detailed below, to prosecute higher education by me/ .....

Tuition Fees, cost of books, examination fee etc.,	:	<b>Rs</b>	.....
Maintenance exepences	:	<b>Rs</b>	.....
<b>Total</b>	:	<b>Rs</b>	.....
<b>Amount of loan required</b>	:	<b>Rs</b>	.....

I/We hereby furnished the other detail as under :

**2] Personal Background of the Student:**

- a) Name in full : .....
- b) Date of birth and age : ..... Male/Female .....
- c) Nationality : .....
- d) Whether the aplicant belongs to SC/ST ? (Required for Banks statistical purposes)  
.....
- e) Whether the applicant belongs to any of these communities? if so, appropriated category may be ticked.

Sikhs	Muslims	Christians	Zoroastrians	Neo-Buddhists
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- f) Whether related to any employee of the bank / Director of the Bank/ any other bank.  
If yes detail : .....
- g) Is he/she married ? If Yes, details of spouse : .....
- h) Fathers name in full : .....
- i) Guardians name in full and relationship with him : .....
- j) Address of Father/Guardian (with telephone No. if any)
  - i) Permanent : .....
  - ii) Temporary : .....
- k) Saving bank Account details of the applicant
  - i) Account Number : .....
  - ii) Date of opening : .....

**3] Educational Qualifications:**

Examination	Institution/University From which passed	Year of passing	Attempts made	Percentage of marks	Class / Grade obtained

Please enclose marks list of the last examination cleared as also testimonials from the school / two professors from the Collage last attended.

**4] Particulars of Scholarships / Prizes won for academic distinction :**

Examination	Specify the academic distinction for which the Scholarship/prize was awarded.	Name of the Scholarship/ Prize	Amount of Scholarship/ Prize	Duration of Scholarship From ..... To

**5] Father's/ Guardian's financial status / family particulars :**

- a) Occupation (Give full particulars) : .....
- b) Annual Income : .....  
(attach salary certificate or any other proof)
- c) Age : .....
- d) If in service,
  - i) Name and address of the employer : .....
  - ii) the age of retirement : .....
- e) Number of dependents : .....
- f) Details of Income of any other member of the family, if earning : .....
- g) Details of present borrowings :

Sl. No	Date of Loan	Bank / FI	Amount	Present Liability	Overdues	Security

h) Net Worth : .....

**6] Particulars of the course for which the loans is required :**

- a) Name of the course : .....
- b) Duration of the course : .....
  - i) Date of commencement: .....
  - ii) Likely date of completion : .....
- c) Institution / University : .....
- d) Other particulars :
  - i) **Deatils of tuition fees :**

Frist year of the course	:		Rs. ....
Second year of the course	:		Rs. ....
Third year of the course	:		Rs. ....
Fourth year of the course	:		Rs. ....
Fifth year of the course	:		Rs. ....



- ii) Essential books : Rs. ....
- Stationery : Rs. ....
- Equipment, if any : Rs. ....
- Total Rs. ....
- iii) Examination fees :
  - Frist year of the course : Rs. ....
  - Second year of the course : Rs. ....
  - Third year of the course : Rs. ....
  - Fourth year of the course : Rs. ....
  - Fifth year of the course : Rs. ....
  - Total Rs. ....

7]

- (i) Details of estimated monthly maintenance expenditure during the period of the course :
  - Rent : Rs. ....
  - Board : Rs. ....
  - Clothes : Rs. ....
  - Sundries / travel : Rs. ....
  - Total Rs. ....
- (ii) Estimated maintenance expenditure during the period of the course :  
 {(i) x 12 x duration of the course in years} ..... Rs

**8] Source of finance (apart from Bank loan now applied for) :**

- a) Non-repayable scholarship / studentship / fellowship or other financial assistance.  
 @ Rs. .... p.a for ..... years  
 Commencing from : ..... Rs. ....
- b) Repayable loan scholarship or other financial assistance (State terms of repayment) : Rs. ....
- c) Funds available from family source :  
 @ Rs. ....p.a for ..... years  
 Rs. ....
- Total Rs. ....

9] a) Please state in brief how the completion of the course is going to help the student in improving his prospects of earning.

- b) Expected income per month : Rs. ....
- Anticipated monthly expenses : Rs. ....
- Balance : Rs. ....
- Amount available for repayment of loan : Rs. ....

**10] Any other information :**

**11] Details of Securities offered :**

Nature	Name of the Owner	Type of ownership	Details*	Value (Rs.)

\* In case of NSCs/Deposit Reciepts, etc, Number, Maturity Date, etc.

\* In case of Immovable properties, boundaries, survey No. etc.

**12] Particulars of Co-obligant / Guarantor :**

(Wherever third party has offered security, he/she should stand as Co-obligant / Guarantor).

- a) Name

- i) Relationship with applicant/ other Co-obligants / Guarantors : .....
- ii) Is he / she related to any employee/Director of the bank / any other bank. If yes, details : .....
- b) Address : .....
- c) Occupation : .....
- d) Particulars of account with us and other Banks :
- e) Monthly income :
- f) Net worth :
- g) Direct / Indirect liability :

**13] Repayment Schedule :**

Loan is proposed to be repaid as under :

In ..... equated monthly Instalments of Rs. .... each commencing from .....

I /We certify that, to the best of my/ our knowledge and belief, the information furnished herein is true/correct. I/We promise to abide by the terms and conditions governing the grant of loan and utilise loans for the purpose for which is granted.

I/We further undertake the following terms and conditions :

- a) I / We will not participate in any unlawful activity, which would debar me from prosecuting the studies and shall follow all the rules and regulations laid down by the educational institution.
- b) I / We will not enter into a pecuniary obligation or financial liability during the currency of the loan without the permission of the Bank.
- c) I / he / she will strive to secure a suitable employment after the completion of the course. As soon as I / he / she secures employment, I / he / she will furnish the Bank with full particulars of such employment, including income therefrom.
- d) I will not take-up employment during the period of the course, except with the prior permission of the Bank.
- e) If I am taking up a part time employment, I will produce a certificate from the head of the institution to the effect that the employment will not affect my studies.
- f) I will keep the bank informed, from time to time, change of address, if any.
- g) I will not, without the Bank's written prior permission, change the course of studies or the place of study or the educational institution.
- h) I will furnish periodical progress reports from the educational institution.

I am willing to stand as co-obligant / guarantor.

**Signature of the Co-obligant / Guarantor**

**Signature of the Applicants/s**

**Documents to be enclosed**

- i) Marks sheet of last qualifying examination for school and graduate studies in India.
- ii) Proof of admission to the course.
- iii) Schedule of expenses for the course.  
(if purchase of computer is involved, Certificate from the Institution with recommendations to be enclosed).
- iv) Two copies of passport size photographs from borrower / Co-obligant / guarantor.
- v) A copy of passport/voters ID Card/ any other proof of residence.

**For salaried persons :**

- i) Latest salary particulars
- ii) Employment details

**For Self-Employed / Professionals and Businessmen / Agriculturist.**

Proof of income/copy of the land records.

**FOR THE USE OF BRANCH**

Application Inward No. :  
 APPLICATION RECEIVED ON :  
 TOKEN OF SERVICES ISSUED ON :  
 PAPERS/DETAILS CALLED FOR :

Date : .....

Place : .....

Branch Manager

**ACKNOWLEDGEMENT**

Customer Copy

Application Inward No : .....

**CANARA BANK**

.....

..... Branch

Received from Sri/Smt/Kum/M/s. ....

Residing at .....

.....

an Application dated ..... for Rs. .... under educational  
Loan scheme.

Proposal in brief :

Additional detail/requirments to be submitted :

Date : .....

Place : .....

**BRANCH MANAGER**  
with Branch Seal