

Vehicle Loan

**THE RAJASTHAN STATE COOPERATIVE BANK LTD., JAIPUR**  
**VEHICLE LOAN SCHEME 2010**

Vehicle Loan Scheme adopted vide Resolution No.3 dt. 11-08-2010. The Salient features of the "VEHICLE LOAN SCHEME" for The Rajasthan State Cooperative Bank Ltd, Jaipur are as under:-

**1. ELIGIBILITY:**

Individual, group of individuals/ partnership firm / proprietary firms/ education institutions / companies, trust and societies etc. are eligible under this scheme for obtaining loans for the purchase of vehicle viz; New Scooter, Car, public goods /passenger transport vehicles including light motor vehicles, jeep, auto-rickshaws, refrigerated vans, bulk carries for carrying edible oils/ petroleum. Loan can also be advanced in joint names for which income of salaried/ professional's spouse with established sources will also be added for the purpose of eligibility and repayment of loan.

**2. PURPOSE:**

Loan will be granted for the purchase of new public goods / personal passenger transport vehicles including light motor vehicles, Scooter, Car, jeep, auto-rickshaws, refrigerated vans, bulk carriers for carrying edible oils/ petroleum. It may be used for personal use, profession/ business/ transport/ lease etc. Loan can be advanced on old vehicle also to the staff members of the bank.

**3. AGE:**

The borrower should be between the age group of 18 years to 57 years. For business firms/ companies / enterprises, societies etc. should have an establishment for 3 years. Relaxation in upper age limit may be granted by Managing Director of the Bank on merits of the case.

**4. QUANTUM OF LOAN**

The maximum amount of loan will depend on the cost of vehicle. The cost of vehicle includes cost of chassis, body building expenses, Cost of the accessories, initial taxes, insurance etc. The borrower can avail second vehicle loan provided, 50% of the earlier vehicle loan, has been paid regularly upto the maximum limit. The loan amount will be determined on these lines

**(i) A. In case of new vehicle,**

- (a) 85 percent of the cost of vehicle in case of loans to salaried earners or vehicle used for personal use in profession

(b) 80 percent of the cost of vehicle in case of light motor vehicle such as car, taxi, tempo, car van, jeep, mini bus, small carrier goods, etc. used for commercial purpose or

(c) 75 per cent of the cost of vehicle in case of heavy vehicle such as Bus, Truck, bulk carriage and water transport etc.

**B. In case of old vehicle**

(a) 50% of the value acceptable by the bank based on the value assessed by authorized valuer.

(ii) (a) in case of salaried employed persons 20 months income or

(b) in case of professionals 1.5 times of their 2 years average annual income as shown in their income tax return or

(c) in case of vehicle to be used on lease or hire, expected income of maximum 20 months.

(iii) In case of light motor vehicles (LMV)), the maximum amount of loan will be Rs. 10.00 Lacs and in case of purchase of new public goods/ passenger vehicles, Rs, 20.00 Lacs only for one vehicle.

Out of above, (i) to (iii), whichever is less, shall be the loan amount.

Total outstanding of the Bank towards the borrower should be well within the exposure limit prescribed for "INDIVIDUAL" under CMA norms of NABARD (At Present the limit is Rs 40.00Lacs).

**1. RATE OF INTEREST:**

The rate of interest will be as decided by the bank and made applicable from time to time. However, in case of purchase of 4-wheeler light motor vehicle to bank staff, rate of interest will be 1 per cent above the cost of funds for the previous year. The interest will be levied on monthly basis and debited to principal loan amount on the last day of the month. In case of any default, the bank shall charge additional interest @ 3% on the default amount till default persists.

**6. PERIOD OF DISBURSEMENT OF LOAN:**

The loan should be availed within 3 months from the date of sanction. In the event of loan not availed within this period, the sanction will automatically lapse. Period of availment can be extended by the Sanctioning authority of the bank subject to its satisfaction.

**7. REPAYMENT:**

In case of all eligible borrowers, the period of repayment shall be fixed keeping in view the repaying capacity between 36 to 84 months. However, the installments will be fixed in such a manner that in case

of salaried borrower, the full amount of loan is repaid before attaining the superannuation. The repayment period may be rescheduled by sanctioning authority on justified ground, However the overall ceiling will be of 84 months from date of disbursement of loan.

#### 8- INSURANCE:

1. The vehicle financed under this scheme shall be comprehensively insured for the full value covering all risks. The insurance policy will be in the joint names of the borrower and the bank at the cost of borrower. The vehicle should be adequately insured at all times without any time lag.
2. In case borrower could not arrange the insurance within stipulated time, Bank will get the vehicle insured under referral arrangements done by the bank.
3. The borrower shall have to become member of personal accident insurance scheme, life insurance scheme, etc, made compulsory by the bank.

#### 9. SECURITY:

The vehicle purchased from the loan shall remain hypothecated to the bank so long the loan and charges etc are fully repaid. And it will be got registered in the name of borrower. The bank's name will be got inserted, as financier in the Registration Certificate issued by RTO and a certified copy of the Registration

Certificate will be submitted by borrower to the bank for record. The intending borrower has to offer collateral security by way of equitable mortgage as follows. 1.	For Permanent employee of Govt, GoR, Banks, Co-operative Institutions, Autonomous Bodies, Local Self Govt. Bodies, Govt. Added Institutions, Insurance Company, Doctors, Engineers, Govt. University Lecturer.	No Collateral Security is Required for personal use vehicles having loan component upto Rs. 10.00 lacs.
2.	Others - for all commercial loans (Transportation, Businessmen, Schools etc.) and loans for personal vehicle above Rs. 10.00 lacs.	Collateral security in the form of land, building, liquid security in the form of FD's, NSC's etc. 1.5 times of the loan amount.

Condition of collateral security by way of equitable mortgage for employees of RSCB is waived.

#### 10. GUARANTEE:

The borrower will have to furnish guarantee of two persons (in case of no collateral ) otherwise one person known and acceptable to the bank. Such guarantor should produce the proof of their worth by providing photocopy of their immovable property title. The guarantor should be made nominal member of the bank.

#### 11. DOCUMENTS:

The documents required from borrowers are:

- a) Loan application etc.
- b) Letter of acceptance.
- c) Loan agreement
- d) DP/TP Note
- e) Receipts of Loan (utilization certificate)
- f) Guarantee Deed
- g) Equitable mortgage
- h) Copy of Registration Certificate & Insurance Policy
- i) Any other, as prescribed by the bank.

#### 12. SERVICE CHARGES:

As decided from time to time by the bank.

#### 13. SANCTIONING AUTHORITY:

संचालक मंडल की बैठक दिनांक 13-02-2012 में ऋण प्रस्तावों की स्वीकृति के अधिकार निम्न प्रकार है:- वरिष्ठ प्रबंधक स्तर की शाखा ऋण समिति द्वारा	रुपये 2.00 लाख तक (कोलेटरल प्राप्त करते हुये)
सहायक महाप्रबंधक स्तर की शाखा ऋण समिति द्वारा	रुपये 5.00 लाख तक (कोलेटरल प्राप्त करते हुये)
शाखा स्तर की समिति की अनुशंसा पर प्रधान कार्यालय स्तर पर महाप्रबंधक की अध्यक्षता में गठित समिति द्वारा	रुपये 10.00 लाख तक (कोलेटरल प्राप्त करते हुये अथवा योजनानुसार कोलेटरल मुक्त ऋण)
प्रबंध निदेशक बैंक द्वारा प्रधान कार्यालय स्तर की समिति की अनुशंसा पर	रुपये 15.00 लाख तक

#### 14. OTHER TERMS AND CONDITIONS:

(A) The borrower concerned will make arrangement with the seller/supplier and will obtain a bill (credit memo) or performa invoice for the vehicle to be purchased. After sanction of the loan, borrower will request the branch to pay the amount thereof to the seller concerned by debit to his loan account. The Branch Manager will get the amount of margin money deposited from the concerned borrower and issue pay order in favour of

suppliers and/ or concerned agencies for the full amount as per preforma invoice. The borrower shall submit the receipts from supplier for full and final payment of the bill.

- (B) For salaried personal / professionals loan for purchase of vehicle for personal use should have valid driving license. In case of other, borrower should ensure that the vehicle should be driven by a valid driving license-holder.
- (C) In case of finance for commercial vehicle i.e. for taxi, goods carrier the quotation should be for such vehicles only which are approved for commercial use. Also registration with the transport authority should be for taxi or goods carrier only.
- (D) Until the full loan is repaid, vehicle purchased with the loan will be made available for inspection for the bank officials or its authorized agent/ representative at any convenient time.
- (E) The Branch Manager or any officer of the branch will inspect the vehicle purchased under the scheme at least once in a year and will certify that the said vehicle is duly in possession of the borrower.
- (F) In the event of death of a borrower, the amount of loan and/ or any amount due to him, will be recovered on demand from the successor or guarantor of the borrower.
- (G) Until the full repayment of the loan is made, the vehicle purchased under the scheme will belong to the bank.
- (H) After repayment of the loan, the bank will return the original bills/ cash memos pertaining to the vehicle purchased to the concerned loanee. Photocopy of such documents shall be retained.
- (I) Inscription on the vehicle indicating the hypothecation of bank shall be must.
- (J) The vehicle shall not be transferred/ sold during the period of loan without making full and final repayment of loan to the bank.
- (K) Advance cheques duly signed by borrowers for the full loan period, has to be obtained for repayment of the monthly installments/undertaking of ECS.
- (L) The borrower and guarantors have to become a nominal member of the bank.
- (M) In the loan agreement suitable clause will be inserted to the effect that borrower will ensure compliance of Motor Vehicle Act.