



KSFE

(ഒരു കേരള സർക്കാർ സ്ഥാപനം)
CIN: U65923KL1969SGC002249

HANDBOOK ON SCHEMES & SECURITIES



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A Handbook on

SCHEMES & SECURITIES

Schemes of KSFE

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Chitty (Ref. Cir. No.32/1991)

Definition

“Chit means a transaction under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money by way of periodical installments over a definite period and that each subscriber shall in turn as determined by lot or by auction or by tender or in such other manner as may be specified in the Chit agreement, be entitled to the prize amount”.

- KSFE started Chitty business in 1970 as per the existing rules at that time.
- From 1975, KSFE conducted Chitty business as per Kerala Chitties Act, 1975 which came into force on 25/08/1975.
- Now KSFE is conducting its Chitties under the Chit Fund Act 1982 through a notification by the Central Government.
- The Government of Kerala vide GO (P) 94/2012/TD dt 04/06/2012, formulated rules regarding the conduct of Chits in Kerala which came into force from 05/06/2012.
- Chitty is to be registered with the concerned Assistant Registrar of Chits (Sub Registrar).
- Chit agreement is the contract between the Subscribers and the Foreman.
- A minor shall not be enrolled as a subscriber in a Chit as a minor cannot enter a contract.
- Enrolment in joint names is also not allowed.
- Put the DIRECT ENROLMENT seal in Chit agreement in the case of Chitties enrolled directly. In case of Chitties canvassed by agents, put name, seal and signature of agent on the space provided for them in the Chit agreement.
- A person can subscribe only for a maximum of 10% of the total tickets in a KSFE Chit.
- Chitties can be started in the names of Companies and Firms after verifying the documents of such institutions.
- KSFE conducting Chitties with different tenure ranging from 25 to 120 months.
- The first instalment amount remitted by the subscribers in a Chitty is due to the Foreman and is called Piricheduppu.
- In KSFE this is done at last instalment. We conduct and fix the first auction favourable to the subscribers. The first auction we are conducting is for the auction of second instalment.
- The process of determining the Prized subscriber in a Chit is called draw which may either Lot or Auction.
- Every minute of auction proceedings must be filed with concerned ARC within the stipulated time.
- As per Chitty act, any amount deductible from Chitty amount is the Discount. Difference between Chitty amount and discount is prize money. However,

any deduction from prize money is only on the written request of the subscriber.

- Now the Government have accorded permission to KSFE to enrol NRIs in Chits (Cir.No.44/2015 dt 31/08/2015). NRI Chits are conducting through a digital platform following the guidelines of foreign exchange by RBI.
- Defaulted non-prized tickets are eligible for substitution.
- Substitution can be made up to 65% of the instalments of Chitty without any default interest irrespective of its duration and denomination.
- In the case of death of original subscriber, the ticket is to be substituted in the name of nominee mentioned in Chit agreement after producing original death certificate. If there is no nominee, then the ticket is substituted to Legal Heir subject to produce Legal Heirship Certificate/Succession Certificate issued by Tahsildar.
- A substituted subscriber must remit instalment amount from the first instalment onwards to the current instalment and he will be eligible for the dividend on such instalments.
- The amount due towards the removed subscriber will be the actual amount remitted by him.
- The removed subscriber will not be eligible for the auction dividend for the instalments already remitted by them.
- Only up to date non-prized tickets are entitled for assignment. Assigner and Assignee sign the Assignment deed and thereafter only Assignee has the right in that ticket. For preparing assignment deed, stamp paper worth 6% of gross subscription for panchayath areas and 8.5% of gross subscription for municipal & corporation areas is necessary.
- The letter of proxy / authorization shall be either in favour of unit head or a third person at the choice in the subscriber. The letter of proxy should be sufficiently stamped.
- A proxy can be cancelled on request in writing.
- Company employees other than unit heads shall not act as proxies.
- Canvassing agents cannot act as proxies for the tickets canvassed by them.
- If a ticket is substituted by a fresh subscriber, the portion remitted by the original subscriber (RSC) shall be paid before the next succeeding instalment or as and when he/she claims from the date of substitution.
- The contributions of any defaulting subscriber who has not been substituted till the termination of Chit (APSTC), shall be paid to him within 15 days from the date of termination of the Chit. (In case of KSFE substituted tickets, amount due to the removed subscriber shall be paid before the next succeeding instalment or as and when he/she claims from the date of KSFE substitution as per clause 19 mentioned in the Chit agreement.
- Chitty documents can be executed in the presence of Manager of any branch. It can also be executed outside India. In such case, Indian embassy

should attest the signatures of executants.

- A Power holder can sign the document for and on behalf of a subscriber. For this, the validity of Power of Attorney is to be verified.
- Any payments to the legal heirs of a deceased subscriber should be paid on production of Legal Heirship Certificate/Succession Certificate issued by Tahsildar or Family Membership Certificate issued by Village Officer.

Payments related to Chitty

1. Prize money payment

Prize money can be paid on the due date of next auction. This is applicable to the first auction also.

Advance payment of prize money can be made by charging 12.50% interest.

Interest is charged from the date of payment to the next auction date (excluding next auction date) or from the date of prizing to the 30th day (including 30th day) whichever is earlier.

2. RSC (Removed Subscribers Contribution)

In case of Chitties registered under KCA, 1975----Only after the substituted subscriber receives the prize money. In case of Chitties registered under CFA, 1982-----On or after the date of substitution.

3. APSTC (Amount Payable to Subscribers in Terminated Chitties)

In case of Chitties registered under KCA-1975, APSTC is payable only after the termination of the Chitty.

In case of Chitties registered under CFA-1982, APSTC is payable within 15 days from date of termination of Chitty.

4. NPDSC (Non prized default Subscribers Contribution)

Only on medical ground with medical certificate. Need RO special sanction. Interest is 14%, if Date of Termination of Chitty is less than 1 year, otherwise 18%.

Delegation of Powers for Payment (Ref. Cir no 01/2023(BD) dated 05/01/2023 w.e.f 05/01/2023)

(Amount In Lakhs of Rupees)

Name of Security	Branch level	RO level (Sr. Mr/Chief Mr)	RO level (AGM)
Personal security	Up to 12	Nil	>12 up to 18
Property & others	Up to 20	>20 to 40	>40 up to 5Cr

Rate of Interest (Ref. Cir. No. 23/2017 (BD) dt 28/03/2017 w.e.f 01/04/2017)

Chitty	Default up to 3 instalments	Default above 3 instalments
Non prized	9.00%	12.00 %
Prized	12.00%	12.00%

Advance payment of prize money

- 12.50% (simple) up to the 30th day of prizing from date of payment. (Ref. Cir. No. 86/2022 (BD) dt 14/12/2022 w.e.f 15/12/2022)

Multi Division Chitties (Cir. No. 69/2017(BD) Dt. 07/12/2017)

- Now KSFE is conducting Multi division Chitties in all branches.
- It consists of one lot and three auctions in a month.
- The lot winner is eligible for full prizemoney less foreman's commission.
- The maximum number of tickets that a subscriber can enrolled in a multi division Chitty is limited to 5% of the total tickets.
- 40% auction dividend is allowable for Chitties with duration of above 101 months to 120 months.
- 35% is for Chitties with duration of 60 months and above up to and including 100 months. (Cir. No. 13/2020(BD) Dt. 11/03/2020 w.e.f 01/04/2020)
- 30% is for Chitties with duration less than 60 months.

Re-arrangement process of conducting MDC

For announcing multi division Chitties w.e.f 15/12/2022,

Max. Monthly instalment - ₹20000/-

Max. Duration - 60 months.

Max. Divisions - 4

(Cir. No. 84/2022(BD) Dt. 12/12/2022 w.e.f 15/12/2022)

Amendments in the process of conducting MDC

For announcing multi division Chitties w.e.f 01/05/2024, maximum monthly subscription amount is ₹25000/- (Cir. No. 16/2024(BD) Dt. 22/04/2024 w.e.f 01/05/2024)

Diversification in process of conducting MDC

For announcing multi division Chitties w.e.f 24/05/2024, Max. Monthly instalment should be ₹25000/-.

Max. Duration

- 2 Division Chitty - 60 to 80 months
- 3 Division Chitty - 50 to 80 months

(Cir. No. 24/2024(BD) Dt. 24/05/2024 w.e.f 24/05/2024)

- 4 Division Chitty - 60 months

(Cir. No. 84/2022(BD) Dt. 12/12/2022 w.e.f 15/12/2022)

NRI Chits

- KSFE is conducting Chits for Non-Resident Indians viz. NRI Chits.
- A Virtual Branch named KSFE Digital Business Center, located at Thampanoor, Thiruvananthapuram is established for organizing the NRI Chit in 2018.
- KSFE in co-ordination with KIIFB is now proposing Chits specifically designed for NRIs using an online platform.
- KIIFB will issue a special KSFE-KIIFB series of bonds which will be fully and irrevocably guaranteed by the Government of Kerala.
- KSFE has developed a comprehensive software application through National Informatics Centre for the conduct of NRI Chits.
- Chit related Schemes

New Chitty Loan (NCL) (Ref. Cir. No. 2/1993 dt 30/03/1993)

renamed as Chitty Loan (Ref. Cir. No.10/2016 dt 20/02/2016)

- Non prized subscribers will be eligible for Chitty loan up to 50% of sala of Chitty remitting 10% of total instalments. (In scheme Chitties, eligibility is 5%).
- NCL before completing eligible number of instalments can be sanctioned as special cases involving marriage of dear ones, illness, hospitalization etc. where such sanctions may be obtained from RO concerned.
- Branch Manager can sanction NCL up to ₹7,00,000 /-on personal surety and ₹12,00,000 on property and other mode of security on remitting 10% of instalments in a Chitty.
- A subscriber is entitled to a Chitty Loan of maximum amount ₹1.5 Crores or 50% of sala of Chitty for which he enrolled irrespective of the number of tickets held whichever is less. (Ref. Cir no 36/2018(BD) dated 17-09-2018 w.e.f24-09-2018)
- NCL up to 50% of sala subject to a max of ₹50000 /- will be granted immediately after the first auction is the following cases.
 1. Where the applicant for NCL is an employee acceptable to the company as surety or guarantor.
 2. Where financial documents are offered as security.
 3. Where personal sureties are offered as security (Surety/one of the sureties belongs to SREG)
 4. Where the applicant for NCL is Professional/ Businessmen having taxable annual income of ₹100000 above.
- In 100 Months Chitty, NCL will be limited to 30% of Chit amount or ₹50000/- whichever is less immediately after the registration of Chit.

- Registration charges ₹10 /-
- NCL agreement is in stamp paper worth a ₹200/-.
- Documentation charge is 0.2% of loan amount subject to a minimum of ₹50 and maximum of ₹200 is charged.
- Interest on NCL is charged only up to the date of payment of prize money or up to the due date of prize money whichever is earlier.
- If the same personal sureties are offered for availing prize money of a Chitty on which NCL is granted and if the date of issuance of salary certificate is less than one year, a fresh salary certificate need not be insisted. Instead, a confirmation letter in the prescribed form may be sent to the employer. (Ref. Cir. No.17/1997 dt 01/04/1997)

Delegation powers of Branch, RO and HO

(Ref. Cir no 01/2023(BD) dated 05/01/2023 w.e.f 05/01/2023)

(In Lakhs of Rupees)

Name of Security	Branch	RO	GM(B)	3Member Committee GM(B), GM(F) & MD	Board
Personal	Up to 7	>7 to 10	Nil	Nil	Nil
Property	Up to 12	>12 to 25	>25 to 60	>60 to 1 Crore	> 1 Crore

- Maximum Chitty Loan that can be sanctioned on a single person is ₹1.5 Crores.
- Maximum Chitty Loan that can be sanctioned on a single property is ₹2 Crores. (Ref. Cir no 29/2023(BD) dated 30/06/2023 w.e.f 05/07/2023)
- Rate of Interest is 12.75 % (Simple) and 14.75% (simple) for defaulter. (Ref. Cir. No. 4/2024 (BD) dt 11/01/2024 w.e.f 15/01/2024)

Passbook Loan (PBL) (Ref. Cir no. 40/1991)

- Introduced on 01.11.1991.
- PBL is allowed only on up-to-date non-prized tickets.
- Amount of loan is calculated As Per CFA 1982 (Ref: Cir 56/2012 dt. 12.10.2012)
- Here only the amount remitted by the subscriber reduced by the proportionate foreman's commission is considered. The value is found out by discounting the paid-up value @16.50%.
- Documentation charge is 0.2% of loan amount subject to a minimum of ₹50 /- and maximum of ₹200 /- is charged.
- Passbook Loan agreement modified as undertaking. (Ref H.O. 12401 Dt.

6.5.2015)

- PBL amount calculated rounded off to lower ₹100/-
- Rate of Interest is 11.50% (Simple) and 13.50% (Simple) for defaulter. (Ref. Cir. No. 86/2022 (BD) dt 14/12/2022 w.e.f 15/12/2022)

Smart Chitty Bridge Loan (SCBL)

(Ref. Cir. No. 26/2005 dt 05/03/2005, Cir. No.72/2020 dt 23/12/2020 and HO Ref No. 3006/Plg dt 28/05/2021)

- The Smart Chitty Bridge Loan (SCBL) is a dedicated loan facility designed for prospective Chitty subscribers to settle non-prized defaults. Under this scheme, the maximum eligible loan amount will be determined as the defaulted gross Chitty instalment minus the auction dividend for the relevant defaulted instalments, discounted at an interest rate of 13.50% over the remaining period until Chitty termination.
- Subscribers are required to contribute any additional funds necessary to update their Chitty account beyond the approved loan amount.
- The loan will be granted to update Chitties up to 70% of its duration.
- The loan amount can be found by using the table supplied to passbook loan along with Circular No.172/2003 (PLG) dated 31.10.2003 [Annexure to Circular No.167/2003 (PLG)] at the rate of 13.50%.
- The application for the scheme may be obtained in plain white paper but should have the following particulars.
 1. Subscriber's name and address and phone No. including the Mobile No.
 2. Chitty and Chittal Number.
 3. Instalments already remitted.
 4. Number of instalments defaulted.
 5. Loan amount required.
 6. Period for termination of Chitty.
- There must be an undertaking to remit the future instalments of Chitty along with the interest for the loan and to deduct Loan amount with interest outstanding from the prize money/RSC of the Chitty if not remitted earlier.
- The loanee under the scheme **will be allowed to auction the Chitty only if the prize money is adequate to cover the loan amount** with interest outstanding and future liability of the Chitty.

Security

- The updated Passbook is the only security that is required. The loan under this scheme will be given up to 31.05.2005.

Rate of Interest

- The rate of interest of loan will be 12% simple per year. The interest must be

remitted monthly. If defaulted, interest should be collected at the rate of 13.50%.

Other Loan Schemes

Gold Loan (GL) Scheme

- The Gold Loan (GL) scheme was introduced by the company in the year 1989, as referenced in Circular No. 22/1989 dated 28/09/1989. This scheme is designed to provide short-term financial assistance to individuals who require funds urgently. The security for this loan is gold ornaments pledged by the borrower.
- The Government of Kerala, through GO(P) No. 64/97/TD dated 26/04/1997, has exempted the company from the provisions of the Kerala Money Lenders Act, 1958, thereby facilitating the smooth implementation of this scheme.
- Under the Gold Loan scheme, the maximum period for which a loan can be availed is three months. Borrowers have the option to renew the loan by remitting the applicable interest for an additional period of three months.
- If repayment is not made within the stipulated three-month period, the company will initiate proceedings to auction the pledged gold ornaments to recover the outstanding dues.
- The scheme permits a maximum advance of ₹25,00,000 per individual per day. Furthermore, the maximum amount of the loan granted is limited to 75% of the prevailing market value of the gold ornaments, as per Circular No. 17/2025(BD) dated 30/04/2025, effective from 02/05/2025.

Revised Rate of Interest & Penal Interest (Ref. Cir. No.30/2025 (BD) dt 15/07/2025 w.e.f 16/07/2025)

Amount	Rate of Interest	Default 3 to 6 months (+1.5%)	Default 6 to 9 months (+1.75%)	Default 9 to 12 months (+2%)	Default above 12 months (+2.25%)
Up to & including ₹20000/-	7.50 %	9.00 %	9.25 %	9.50 %	9.75 %
Above ₹20000/-	9.50%	11.00%	11.25%	11.50%	11.75%

- Interest rate concession to KSFE Employees - As per new settlement in 2021.
 1. Rate of Interest - 2.50%
 2. Limit of Advance - ₹1,50,000/-
- Part redemption facility - Part redemption is possible if the loanee agree to remit at least 25% of the advance availed. This is limited to four times in an account.

- Redemption charge - 0.10% of redeemed loan amount subject to maximum of ₹50/- is to be remitted in part redemption.
- Appraiser charges - 0.35% of loan amount subject to min. ₹50/- and Max. ₹350/- (Cir no. 57/2023(BD) dt 26/12/2023 w.e.f 01-01-2024)
- The maximum amount that can be paid to gold appraiser has no limit. 10% of the appraiser fee will be transferred to a non-refundable Sugama account. (7.50% TDS). At the end of each financial year, the amount in this Sugama is transferred to company FD in the name of Appraiser.
- Gold Loan to a Person (Ref. Cir no 8/2020(BD) dated 17-02-2020)
 1. Maximum amount - ₹1 Crore
 2. Maximum number of accounts - 50

Sanctioning power limit of Gold Loan (Ref. Cir no 43/2023 (BD) dated 30-09-2023 w.e.f 01-10-2023)

Asstistant Manager/Deputy Manager	Up to ₹8 lakhs
Branch Manager	>₹8 -₹15 lakhs
AGM (Region)	>₹15-₹25 lakhs

Gold Loan Risk Allowance as per new settlement in 2021

Category of Branch (Outstanding GL)	Assistant	Assistant Manager	Manager
Up to ₹1 Crore	₹400/-	₹550/-	₹300/-
₹1 Crore to ₹2 Crores	₹450/-	₹750/-	₹400/-
₹2 Crores to ₹4 Crores	₹500/-	₹1000/-	₹500/-
₹4 Crores to ₹10 Crores	₹600/-	₹1300/-	₹600/-
₹10 Crores to ₹20 Crores	₹800/-	₹1700/-	₹650/-
Above ₹20 Crores	₹1000/-	₹2000/-	₹750/-

Admissible loan amount for GL

Carat	Maximum Amount
18 carat	75% of the Market value per gram for 18 carats as on date
22 carat	75% of the Market value per gram for 22 carats as on date
24 carat & BIS	75% of the Market value per gram as on date

Janamitram Gold Loan Scheme

(Ref. Cir No. 32/2020 Dt.29/05/2020 w.e.f 03/06/2020)

- EMI based Gold Loan Scheme.
- Duration of Loan is 1 year.
- Maximum amount to a single person ₹10 lakhs.
- Rate of Interest - 4.90% (Ref. Cir. No. 90/2021 (BD) dated 30/11/2021 w.e.f 01/12/2021)
- EMI calculation = (Loan amount + 5% Interest)/12
- Due date is Loan disbursement date.
- Penal Interest 12%.
- No lump sum repayment facility.
- Premature closure is same as that of KPL.
- No processing fees.
- Maximum amount of loan – 80 % of Market Value. ((Ref. Cir. No. 17/2025(BD) dt. 30/04/2025 w.e.f 02/05/2025)
- Appraiser fee is the difference between old eligible appraiser fee and new eligible appraiser fee subject to 0.35% of the loan amount to a minimum of ₹50/- and maximum ₹350 /- per case.
- One-time partial redemption after remitting 6 installments.
- Repayment schedule got signed by the loanee.
- If the repayment is defaulted above 3 months, proceedings of auction of pledged gold ornaments are initiated.

Gold Loan Top Up Scheme (Ref. Cir. No.35/2020 Dt. 02/06/2020)

- Loan sanctioned under this scheme is subject to requested loan amount or maximum eligible amount whichever is lower.
- Existing loan amount is closed from the enhanced new loan.
- In this case, no reduction of ornaments or addition of ornaments to the existing packet.
- Old application form should be affixed with new application.
- Appraiser fee is the difference between old eligible appraiser fee and new eligible appraiser fee subject to 0.35% of the loan amount to a minimum of ₹50/- and maximum ₹350 /- per case.
- Rate of Interest---Same as existing loan.

KSFE Premium Gold Loan

- Duration of loan – 1 Year
- Maximum amount of loan – 80% of Market Value ((Ref. Cir. No. 17/2025(BD) dt. 30/04/ 2025 w.e.f 02/05/2025)
- Rate of Interest – 10.25% (Ref. Cir. No.48/2025 (BD) dt 18/12/2025 w.e.f 01/01/2026)
- Accepted only 916/HUID (22 carat) ornaments under this loan.
- Interest of this loan should be remitted quarterly.

Interest remittance facility through KSFE Power APP is available. If the ornaments under this scheme accounts are not taken back after 1 year, those accounts should be closed through auction sale or contract sale. This scheme came into force w.e.f 20-05-2024. (Ref. Cir No. 21/2024(BD) Dt.18/05/2024 w.e.f 20/05/2024.

KSFE Smart Gold Overdraft

(Ref. Cir No. 48/2024(BD) Dt.11/12/2024 w.e.f 12/12/2024)

- A flexible revolving credit line facility secured by gold as collateral.
- Borrower can repay the overdraft at their convenience, without repayment schedule.
- It is fully online accessible via KSFE Power App available 24x7.
- Only HUID/916/22 carat gold ornaments are accepted for gold OD.
- Interest Rate is 10.50 % (Simple)
- Penal Interest Rate is 12.50% (Simple)
- Minimum OD Limit is ₹50000/- and maximum limit ₹50 Lakhs.
- Processing Fee - 0.25% of sanctioned OD subject to maximum ₹5000/- which will be debited automatically from OD account.
- OD amount allowed is maximum 80% of the market value of gold. (Ref. Cir. No.17/2025(BD) dt. 30/04/2025 w.e.f 02/05/2025)
- Tenure of OD is 1 year
- Delegation of powers -
 1. Up to and including ₹25 lakhs – Managers
 2. Above ₹25 Lakhs – AGM (Region)
- Appraiser fee is 0.35 % of the sanctioned OD amount subject to maximum of ₹350/- for OD amount up to ₹25 Lakhs. For OD amount exceeding ₹25 lakhs, two-member appraising is a must, and appraising fee will be ₹1000 (₹500 for each appraiser).
- Handling charge will be 0.25% of the sanctioned OD amount subject maximum of ₹5000/-, if the OD account is not closed/renewed within one month of expiry of loan tenure.

- Cash withdrawal from branch is limited to ₹19,999/- per day.
- Cash repayment is limited to ₹1,99,999/- per day.
- If interest remittance is defaulted above 15 months, such OD accounts are transferred to NPA.
- No interest in credit balance in gold OD.
- No further charge should be created on pledged gold OD ornaments.
- No change of gold ornaments pledged under gold OD scheme.
- Maintain a manual stock register for gold OD accounts.
- No interest concession to KSFE employees.

Reliable Customer Loan (RCL)

(Ref. Cir. No.40/2000 dt 15/03/2000 w.e.f 01/04/2000)

Renamed as KSFE PERSONAL LOAN (KPL)

(Ref. Cir. No.10/2016 dt 20/02/2016)

- The scheme is entitled to provide easy credit facility to customers.
- Max loan amount: ₹7,00,000/- on personal surety. ₹30 lakhs on other securities.
- KPL agreement should be prepared in stamp paper worth ₹200.
- Penal interest of 1.50% per month will be charged on defaulted instalments.
- Facility for premature closure is available.
- Facility of recalculation of EMI on advance remittance of at least 10% of the original loan amount. (Ref. Cir. No.118/2006 dt 19/10/2006)
- Facility of reworking the EMI on lump sum repayment is permitted under KPL under the following conditions.
 1. Account should be up to date or made up to date at the time of lumpsum repayment.
 2. The lumpsum amount remitted in advance should be at least 10% of the original Loan amount.
- Processing/ Administrative charge is introduced for KSFE Personal Loan w.e.f 11.4.2016. It is 0.10% of the loan amount with a minimum of ₹100 and maximum of ₹500. (Ref. Cir 24/2016 dt 11/04/2016).
- Processing/ Administrative charge is exempted to KSFE employees.
- Age of loanee cannot exceed 70 years at the date of completion of duration of loan.

Rate of Interest (Ref. Cir. No.8/2023(BD) dt 27/02/2023 w.e.f 01/03/2023)

If security offered is fully secured such as FD Receipt, Life Cover Policy, KSFE Non-Prized Chitty Passbook, Gold Security, Kissan Vikas Patra, National Savings Certificate, Bank Guarantee etc.

- 11.50 % (Yearly diminishing)

- 18% on EMI for defaulter

If offered other securities

- 11.90 % (Yearly diminishing)
- 18% on EMI for defaulter

If offered other securities along with fully secured securities

- 11.90 % (Yearly diminishing)
- 18% on EMI for defaulter

Interest Rate Concession to KSFE Employees

- 3% discount in the rate of interest as per new settlement in 2021
- Limit of advance is ₹3,00,000/-

Maximum period of repayment of loan

(Ref. Cir no 08/2021(BD) dated 29/01/2021 w.e.f 01/02/2021)

Category	Amount	Repayment Period (Maximum)
For Public	Upto ₹25000/-	36 Months
	Above ₹25000/-	72 Months
For Staff	Irrespective of loan amount	72 Months

Delegation of powers of various officers

(Ref. Cir no 01/2023(BD) dated 05/01/2023 w.e.f 05/01/2023)

(Amount In lakhs of Rupees)

Security	Branch	RO	2 Member Committee DGM (B&O) & GM (B)	3 Member Committee GM (B), GM (F) & MD	Board
Personal Surety	Up to 7	Nil	Nil	Nil	Nil
Property	Up to 7	>7 up to 15	>15 to 20	>20- to 25	>25 to 30

KPL Top Up Scheme (Ref. Cir. No.56/2019 dt 06/12/2019)

- This scheme aims to provide top up facility for the existing loan accounts.
- As per this Scheme, the existing loan is closed from the top up loan.
- This facility is allowed only after one year of availing the existing loan.
- This facility is allowed only for up-to-date existing loan accounts.

- Procedure for availing this is same as that of KPL.
- Rate of Interest---Same as existing loan.

KPL Liability Verification (Ref. Cir. No. 2/2024(BD) dt 10/01/2024)

- Shifted from Head Office to Regional Offices w.e.f 15/01/2024.
- The new software used for this purpose is Swift KPL.
- All the details regarding the loanee should be entered through Swift KPL at branch level.
- If any liability has been found, the application can be denied or resubmit after correcting at branch level.
- If no liability, the application can be forwarded to RO through the new software.
- KPL covering abstract should be sent to RO through e-mail. (No need of sending hard copy).
- But in the case of applications related to company employees, the whole file along with details through Swift KPL should be sent to HO Business for sanction.

Consumer/Vehicle Loan Scheme (CVL)

(Ref. Cir No 65/2002 dt. 27/03/2002 w.e.f 01/04/2002)

- Advance available for the purchase of consumer durables, equipment's etc.
- Invoice in duplicate from the supplier is to be obtained.
- Registration charge ₹10.
- Administration cost: 1% of advance subject to minimum ₹20/- and maximum ₹1000/.
- Stamp and paper charge ₹12 along with margin money (difference between prize of article and advance sanctioned) is to be collected.
- Advance is limited to 90 % of the cost of article.
- Minimum amount of advance is ₹1000, and maximum is ₹30 lakhs.
- Period of repayment is ranging from 12 to 60 months.
- But for electronic items, max period allowed is 36 months.
- Interest is calculated on the balance amount outstanding and payable monthly.
- A loanee is free to remit the amount of loan in advance provided he has remitted interest due on the loan outstanding till the date of such advance remittance.
- CVL works under the loan agreement entered by the borrower and the financier governed by the provisions of the Indian Contract Act.

Forms used

- CVL 1 - General agreement executed by all loanees.
- CVL 2 - Hypothecation deed for purchased articles other than vehicles.

- CVL 3 - Hypothecation deed for purchased vehicles other than bicycles.
- CVL 4 - Promissory note.

Rate of Interest (Ref. Cir. No.70/2021 (BD) dt 30/07/2021 w.e.f 02/08/2021)

- 12% (Simple)
- 14% (Simple) for defaulter

Interest Rate Concession to KSFE Employees

- 3% discount in the rate of interest as per new settlement in 2021
- Limit of advance is ₹2,00,000/-

Special Loan to Differently Abled Employees

CVL to Differently abled employees of State Government and Government undertaking employees in collaboration with Kerala State Disabled Welfare Corporation with 6% Interest rate. For Women employees 1% interest concession and for deaf/dumb/mentally retarded employees 0.5 % interest concession. (Ref. Cir. No.9/2019 dt. 23/02/2019)

Delegation of Powers for Various Officers

(Ref. Cir. No.01/2023(BD) dated 05/01/2023 w.e.f 05/01/2023)

(In Lakhs of Rupees)

Security	Branch	RO	2 Member Committee DGM (B&O) & GM (B)	3 Member Committee GM (B), GM (F) & MD	Board
Personal Surety	Up to 5	>5 to 10	>10 to 15	Nil	Nil
Property Security	Up to 5	>5 to 15	>15 to 25	> 25 to 30	>30 to 40

New Housing Finance Scheme (NHFS)

(Ref. Cir. No.29/1995 dt 08/11/1995)

Renamed as KSFE HOUSING LOAN (KHL)

(Ref. Cir. No.10/2016 dt 20/02/2016)

- The Scheme is intended to provide loans to
 1. Purchase of dwelling site.
 2. Purchase of dwelling house.
 3. Construction of dwelling house.
 4. Renovation of existing house.
 5. Construction of residence-cum-commercial complexes.
- The applicant of KHL should be a citizen of Kerala and having owner ship of Property.

- He should have a comfortable monthly income for repayment.
- The maximum age limit of applicant at the time of completion of repayment period shall not exceed 70. (Ref. Cir No.01/2015 dt 08/01/2015)
- Maximum cost per sq. ft. of flat for valuation purpose is ₹6500/-
- (Ref. Cir. No.54/2022(BD) dt 13/07/2022 w.e.f 15/07/2022)

Nature of Loan	Maximum Amt	Maximum Tenure
Purchase of dwelling site	₹10 Lakhs	7 years
Purchase/Construction of dwelling house	₹1 Crore	30 years
Construction of residence cum-commercial Complex	₹1 Crore	30 years
Renovation / extension (Up to 1200 Sq. ft.)	₹20 Lakhs	10 years

- Maximum amount of advance is fixed as follows (Least of the following)
 1. 75% of Estimate (Construction) or 75% of Sale agreement (Purchase) or Amount of Estimate (Addition/extension up to 1200 Sq. Ft.)
 - OR
 2. 75% of the value assessed by the company (only for purchase)
 - OR
 3. Corresponding loan amount if 50% of the gross monthly income of the applicant is available for remittance as EMI
 - OR
 4. ₹10 Lakhs (for purchase)/ ₹20 Lakhs (for addition/extension/renovation up to 1200 Sq. Ft.)/ ₹1 Crore (for purchase of dwelling house/ construction of house)
- Period of loan revised to 30 Years (Ref. Cir. No.22/2017 Dt. 27/03/2017).
- Registration charges ₹10 /-
- No Retention fund on KHL. (Ref. Cir No: 24/2014 dt 21/05/2014)
- For outright purchase of land or land with residential house, there should be a sale agreement between the seller and loanee for a specified period. (Make sure that it has not been lapsed). All property documents are in the name of seller. Only photocopies of deeds are insisted, and originals may be returned after attestation.
- The documents submitted to prove income should be genuine and get confirmed.
- A Non-Resident Indian may submit documents including passport, contract/agreement with the employer, letter from the foreign employer regarding employment and salary particulars etc.

- If the required loan is above ₹2 Lakhs, the above documents should be attested by Indian Embassy.
- Salaried people may submit their employment/salary certificates.
- The income of husband and wife may consider jointly.
- The monthly income of the dependents or unmarried children of loanee may consider as income for sanctioning loan only on request. But for this, only 20% of the total income required for loan is considered.
- Applicant should invest at least 25% of submitted estimate amount initially for new construction.

Loan disbursement procedure

1. 1st instalment will be disbursed after confirming the utilization of loanee's share and the construction of basement.
 2. 2nd instalment will be disbursed after confirming the utilization of 1st instalment and completed the construction up to the roof level in the case of single storied house and up to ground floor roofing in the case of two storied house.
 3. 3rd instalment will be disbursed after confirming the utilization of 2nd instalment and the construction up to the roofing in the case of single storied house and first floor roofing in the case of two storied house.
- For renovation, loan will be disbursed in two equal instalments considering the utilization. In this case, the investment of loanee's share need not be insisted.
1. 1st instalment will be disbursed after the completion of required formalities.
 2. The 2nd instalment will be disbursed only after confirming the utilization of the 1st instalment by the loanee. Further, loanee must claim the 2nd instalment of loan within 4 months of availing the first instalment.
- In exceptional case, unit heads can grant extension of period for genuine and reasonable grounds.
 - Before fixing EMI, simple interest @10% will be charged on the instalments of loan amount disbursed.
 - There is facility for premature closure.
 - Part payment towards loan amount outstanding will be accepted; provided the remittance is up to date.
 - the loanee will remit at least 10% of the advance he/she availed.

Some Additional Points

- Minimum requirement of land: 5 cents in Panchayath areas and 3 cents in Municipal/Corporation areas.
- Minimum period of repayment of KHL is 1 year.
- The property in which the proposed house is to be constructed/renovated should be owned and possessed solely by the applicant or by the applicant

jointly with his /her spouse.

- Loan application received for the purchase of dwelling site/house from husband to wife or vice versa will not be entertained.
- KHL agreement should be prepared in stamp paper worth ₹200/- in the prescribed form along with promissory note. The EMI tables should also be got signed by the loanee.
- In case of purchase, the following documents are also required.
 1. Authorisation letter to pay cheque to the seller of the property
 2. KHL-IV: Letter of undertaking by loanee
 3. KHL-V: Letter of authorization signed and given by the loanee to collect title deeds from Registrar's Office.
 4. KHL-VI: Certificate (by KSFE Official)
- Processing charge & Administration charge for KHL_(Ref. Cir no. 13/2014 (BD) dated 07/03/2014 w.e.f 15/03/2014)
 1. Up to ₹10 lakhs - 0.50% of Loan amount sanctioned, subject to minimum ₹1250/- and maximum ₹5000/-.
 2. Above ₹10 lakhs up to ₹25 lakhs - 0.50% of Loan amount sanctioned, subject to minimum ₹5000/- and maximum ₹12500/-.
 3. Above ₹25 lakhs up to ₹1 Crore - 0.50% of Loan amount sanctioned, subject to minimum ₹12500/- and maximum ₹15000/-.
- Company employees are exempted from remitting processing fee on KHL.

Modifications in KHL for the purchase of dwelling site

(Ref. Cir. No.16/2015 (BD) dated 23/03/2015)

- The procedure for fixing the maximum eligible loan amount for purchase of dwelling site under the KHL scheme is modified as follows:
 1. Amount applied for

OR
 2. 75% of the value as shown in the sale agreement

OR
 3. 75% of the value as assessed by the authorised officer of the company

OR
 4. Corresponding loan amount is 50 % of the gross monthly income of the family (Family includes husband and wife in general) of the applicant is taken as available for remittance as EMI

OR
 5. ₹10 lakhs, whichever is less.
- The maximum repayment period of loan is modified to 7 years
- However, the construction of residential house should be started within 12

months of availing the loan. An undertaking to this effect should be collected from the loanee before disbursement of loan.

- The procedure for fixing the maximum eligible loan amount for renovation / extension of existing house under the KHL scheme is modified as follows:

1. Amount applied for

OR

2. Estimated Cost

OR

3. Corresponding loan amount, if 50% of the gross monthly income of the family (family includes husband and wife in general) of the applicant is taken as available for emittance as EMI

OR

4. ₹20 lakhs, whichever is less.

- The maximum repayment period of loan is modified to 10 years.

Assessment of Income of the applicant by Branch Manager (Ref. Cir. No.25/2015 (BD) dated 18/04/2015)

Category of Loanee	Nature of Certificate
Employees	Salary Certificate issued by Employer
Agricultural income group	Income certificate from Village Officer /Tahsildar. If the income is less than ₹2.50 lakhs, Manager can assess the income.
Self-employed persons, small traders, professionals and Businessmen	If the income is less than ₹2.50 lakhs, Manager can assess the income

The condition for sanctioning maximum eligible loan amount is modified as,

"Corresponding loan amount, if 50% of the gross monthly income of the family (Family includes husband and wife in general) of the applicant is taken as available for remittance as EMI " (previously it was 45% of the gross monthly income).

(Ref. Cir. No.32/2016 (BD) dated 28/05/2016)

Modifications in KHL (Ref. Cir no. 35/2019(BD) dated 25/07/2019 w.e.f 26/07/2019)

- The property accepted as security for KHL is also accepted as security to other types of schemes such as Chitty, Chitty loan, CVL and KPL.

For this revaluation will be conducted after completion of building.

Security amount for KHL is calculated as follows: -

Two times the FL as on date or two times the advance availed whichever is less.

Balance amount is considered for the FL of other schemes.

- The property accepted as security for other types of schemes such as Chitty,

Chitty loan, CVL and KPL is also accepted as security to KHL.

For this, in valuation amount, the security amount for FL of Chitty and other schemes is calculated as per our existing norms and balance amount is considered for KHL. In this case, the unencumbered portion of valuation amount is sufficient to cover 1.3 times the advance amount of KHL.

- If the applicant for KHL has no property in his own name, we can accept the property of his/her father or mother or in the name of both father and mother. In this case, income of the applicant is to be considered and obtain a declaration from the owner/owners of the property in stamp paper worth ₹100/- stating that the applicant is the one and only incumbent of them. The applicant and the owner/owners of the property should sign in the agreement.
- Before fixing EMI, Branch manager should visit the site and prepare a completion certificate having seal and signature is attached with the file. (A completion certificate from the authorized building supervisor from panchayath or authorized Architect or Civil Engineer from Government/Semi Government/Public Sector Undertakings is hereby dispensed with).

Cir. No. 92/2021 dt 04/12/2021. Modification in KHL from 06/12/-2021.

- Amount of disbursement of KHL is limited to 2 times the EMV of the property.
- KHL amount can be disbursed in 4 equal installments.

Mode of disbursement

- ***For one storied building***

1. 1st installment - On completion of basement and 25% expense incurred including building materials.
2. 2nd installment - Construction up to lintel level.
3. 3rd installment - After completion of roof concrete.
4. 4th installment - After completion of entire plastering works.

- ***For two storied buildings***

1. 1st installment - After completion of basement work.
 2. 2nd installment - After completion of roof concrete on the first floor.
 3. 3rd installment- After completion of roof concrete on the second floor.
 4. 4th installment- After completion of entire plastering work.
 5. If EMV of the property is 75% or more of required loan amount, then it can be disbursed in 3 equal installments observing the existing conditions.
- Further charges should be created on the KHL availed property only after the completion of construction works and obtaining building number.
 - The above changes are not applicable for purchase of building with land and renovation of building.
 - The plan and estimate of the building may be attested by the licensed Building Supervisor/ Engineer/ Architect of Panchayath/ Municipality/

Corporation.

- After the disbursement of entire loan amount, BM should ensure the completion of work and prepare a Completion Certificate regarding this and attached with the file.
- If the loan amount is not consumed within the stipulated time, steps including RR action should be initiated to recover the loan amount with interest.
- (The above changes are w.e.f 06/12/2021).

Delegation of Powers of Various Officers

(Ref. Cir. No. 01/2023 (BD) dated 05/01/2023 w.e.f 05/01/2023)

(Amount in Lakhs of Rupees)

Name of Security	Branch	AGM (Region)	2 Member Committee DGM (B&O) & GM (B)	3 Member Committee GM(B), GM(F) & MD	Board
Property	Up to 20	>20 up to 35	>35 up to 50	>50 up to 75	>75 up to 100

Rate of Interest

- Up to fixation of EMI – 10% (Simple)
- After fixation of EMI – 9.50% (Yearly diminishing)
- Default Interest – 18% on EMI

(Ref. Cir. No.8/2023(BD) dt 27/02/2023 w.e.f 01/03/2023)

Interest rate concession to KSFE Employees (As per new settlement)

- For those who have availed EHL - 3%
- Limit of Advance - ₹10,00,000/-

Mangalya Loan Scheme (MLS) (Ref. Cir. No.80/2006 dt 17/07/2006)

- Confirmed permanent employees of KSFE Ltd, who have a minimum period of one year of future service at the time of availing the loan is eligible for Mangalya Loan.
- The loan amount is disbursed for meeting the marriage expense of self or their children.
- Minimum net salary after considering the repayment of the loan should be.
 1. For Assistant and above - ₹₹5000/-.
 2. For Office Attendant - ₹3000/-.
 3. For PTS - ₹1700/-.
- Marriage invitation cards/ documents proving that the loan is only for marriage purpose should be produced.

- The amount of loan is equal to 10 times of the net salary of the employee concerned, subject to maximum of ₹3,50,000/-.
- The maximum period will be 48 months or up to the retirement whichever is less.
- Details of loan will be entered in the service book of the employee.
- The loan will be approved by the Head Office, and repayment is made through salary deductions.

Rate of Interest

- The rate of interest will be charged at the rate equivalent to the cost of funds of the company, i.e. Interest rate of FD from public + 0.75% guarantee commission.
- Penal Interest 24%.

Special Car Loan (SCL) (Ref. Cir. No.48/2004 dt 05/05/2004)

- A very attractive loan scheme intended for providing finance for the purchase of motor car.
- Application form is free of cost, and no registration fee is collected.
- There is no administration and other paper charges, but agreement of loan should be in a stamp paper worth ₹200/-.
- Salaried persons having a net monthly pay exceeding ₹10000/- (Husband and Wife considered as a single unit) and self-employed Professionals / Businessmen / Income tax assesses having an average income assessing to ₹2 lakhs for the last 3 years are eligible for the loan.
- The maximum limit of advance for salaried class is 85% of the road cost or 30 times of combined net monthly salary or corresponding loan amount if 45% of the combined net monthly salary of the applicant and spouse is taken as available for remittance as EMI. (Limited to lower ₹1000.)
- In the case of employed applicant, the repayment period should be limited to the date of retirement and in the case of self-employed/ Professionals/ Businessmen, till attainment of 65 years of age, provided all other conditions are satisfied.
- Age may be verified with any of the identity cards or such other valid age proof.
- In the case of income tax assessee, the maximum limit of advance is 85% of road cost or 1.50 times of the average annual total income for the past three years or corresponding loan amount, if 45% of the combined net monthly salary of applicant and spouse is taken as available for remittance as EMI. (Limited to lower ₹1000).
- Customers targeted under this scheme is from the elite group with adequate repayment capacity.
- The vehicle is the prime security, and no other collateral is required.
- Remittance of loan is by EMI. The due date for remittance is 4th (For loans

disbursed between 1st and 15th of a month) and 21st (For loans disbursed between 16th and last day of the month) respectively.

- There is facility for premature closure.
- The details of the Loans will be available in Cir.No.48/04, 88/04 and 100/04.
- Default Interest is 18% per annum on the defaulted instalment subject to a minimum of ₹5/-.

Rate of Interest

- Up to 35 Months – 12% (Monthly Diminishing)
- Above 35 Months up to 60 Months – 14% (Monthly Diminishing)
- Default Interest – 18% on EMI

(Ref. Cir. No. 70/2021 (BD) dt 30.07.2021 w.e.f 02.08.2021)

Delegation of Powers of Various Officers

(Ref. Cir.No.01/2023 (BD) dated 05/01/2023 w.e.f 05/01/2023)

(Amount in lakhs of Rupees)

Security	Branch	RO	2 Member Committee (DGM (B&O) & GM (B))	3 Member Committee GM(B), GM(F) & MD	Board
Personal Surety	Up to 7	Nil	>7 up to 15	Nil	Nil
Property and others	Up to 7	Nil	>7 up to 15	Nil	Nil

Special Car Loan to Company Employees

(Ref. Cir. No. 100/2004 dt. 03/08/2004)

- For the purchase of new branded vehicles.
- All permanent employees of the company are eligible.
- Employees under Employees Vehicle Loan scheme is not eligible.
- No administration and paper charges & promotional expenses.
- Security is vehicle. Company's lien noted in the RC book.
- Sanctioning authority - Business Manager.
- Repayment period - Minimum 6 months and maximum 84 months.
- Limit of Advance - 90% of the road cost or 25 times Basic pay + DA, whichever is less.
- The loan amount is sanctioned, provided 60% of net salary is taken as available for the remittance of EMI.
- In all above cases, the net pay of the applicant should be sufficient to cover the EMI.

- Due date of repayment of EMI will be the last working day of each month.
- Repayment is collected only through salary deduction.
- Repayment should commence from the salary of succeeding month of availing the loan.
- Simple Interest @8% is to be collected on the loan amount for exact days from date of availing the loan to the last day of that month.
- In the case of resignation or long leave, employee should close the loan account prematurely.

Rate of Interest

- 8 % (monthly diminishing)

Employees Computer Loan (ECL)

(Ref. Cir. No. 25/2007 dt 02/03/2007)

- The scheme aims at providing loan to Company employees for purchasing a Personal Computer (PC) or a laptop along with the accessories.
- It will be given only to permanent employees of KSFE who have completed at least one year of service in the Company.
- Permanent employees of KSFE who have not completed at least one year of service in the Company may also be given this loan, on the security of an employee of the Company who has completed at least one year of service in the Company who will stand as surety for such loan or on other acceptable security.
- The Company Employees who have already availed themselves CVL advances for purchasing computer can utilize this facility (ECL) to close their CVL prematurely. In such cases the maximum loan will be the premature closure amount or ₹30,000/-, whichever is less.
- The employees who are chronic defaulters will not be granted this loan.

Limit of Advance

- The maximum amount of loan is limited to ₹50,000/-.
- This is a 100% loan, avoiding margin money and down payment.

For example: Invoices for ₹27,000/- and ₹60,000/- will be allowed maximum loan amount of ₹27,000/- and ₹50,000/- respectively.)

Rate of Interest

- 6% (Simple)

Period of loan

- The period of loan is limited to a maximum of 48 months.

Security

- The loan is given purely on the self-surety of the employee concerned, usually.
- In case an employee is not eligible to give self-surety, then he/she can avail

the loan on any other acceptable security.

- An employee who avails this loan should agree to join the Salary Deduction Scheme (SDS) and agree that any amount outstanding in his/her loan account may be recovered from his/her DCRG benefits.
- The CVL Application form, Scrutiny Note and Covering Abstract used for RCL, may be used for this purpose with suitable modifications as may be needed.
- Special Computer Loan to employees at concessional rate of interest was allowed for a further period of 6 months from 01.07.2007 to 31.12.2007. (Ref. Cir. No. 75/2007 dt 30/06/2007)

Limit of Advance (As per latest settlement)

- The limit of Employees Computer/Laptop/Tab/Smart phone, loan amount is revised to ₹50000/-.
- The norm for loan amount and interest rates continue to be the same.
- This loan may be availed twice in service with a gap of 3 years.

Employees House Loan Scheme (EHLS)

(Ref. Cir. No.118/2007 Dt. 24/11/2007 & Cir. No.53/2023 (P&HR) dt 08/12/2023)

- Permanent employees who have completed minimum period of Five years continuous service in the month of February every year and who have at their credit not less than seven years of service before retirement shall be eligible to apply for House Loan.
- Part Time Employees are not eligible for House Loan.
- In the case of Office Attendants promoted from Part Time Sweepers, their Part Time Service is not considered for determining minimum service for eligibility to apply for House Loan. As a result, most of the Office Attendants promoted from Part Time Sweeper cadre become eligible for House Loan only on attaining continuous service of six years' service as mentioned above.
- To consider half of the part time service of PTS promoted as Office Attendants for determining minimum eligibility service for granting Employees House Loan along with the full-time service at credit as permanent employees. Hence those Office Attendants who have completed minimum period of five years continuous service, including half of Part Time Service and have at their credit not less than seven years of service before retirement shall be eligible to apply for House Loan.
- If both husband and wife are company employees, only maximum amount eligible for one person should be sanctioned.
- No eligibility for this loan, if there is any house in the name of employ or spouse or minor children.
- Eligible for one time during the entire service.
- Property should be in the name of employee or joint ownership with spouse.
- The loan will be sanctioned on the principle of "First Come First Out" subject

to the availability of funds in the budget allotment for the year.

- The advance sanctioned shall be paid: -
 1. If the advance sanctioned is for the construction of a house on the plot owned by the employee 50% of the advance within 15 days or the formal sanction
 2. If the advance sanctioned is for purchasing a plot and then constructing a house, the disbursement shall be 40% of the advance or the amount equal to the land value, whichever is less and the balance amount in two equal instalments one at the commencement of work and the other at the roof level.
 3. If the advance sanctioned is for outright purchase of a land with building, the advance will be paid in lump at the time of purchase subject to satisfying other conditions regarding the value of the plot and building.
 4. If the advance is sanctioned for purchase of land with building, which the loanee intends to repair, 80% of the advance will be paid at the time of purchase and the remaining 20% at the commencement of repair work subject to satisfying the conditions regarding value of land and building and the estimate of the proposed repair.
 5. If the advance sanctioned is for repairs, the payment shall be regulated in three stages based on the utilization certificates produced.

(Note: A Civil Engineer in Government Department, Public Sector Undertaking not below the rank of an Assistant Engineer is the competent Officer for the purpose of certifying the plan & estimate and utilisation of the loan amount).

As per latest settlement

- Terms and conditions are same as in Government.
- The loan will be limited to the availability of 40% of net salary after considering all kinds of deductions including EMI of the applied House Loan from the salary.
- Four-wheeler access to the mortgaged property is not necessary.
- PTS will be eligible for Employees House Loan.
- Minimum period of service required for the eligibility of EHL will be five years.

Minimum Extent of property needed

- In Panchayath area - 5 cents
- In Municipal/Corporation area - 3 cents

Limit of advance and disbursing procedure

- Maximum loan amount is ₹20 lakhs
- Disbursed as 3 installments.

Rate of interest

- 9% simple interest p.a.
- Penal interest at 2.50% over and above the normal rate of interest if due date

of loan instalments exceeds 180 days or above.

Employees House Loan of the company – Additional Loan

Ref. Cir. 124/2007 Dt. 07/12/2007 & Cir No. 53/2023(P&HR) dt 08-12-2023

The terms and conditions for additional loan

1. There shall be 4 years completed after availing the EHL and at least 4 years of future service is available as on the date of application.
2. Loan will be sanctioned only for the completion work/ extensions/ additions/ alterations/ maintenance work of the existing house and repayment of loan taken from the Company under HMS/ NHFS/ HFS.
3. The amount of advance will be limited to the difference between the eligible amount (60 times of basic pay subject to a maximum of ₹3,75,000/-) and the amount of advance already availed or estimated cost of proposed work or the advance applied for, whichever is less.
4. The additional advance will be treated as part of the previous advance and recovery will be commenced with the salary for the month next to that in which additional advance is disbursed.
5. As the property would have already been mortgaged in favour of the Company in consideration of the original advance, the additional advance will be disbursed only on execution of a document creating a 2nd mortgage, in the form prescribed by the Company.
6. The time for submitting application for additional advance will be in the month of May every year.
7. Maximum additional loan amount sanctioned will be ₹5 lakhs.
8. The maximum repayment period of additional loan will be 120 months (Advance 90 months & Interest 30 months).
9. Eligible for one time during the entire service.

(Ref. Cir. No. 53/2023 (P&HR) dt 08/12/2023)

Employees Vehicle Loan Scheme (EVLS)

Ref. Cir. 17/2007 Dt. 22/02/2007) & (Cir No. 53/2023(P&HR) dt 08-12-2023)

- The eligibility criteria based on service should be satisfied (i.e. 5 years' service as on date of application and 6 years future service) for Vehicle Loan.
- The loan will be sanctioned on the principle of "First Come First Out" subject to the availability of funds in the budget allotment for the year.
- Priority will be given based on date of receipt of documents in HO but not based on the service seniority or date of retirement.

Rate of Interest

- 11.50% simple interest p.a.
- Penal interest at 2.50% over and above the normal rate of interest.

Limit of Advance

- For Two-wheeler - ₹60000/- or Anticipated price of the vehicle or Amount of advance applied for, whichever is less.
- For Four-wheeler - ₹4.50 lakhs or 75% of the actual price of the vehicle or Amount of advance applied for or 12 times BP, whichever is less.
- Insurance in such cases should be arranged with Kerala State Insurance Department/ Nationalized General Insurance Company. Insurance from private insurance companies will not be considered.
- Outstanding balance of previous advance should be remitted, before submitting documents for fresh loan.
- As per latest settlement, terms and conditions are same as in Government.

Ref. Cir. No.53/2023 (P&HR) dt 08-12-2023

Documents to be submitted**For purchase of new vehicle**

1. Agreement in form VL-1 on stamp paper worth ₹200/-
2. Original invoice.

For purchase of second-hand vehicle

1. Attested copies of all pages of RC Book to show that the vehicle is free from prior charges.
2. Valuation certificate of Govt. Engineer specifying present value of the second-hand vehicle.

Sugama Akshaya Overdraft for Company Employees

(Ref. Cir. No.70/2005 dt. 11/05/2005)

- Overdraft facility will be provided in the Sugama accounts of employees who opt for the scheme. No other Sugama accounts in their name will be maintained in that branch. The Sugama account of employees, for whom the overdraft facilities are sanctioned should be transferred to another ledger styled as "Sugama (Akshaya) Overdraft" account.
- The salary and other benefits like bonus, incentives, DA arrears, festival advance, T.A.-DA, pay revision arrears etc. of employees who have availed overdraft facilities will be credited to this account. The employees should agree to recover balance, if any, with interest in this account from their DCRG and other retirement benefits.
- If an employee who has already availed the Sugama (Akshaya) Overdraft facility, gets transferred to any other unit the concerned account should be transferred to that unit. If any other Sugama account is existing there in the name of that employee, it should be closed and the proceeds credited to the overdraft account.
- The main advantage of this scheme is that the facility will provide a financial backing and security to the staff which can be utilized in case of urgent

necessity. As this facility is limited to KSFE staff only, it is fully secured.

As per latest settlement

Limit of SAOD

- The limit of overdraft facility is 10 times their net pay subject to a maximum, for PTS, ₹1,00,000/-, for Office Attendants, ₹1,40,000/-, for Assistants, ₹2,00,000/-, for Asst. Managers and above, ₹4,00,000/-.

Rate of Interest

- The Interest rate of SAOD will be 1.50% over and above the cost of funds (the rate of FD+ Guarantee Commission) as on 31st March of every year. The rate of Interest will be revised on 1st of April every year based on the cost fund as on 31st March of the immediately preceding financial year.
 1. Rate of Interest from 01-04-2021 is 9.75%
 2. Rate of Interest from 01-04-2022 is 9.00%
 3. Rate of Interest from 01-04-2023 is 9.25%
 4. Rate of Interest from 01-04-2024 is 10.00.%
 5. Default interest is 15%

Safe Deposit Locker (SDL) Ref. Cir. No.10/2005 Dt. 15/02/2005

KSFE has introduced Safe Deposit Locker facility in some units to give more service to the public.

- Locker may be in the name of
 1. Individuals (single or Joint)
 2. Firms
 3. Companies
 4. Clubs
 5. Association of Persons
 6. Trustees
 7. NRIs
 8. Govt. Depts
 9. Co. Operative Society
- Minors truly represented by a natural guardian sign on behalf of minor. By obtaining majority, a fresh agreement is to be executed.
- Nomination Facility is available for lockers.
- The relationship between the company and the persons who avail the locker will be that of a hirer and hiree.
- Since the demand for lockers are greater in semi urban and urban areas, the branches should maintain a waiting list for the purpose of allotment of lockers.

- 80% of the lockers should be allotted on first come first served basis. 20% may be allotted by the branch to valued customers on business considerations.
- Managers, if necessary and at their discretion, may persuade the customer to put fixed deposit of Rs, 6000 or more so that the annual rent of the locker can be adjusted from the interest due on such fixed deposit.
- If the locker is surrendered before the expiry date, the rent for the remaining period may be refunded debiting "Rent of Locker Account."
- In such cases, a minimum rent of ₹100/- should be collected and only the balance need be collected.

Locker Rent

- ₹1250/- + GST
- When a locker is allotted, rent is to be paid in advance till the end of the financial year. Subsequently, the annual rent for the financial year is to be paid in advance by 15th April each year. For belated payment of rent, interest @13.5% will be charged from the hiree.

(Ref. Cir.37/2025 Dt 17/09/2025 w.e.f 01/11/2025)

Deposit Schemes

- Fixed Deposit (FD)
- Vandanam Deposit Scheme
- Fixed Deposit Loan (FDL)
- Chitty Security Deposit in Trust (CSDT)
- Short- Term Deposit (STD)
- Sugama

Fixed Deposit (FD) Ref. Cir. No.06/1998

- Deposit is accepted from public offering higher rate of interest.
- Minimum Deposit amount ₹500/-
- In respect of deposits of ₹10000/- and above, interest is payable monthly.
- Premature closure of deposits can be made.
- For deposits before completing one year, interest rate allowed is 1% below Sugama rate.
- If the premature closure is made after one year interest rate permitted is 1% below the rate applicable for which the company held deposit.
- Fixed deposit is accepted as security for various schemes of the company.
- Fixed deposits matured but not released for 7 or more years – to be transferred to Registrar of Companies. (Cir 47/2009 dt. 16/06/2009).
- As per the provisions of section 642(1) (a) (b) of The Companies Act 1956, the Company is bound to transfer such deposits to the Investor Education and

Protection Fund of the Central Government. Noncompliance of this statutory obligation would attract penalty.

- Branch manager has the power to sanction change of security where company FD was accepted as security. (Cir. No.56/1997 dt. 28/11/1997).
- Senior Citizens are allowed higher rates of interest on deposits. For deposits of joint accounts in which one of the depositors is a senior citizen, it is hereby clarified that if the senior citizen is the main depositor (i.e. named first) in joint accounts, such deposits are eligible for the higher rate of interest allowable to the senior citizens. This is applicable to all joint accounts with terms like "Either or Survivor", "Former or Survivor" etc. In all the above cases, if the joint a/c holder who is a senior citizen expires, the other joint holder will cease to enjoy these enhanced rates. (Cir. No.71/2007 dt. 26/06/2007).
- It is also informed that deposits received from Trusts and other Institutions, for single deposits of ₹1 Crore and above can be given 0.25% excess interest after approval from the Managing Director of the company. (Cir 75/2005 dt. 21/05/2005)

Interest on overdue period for the deposits

- FDs deposited for one year and above may be paid interest @ Sugama rate in cases where overdue period exceeds 30 days.

Premature closure of FD's

After completing one year

- Interest may be paid for the rate applicable for the period for which the deposit was held with the company less 1%

Before completing one year but after 30 days

- Sugama rate less 1%

Forms now used for the acceptance of Fixed Deposit as security

(Cir. No.104/2005 dt. 03/08/2005).

- FD I-A and FD II-A are designed for accepting Company FD in the name of a third party as security.
- FD I-B is designed for Company FD in the name of subscriber / loanee.
- FD VI is an indenture to be executed by the subscriber and co-obligants to receive the prize money in the Chitty only.
- When Fixed Deposits other than Company FD, such as FD of Banks are offered as security- FD I, FD II, FD IV, FD V and FD VI are used for the acceptance of Fixed Deposit as security.

All persons who attain the age of 60 years on the date of deposit will be considered as Senior Citizens for giving higher rate of interest on fixed deposits. Appropriate proof should be produced by the depositor for this purpose at the time of making deposit.

Revised Interest Rates (Ref. Cir. No.48/2025 (BD) dt 18/12/2025 w.e.f 01/01/2026)

Deposit Scheme	1 year	Above 1 year and up to 2 years	Above 2 years and up to 3 years
General FD, FD KSFE Staff, Chitty Prize Money Deposit	7.75%	7.50%	7.25%

Vandanam Deposit Scheme

(Ref. Cir. No. 23/2024 (BD) dt 23-05-2024 w.e.f 24-05-2024)

- New deposit scheme for senior citizens.
- Eligibility- Individuals aged 60 years and above.

(Ref. Cir. No.30/2025 (BD) dt 15/07/2025 w.e.f 16/07/2025)

- Duration of deposit – 1 to 2 years
- Minimum deposit amount—₹10000/-
- Maximum deposit amount—No limit
- Interest can be paid monthly.
- A special application form is provided for this deposit.
- Copy of document regarding date of birth should be attached with the application.
- Date of birth and details of KSFE retired employees should be entered in the CASBA Customer Register.
- Rate of interest—8.00% p.a.

Fixed Deposit Loan (FDL) (Cir. No.23/1999 (PLG) dt. 22/02/1999)

- Loan on fixed deposits can be availed up to a maximum of 75% of the FD amount.
- But are some cases considering the credibility of the customer and the merit of the situation, FDL can be granted up to the 90% the FD amount.
- Rate of Interest- 2% above FD interest rate.
- Company employees can avail FD Loan up to 90% of the FD amount at FD rate.

Chitty Security Deposit in Trust (CSDT) (Cir. No.157/2004 dt. 08/11/2004)

When the prize money is deposited for the future liability of the Chitty, CSDT can be made, which will enable the subscribers a higher rate of interest.

- The Maximum amount that can be deposited is limited to FL of the respective Chitty.
- CSDT can be created only by conversion of PM in full or part.
- CSDT is allowed only for the future liability of the Chitty.
- This can be prematurely closed by offering adequate security.

- Minimum period of deposit is 30 days.
- Due to monthly payment of interest the effective rates are higher than that offered by Nationalized Banks.

Premature closure of CSDT

- CSDTs that are getting closed prematurely before completion of one year would be treated as STDs for the period for which they were laid with the company and hence the premature closure rates of STDs will be applicable to CSDTs also.
- Premature closure after one year will be at par with the rules of Fixed Deposit.

For overdue period, till the date of release/renewal, Sugama rate of interest will be granted. (Cir. No.45/2007 dt. 19/04/2007).

CSDT's which are initially deposited for the period up-to the termination of Chitty, will not allow to be renewed.

(Ref. Cir. Nos.170/2004, 12/2005, 88/2005, 140/2005, 153/2005, 177/2005, 8/2006, 45/2007 and 54/2007)

Revised Interest Rates of CSDT)

- For 1 year and above 1 year and up to the termination of Chit - 8.50%
- For less than 1 year - same as STD rates

(Ref. Cir. No.48/2025 (BD) dt 18/12/2025 w.e.f 01/01/2026)

Short Term Deposits (STD) & Short Term CSDT

(Cir. No.88/2005 dt. 15/06/2005 w.e.f 15-06-2005)

- Public prefer such deposits for temporary parking of funds, and this is a good source for short term mobilization of funds.
- Tax Deduction at Source is applicable to the interest on Short Term Deposits also. Similarly short-term deposits can also be accepted as security to future liability in Chitty and loan schemes noting the lien.
- Short term deposit can be made for a period ranging from 30 days to 364 days.

Premature Closure of STDs

- For premature closure after 30 days, an interest of 0.50% will be deducted from the interest rate applicable to the period for which the deposit is held with the company.
- For premature closure deposits within 14 days, no interest is allowed.
- Interest @3.25% can be paid for the premature closure of all STD'S falling after 14th day and before 30th day of deposit. (Cir. No.103/2009 Dt. 30/11/2009).

In the case of short-term FD, minimum amount of deposit is ₹5000 and deposits in multiples of ₹500 are accepted.

Rate of Interest

Period of deposits	Rate of interest
Up to 29 days	Nil
30 days -60 days	3.25% p.a.
61 days -90 days	4.25% p.a.
91 days -180 days	4.75% p.a. (Ref. Cir. No. 68/2020 (BD) dt. 13/11/2020 w.e.f 16/11/2020)
181 days -364 days	6.50 % p.a. (Ref. Cir. No. 19/2025 (BD) dt. 09/05/2025 w.e.f 12/05/2025)

Sugama Deposit

(Cir. No.11/1988 dt. 23/04/1988 w.e.f 02/05/1988).

- The collection of deposits under this scheme will also be covered under the guarantee issued by Kerala Government through GO(MS) 73/87/TD dt. 17/08/1987.
- The Sugama Deposit scheme aims at providing a deposit facility.
- Sugama is the only Scheme kin to SB Account in the financial services sector bearing such a high interest rate.
- This is a deposit scheme eminently suited for temporary parking of funds, accompanied with comparatively high returns.
- Easy Deposits and withdrawal facilities are available.
- Account may be opened,
 1. By a person in his own name
 2. On behalf of any minor relative
 3. On behalf of any minor relative of whom he is the guardian
 4. On behalf of any lunatic of whom he is the manager or guardian who is appointed by court of Law.
- The customer can give standing instruction to the Company to transfer the monthly instalment towards Chitty & Loan schemes due dates from the Sugama Account.
- Interest on FD can be transferred to this account as and when it becomes due based on standing instructions obtained from the depositor.
- Interest of Fixed Deposits above ₹10,000/- only is transferred to Sugama account monthly.
- Initial deposit and minimum balance to be maintained at any time should not be less than ₹100.
- The minimum balance to be maintained in Sugama for interest eligibility should be ₹250 or more. Employees of KSFE are exempted from this rule.

Rate of Interest and Calculation of Interest

- Interest @ 4.5 % on the minimum balance maintained in the account between 6th and last day of any month. If 6th happens to be a holiday the minimum balance from the next working day to the end of the month will be the eligible amount for calculation of amount. (Ref. Cir. No. 86/2022 (BD) dt 14/12/2022 w.e.f 15/12/2022)
- The interest will be credited twice in a year, on 30th September and 31st March.
- The interest due for the period from March to August will be credited on 30th September and that due from September to February will be credited on 31st March.
- All Sugama accounts with balance below ₹250/- and which have been continuously non operative for one year shall be transferred to non- operative Sugama account register.
- On every successive 31st March a folio charge of ₹10/- is to be deducted from each account in the non -operative Sugama account register till the balance less than ₹10/-.
- This deduction should be credited under "Folio Charges on Non-Operative Account."
- If the passbook of Sugama is lost, company will issue a duplicate one containing the entries starting with the balance in account on the date of issue with ₹5/- will be charged for the same.
- Repayments are limited to 12 times in a calendar month through withdrawal slips.
- The account can be transferred free of charge from one branch of the company to another on request of the depositor.

Nomination by Depositors

- The depositors may nominate any person/persons to receive the balance amount in case of his/her death.
- If there is no nomination in force at the time of death of the depositor, balance amount will be paid to the legal heir on production of Legal Heirship Certificate/Succession certificate.
- If the depositor closes the account within 6 months from the date of opening of account, then ₹5/- will be charged as service charge.

Agency System in KSFE

There are two types of Agents, viz.

1. Chitty Canvassing Agents.
2. Chitty Canvassing Cum Door Collection Agents.

Chitty Canvassing Agents (Ref. Cir. No.12/1995 dt 19/07/1995).

- The applicant for canvassing agent should be below 35 years.
- Should have passed 8th Standard.

- Should deposit ₹1000/- as security deposit. An interest @7.5% p.a. payable quarterly.
- He should be introduced by a people's representative.
- He should be provided with a photo affixed identity card for an initial period of 15 months. Renewed for a further period of 15 months based on their performance evaluation.
- Maximum number of agents that can be engaged in a unit is 10.
- Each agent should earn at least ₹36,000/-per annum. If any of the agents fails to earn a commission of ₹36,000/- per annum, in two consecutive years he/she will become liable to be removed from the roll of agents.
- The Regional Managers will appoint the Chitty Canvassing Agents based on the recommendations of the Branch Managers concerned.

Ref. Cir. No.142/2006 dt. 22/12/2006 w.e.f 06/12/2006

- Based on the recommendation of the concerned Branch Managers, the Regional Managers have the discretion to allow the agents to canvass for branches other than to which they are attached.

Ref. Cir. No.82/2007 dt. 31/07/2007 w.e.f 01/08/2007

Chitty Canvassing Cum Collection Agents (Ref. Cir. No.49/2005 dt 15/04/2005)

(341st Board decision dt. 15/02/2005)

- The above system will come into practice with effect from 15/04/2005.
- The door collection system for Chitty business was introduced in the company with a view
 1. to provide better customer service
 2. to attract new customers
 3. to meet the market competition for our business growth.
- The new agents will be enrolled as Chitty Canvassing cum Collection Agents and will be responsible for both canvassing business as well as the follow up for collection.

Eligibility

- The applicant for Chitty canvassing-cum-collection agent preferably below 40 years of age.
- The minimum eligibility criteria for becoming a Chitty Canvassing cum Collection Agent will be a pass in S.S.L.C or equivalent, recognized by the Govt. of Kerala.
- Preference shall be given to candidates with previous experience in the marketing of financial services.
- The applicant must be introduced by two eminent persons of the locality where the agent is residing.

Security

- The selected candidates must furnish security as deposit, either FD from public of the company or approved bank on which the lien of KSFE is noted. The security aspect will be reviewed periodically in accordance with the change in situation.
- Collection Agents should produce Fidelity Insurance of ₹1 lakh which should be renewed annually at their cost or if it is not possible, they should give an additional cash deposit of ₹10000/-.

Revised Security System for Door Collection Agent

- Security Deposit of ₹70000/- as company FD of which the lien of KSFE is noted and will be eligible for interest as usual.

OR

- Approved Bank FD/Immovable Property/Gold Security can be permitted to be offered as security.

Ref. Cir. No.32/2017 dt. 17/04/2017

- The Company will have the right to change the guarantee and other conditions at any time.
- The time and period of work of collection agent will be fixed by the company.
- He/she should remit the collection of a day preferably on the same day or on the next working day as the first remittance.
- Collection agent can take leave after intimating the Manager in advance and making alternate arrangements.
- His/her engagement is liable to be terminated at any time without assigning the reason or paying any compensation.
- The company reserve the right to proceed against him/her under Civil/Criminal law to recover any loss incurred due to his/her operation as a collection agent from his/her Commission/security/ assets.
- The Company reserves the right to include new conditions and delete or alter any of the existing conditions of such engagement at any time.
- The loyal and productive Chitty canvassing agents capable to observe the security formalities can also be considered as collection agents allowing relaxation in age limit as recommended by the unit heads.
- The collection agents recruited directly can canvass subscribers to Chitties commencing from the branch to which he/she is attached to subject to the terms and conditions applicable to Chitty canvassing agents.
- Application for selection of door collection agent received by the Branch Manager should be forwarded to the concerned Regional Manager with due recommendation for verification and acceptance.
- The Regional Office should maintain a register showing the details of agents appointed in branches coming under their jurisdiction. At the year end the RO should send a list of existing agents to HO Business.
- The Regional Managers will appoint the Chitty Canvassing cum Collection

Agents based on the recommendations of the Branch Managers concerned.

- There will be no specific minimum gross instalment amount for door collection.
Ref. Cir. No.82/2007 dt. 31/07/2007 w.e.f 01/08/2007
- Permission to work as an agent should be issued only after obtaining sanction from the concerned Regional Manager.
- The Regional Managers are empowered to terminate the engagement of collection agents based on the reports of the unit heads.
- Separate Agreement must be executed by the Agent.
- Fresh appointments of agents will be only in the new system as Chitty Canvassing cum Collection Agents. *Ref. Cir. No.86/2007 dt. 09/08/2007*
- It will be advisable to go for a new collection agent when the number of individuals who have opted for daily door collection exceeds 120.
- Obtain sanction from R.O. to permit new subscribers to avail of door collection, monthly in a prescribed format. *Ref. Cir. No.36/2010 dt. 05/08/2010*
- Canvassing/Door collection agents should not enrol their close relatives or benamis as agents.
- Should not issue his/ her cheques for remittance towards subscriber's accounts.
- He should not act as proxies for the tickets canvassed by them.
- An account under door collection which is defaulted six or more months will be taken off from the list of mapped subscribers.
- For smooth operation of the system, it is proposed that the collection agent should get at least ₹100/- a day as commission.
- The minimum amount of door collection, which should not be more than 1/20th of the monthly instalment amount.
- Not to accept cheques from the accounts of agents/their related accounts for remittance of Chitty instalments through door collection.

Ref. Cir. No.15/2010 dt. 03/05/2010

- Maximum amount that can be collected from a subscriber in cash mode is ₹50,000/-.
- No such restriction for cheque collection.
- Commission for the collection agent shall be paid only after realisation of the collected cheques.
- Taking caution steps on functional area of Door Collection System.

Ref. Cir. No.15/2011 dt. 03/02/2011

- The Commission for canvassing Chitties is same for both the categories.
- Proper supervision and verification of accounts in liaison with customers is necessary.

Procedure For Accounting of Collection

- Obtain the Undertaking (Form DC-1) from the customers requesting this facility.
- All the undertakings received from the subscribers are to be recorded in a register called Door Collection Subscribers Register (Form DC-2).
- Spreadsheet (Form No. DC-3) is a pre-printed form designed to monitor the operations of the scheme with all provisions for check and balance.
- There will be separate 'Door Collection (Suspense) Register' (Form DC-4) for each Chitty, and separate folio for each ticket.
- The collections made, as per the spreadsheets, are credited in this register which is to be maintained up to date and on all Chitty dates the instalment amount should be transferred to the personal ledger via Transfer slip (Form DC-5).
- Commission Payable Register (FORM DC-6) The commission will be reckoned on every 1st working day of the next month and paid.
- Form of Agreement (FORM DC-7). The agent should execute an agreement in stamp paper worth ₹200/- agreeing to abide by the terms and conditions.
- Each branch must keep a Register of Agents (Form DC-8) showing all details of the door collection agents appointed.
- The customer opting for Door Collection shall be provided a 'Door Collection Card' (Form DC-9). Agent will make proper entry and sign the card.

Revised Norms Regarding Cheques Received from Customers

- The branches are instructed not to accept cheques other than those issued by subscribers and more particularly from the accounts of agents/their related accounts for remittance of Chitty instalments through door collection.
- Deviations if any in this regard will be viewed seriously and will result in cancellation of the agency system and other penal actions as may be warranted.

Ref. Cir. No. 15/2010 dt.03/05/2010

- If remittance related to one or more tickets of the same subscriber in a single Chitty is made through more than one cheque on a particular day, such cheques are considered as one unit and the payment will be considered to have been made through only one cheque.

Ref. Cir No. 21/2010 dt 28/05/2010 w.e.f 01/06/2010

- Each agent should contribute at least 10% of the total tickets in every Chitty. Continuous failure to fulfil this requirement will lead to termination of the agency.

Ref. Cir. No. 44/2013 dt 18/07/2013

- If a ticket canvassed by an agent defaulted and unable to continue, commission to the agent can be given, provided, he/she should enrol another subscriber in the place of the defaulted ticket within 5 months.
- Loan facility to KSFE agents for the purchase of two wheelers on sufficient

security with an interest rate 2% less than CVL interest rate.

- If an agent canvassed 25% or more tickets in a Chitty including all classes, he /she is eligible for 2% bonus commission.

Ref. Cir. No.50/2017 dt 17/07/2017 w.e.f 01/08/2017

- Door collection agents are directed to remit their collection before 2 hours from the time of auction.
- The service of agents is also allowed for canvassing pravasi Chitties in Digital Business Centre.

Ref. Cir. No.28/2019 dt 21/06/2019

- 5% special commission to active agents who has enrolled the prompt customers of old Chitties (canvassed by them) in new Chitties (Max. Monthly instalment ₹25000/-) in connection with Golden Jubilee Chitties 2019.

Ref. Cir. No.52/2019 dt 16/11/2019

Revision of Agency Norms (Ref. Cir. No.39/2023 dt 01/09/20213 w.e.f 01-09-2023)

- Canvassing Commission
 1. Instalment amount up to and including ₹5000/- 15%
 2. Instalment amount above ₹5000/- 13%
 3. Canvassing commission for first instalment is paid to the agents only after the complete remittance of 3 instalments after Chitty registration.
 4. If the ticket canvassed by agents has defaulted from second instalment onwards and if the same agent has enrolled another subscriber within 5 instalments, such agents are eligible for canvassing commission.
 5. If an agent canvassed 25% or more tickets in a Chitty including all divisions, he /she is eligible for 2% bonus commission. This is not applicable to 'b' above.

Door Collection Commission

- Collections for each day from door collection agents received by branches only through cash or cheque mode.

(For Cash Collection)

Slab (Monthly Collection)	Revised Rate
Up to ₹12,00,000/-	1.50%
Above ₹12,00,000/- and up to ₹20,00,000/-	1%
Above ₹20,00,000	0.50 %

- Maximum amount that can be collected from a subscriber in cash mode is ₹50,000/-.

For Cheque Collection

- For each cheque, 1% of cheque amount subject to maximum ₹200/-.
- If an agent submits different cheques from a single person for a Chitty in a

day, it should be considered as one cheque for computing collection commission.

Agents Bhadratha Account

- New Sugama account should be created in the name of all door collection agents.
- Minimum amount of 5% from door collection commission should be transferred to such new Sugama account.
- Before 15th April of next financial year, the amount in this Sugama account be transferred to company FD by noting lien and kept with the branch. On maturity, such FD amount along with interest and remaining amount in Bhadratha account shall be transferred to new FD every year.
- Security amount of ₹70,000/- received from each collection agent must transferred to company FD by noting lien on it.
- The agent who has not canvassed minimum 5% or more tickets at the end of each financial year, liable to be terminated from agency system.

CVL to Door Collection Agents

- Amount of loan – ₹70000/-.

Conditions

- 5 years must be completed as door collection agents.
- Average commission for the last 6 months is ₹30000/-.
- Interest concession 3% on CVL rate.
- Security to this loan is security deposit (₹70000/-).
- Loan instalment deducted monthly from commission.

Commission for Canvassing KHL and Conditions

- 3 years of satisfied service completed as agents in the company.
- Commission is 0.50% of loan amount subject to maximum ₹15000/-.
- Commission is allowed subject to the instalment wise disbursement of loan.
- No commission for EMI remittance of loan by customer.
- Seal and signature of agent should be obtained in KHL application form.

Conditions For the Appointment of New Door Collection Agents

- One year should be completed as canvassing agents.
- At the time of application, he/she should be enrolled minimum 10% of total tickets enrolled by the branch in the previous financial year.
- Revised norms came into force from 01/09/2023.

Festival Advance to Canvassing Agents/Door Collection Agents

- Festival advance for agents in connection with Onam will be announced each year by the company.

- This advance will be recovered in six equal monthly instalments without interest commencing from the next month onwards at branch level.

Eligibility Criteria for Disbursement of Festival Advance

- Average monthly commission of last six months earned by the agent should be at least ₹10,000/-.
- One year of satisfactory service as an agent as on 31st March of previous Financial Year.
- No default in their own prized Chitty tickets and loans.
- The recovery of advance availed in previous year should be completed.

HO Ref. No. 2312 dt 11-09-2024

Special Festival Allowance to Agents

- Special festival allowance for agents in connection with Onam will be announced each year by the company.
- Eligible for agents those who have completed 1 year of satisfactory service as on 31st March of previous Financial Year.

Insurance Coverage to Agents

- Name of policy - Group Personal Accidental Insurance Policy
- The period of policy is one year (To be renewed every year)

Special Features of Policy

- For accidental death - ₹3 lakhs.
- Expense for after-death proceedings - ₹5000/-
- If demised person has school children (for maximum 2 Nos)- ₹5000/- each
- For permanent and complete disability - ₹3 lakhs.
- For permanent and partial disability - Amount paid after assessing the percentage of disability.
- Hospital expenses for accidents - Max. ₹30000/- after submitting original hospital bills.
- The Group Personal Accidental Insurance Policy for agents was implemented in KSFE with the support of United India Insurance Company Ltd.

For more details, guidelines and forms, Ref. Cir. No.3/2024 (BD) dt.10/01/2024

Automation of payment of Chitty Canvassing Commission

- The automated system for the payment of door collection commission came into force from October 2023 onwards.
- Each door collection agent should get his/her door collection commission on first working day of every month.
 - Similarly, for the Chitties registered from 01-04-2024 onwards, Chitty canvassing commission for agents also transferred automatically to their respective Sugama accounts after completion of 3 months from the

registration of Chitty. For this, ensure the following particulars,

1. Ensure the name of agent in Chit agreement
2. The commission amount after deduction of TDS, transferred to their Sugama accounts on the last working day of every month after completion of 3 months from registration of Chitty.
3. The commission for defaulted tickets canvassed by agents should be transferred to their Sugama accounts after clearing the default.
4. If the ticket canvassed by agents has defaulted from second instalment onwards and if the same agent has enrolled another subscriber within 5 instalments, such agents are eligible for canvassing commission after the completion of remittance of 3 instalments.
5. Branches should prepare TDS credit notes monthly regarding the payment of commission and accounted properly.
6. The defaulted amounts and festival advance relating to agents should be recovered from their Sugama accounts on the first working day of every month.

Ref. Cir. No.19/2024 (BD) dt 09/05/2024 w.e.f 09/05/2024

- TDS rate for Agency Commission – 2%

Ref. HO No. 2940A dt 27.09.2024 w.e.f 01.10.2024

- Raincoat to Agents – An amount not exceeding ₹750/-
- Eligible to agents those who has enrolled 5% or more tickets of total tickets enrolled in a branch or those who enrolled 40 tickets or more during previous Financial Year. HO Ref. No. 12404 dt 01-10-2024

KSFE Agent App

- An innovative mobile app introduced for door collection.
- For this, a POS machine is provided to all collection agents.
- All collection agents are hereby directed to settle the collections through Agent App before 11am in day branches and before 2 pm in evening branches.
- Date of remittance of collections by agents in the branch is the date of remittance of Chitty.
- Log in credentials (User ID & Password) for KSFE Agent App admin portal is same as that of KSFE Power App admin portal.

For more details, *Ref. Cir. No.47/2024(BD) dt 13/11/2024 w.e.f 13/11/2024*

Gold Appraiser System in KSFE

Appointment of Gold Loan Appraisers

- Appraisers are appointed for determining the carat and purity of gold.
- Unit head can appoint with the approval of Regional Manager concerned.
- Appraisers must take a fidelity insurance policy for a sum of ₹1lakh.

Conditions for appointment

- Should know Malayalam (both reading and writing).
- Should hold goldsmith certificate issued by Central Excise Authority.
- Should have engaged in manufacture of gold ornaments.
- Should have a sound knowledge and experience in goldsmith work.
- Should have completed the age of 20 years and should not exceed 65 years as on the date of enrolment.
- Retirement age of an appraiser is 65 years.
- Applications should be obtained indicating the qualifications, experience etc. and it should contain names of two references with addresses who should be Gazette officers or persons of good standing and repute.
- Necessary certificates/testimonials should be produced as proof of above qualifications and verified by the branch manager.
- The appraisers engaged will be purely on piece wage system and will never be on the regular rolls of the company.
- The performance, integrity and reliability of the appraiser engaged should be watched and in the case of doubt their services should be dispensed with at once.
- The appraiser concerned must initial the application form in the space provided for in token of having verified the ornaments produced for pledging.
- It has also been decided to transfer 10% of the appraiser fee in a month to a Sugama A/c opened in the name of the appraiser to be held as security against any possible loss to the company due to the lapse on the part of the appraisers in determining the purity of the Gold etc.
- No withdrawals shall be allowed from this Sugama A/c so long as the appraiser continues with us.
- The appraiser fee payable in a month should be paid on the last day of the month itself.
- Income tax should be deducted from the total amount paid to the appraiser i.e., including the amount transferred to the Sugama A/c.

Ref. Cir. No.225/2002 dt 16/11/2002

Random verification through another Appraiser

- Once in 6 months a detailed and thorough checking of at least 10% of the packets (pledged items) shall be carried out by the Branch Manager using the service of an appraiser of any nearby branches, as a surprise check.

Ref. Cir. No.36/2008 dt 01/04/2008 w.e.f 01/04/2008.

- Gold loans should not be sanctioned to the appraisers at branches where they are attached to.
- Introduction of gold loan applicants from our appraisers should not be accepted. *Ref. Cir. No.65/2008 dt 23/06/2008.*

- It is also clarified that no appraiser fee need be charged in case where the same gold loan packets is repledged and where the reappraisal of the gold jewels is not necessary. *Ref. Cir. No.48/2009 dt 20/06/2009.*
- Additional appraiser charge at present rate and ₹50/-towards travel expenses may be paid to the second appraiser and the amount collected or deducted from the loan payment.
- TDS at the applicable rate may be deducted as usual.
- Also 10% of appraiser charge in each case may be deducted and transferred to the original branch to which the appraiser is attached.
- The restriction of maximum appraiser charges per month need not be considered for second appraisal. *Ref. Cir. No.11/2012 dt 13/03/2012*
- The Gold Appraisers may also be insisted to extend maximum co-operation for improving our Gold Loan business.

Ref. Cir. No.36/2015 dt 22/07/2015.

- Not allowed to appoint fresh appraiser.
- No limit to the maximum amount that can be paid to gold appraiser.
- The excess amount transferred to the Regional Office is hereby dispensed with.
- 10% of the appraiser fee will be transferred to a non-refundable Sugama (No withdrawal allowed) held as security against any possible loss to the company due to the lapse on the part of the appraisers in determining the purity of the Gold etc. Balance amount paid to the appraiser.
- The amount in the non-refundable Sugama account is transferred to new FD in the name of appraiser at the end of every financial year.
- No withdrawal of such FD's so long as the appraiser continues with us.

Ref. Cir. No.17/2018 dt 24/05/2018 w.e.f 01-06-2018

- The amount in the non-refundable Sugama account is transferred to new FD in the name of appraiser at the end of every financial year may be renewed at the end of each financial year.
- Income tax should be deducted from the total amount paid to the appraiser i.e. including the amount transferred to the Sugama A/c. (10% TDS)
- Not allowed to withdraw the interest of such deposits at the time of renewal.

Ref. Cir. No.27/2020 dt 08/05/2020

- Stoppage of issuance of gold loan to family members (Spouse, sons & daughters) of gold loan appraisers in which they are working.
- Allowed from other branches.
- Existing gold loan accounts in their names are not allowed to renew.

Ref. Cir. No.35/2021 dt 27/04/2021

Issuance of Fidelity Guarantee Insurance Policy to Gold Appraisers

- By New India Assurance Company Ltd.
- Under low premium rate of ₹175/- (without GST) for one lakh rupee coverage.

Ref. No.12404/Gold Appraisers dt 23-02-2022)

Revised Norms in the Appraiser System

Ref. Cir. No.43/2023 dt 30/09/2023 w.e.f 01/10/2023

- Circumstances to take appraiser charge
 1. Pledging of gold ornaments under GL/GS schemes for first time.
 2. Adding or withdrawing gold ornaments to the existing packets under GL scheme.
 3. Adding gold ornaments to the existing packets under GS scheme.
- Circumstances to avoid appraiser charge
 1. Renewal of gold loan accounts with the existing packet of gold ornaments.
 2. Existing packet of gold ornaments is re pledged as new security.
 3. Part redemption of gold ornaments from the existing packet of gold security.
 4. Existing packet under GL re pledged under GS without change in gold ornaments.
 5. Existing packet under GS re pledged under GL without change in gold ornaments.
- In case of more advance or security claimed on the existing packet of gold ornaments, the balance amount of appraiser charge is eligible.
- Double appraiser system of gold loan if the loan amount is above ₹5 lakhs are dispensed herewith.
- The reappraising system at branch level once in 3 months should be continued. For this, service of appraiser from external financial institutions may be provided.

Appraiser charge per day= ₹1000+ TA.

- The reappraising system at region level is as follows.
 1. Reappraise at least 25% of existing packets in 10% of branches under the region (minimum 5 branches)
 2. Reappraisal should be done within 15 days after every quarter (June30, September 30, December 31 & March 31).
 3. Service of appraiser from external financial institutions may be provided.
 4. Regional Offices can purchase a carat analysing machine for this purpose.
- Regional offices should ensure that branches under their region should disburse 80 % of market value or required loan amount whichever is less, for

22 carat(916/HUID) gold ornaments.

- Auction proceedings should be taken by branches as per our norms, in case of NPA gold loans.

Sanctioning Power of Gold Loan & Method of Appraising

Asst. Manager/Dy. Manager	Up to ₹8 lakhs (Single Appraising)
Branch Manager	Above ₹8 lakhs to ₹15 lakhs (Double Appraising)
AGM (Region)	Above ₹15laksh to ₹25 lakhs (Double Appraising)

Revised appraiser charges

Ref. Cir. No.57/2023 dt 26/12/2023 w.e.f 26/12/2023

For Gold Loan and Gold Security, 0.35% loan amount / security subject to minimum ₹50/- maximum ₹350/-.

Insurance Coverage to Appraisers

- Name of policy - Group Personal Accidental Insurance Policy
- The period of policy is one year (To be renewed every year)

Special features of policy

- For accidental death - ₹3 lakhs.
- Expense for after death proceedings - ₹5000/-
- If deceased has school children (for max. 2 no's)- ₹5000/- each
- For permanent and complete disability - ₹3 lakhs.
- For permanent and partial disability - Amount paid after assessing the percentage of disability.
- For accidents, hospital expenses – Maximum ₹30000/- after submitting original hospital bills.
- The Group Personal Accidental Insurance Policy for appraisers was implemented in KSFE with the support of United India Insurance Company Ltd.

Ref. Cir. No.3/2024(BD) dt 10/01/2024 w.e.f 10/01/2024

Festival Advance to Gold Appraisers

- Festival advance for agents in connection with Onam will be announced each year by the company.
- This advance will be recovered in six equal monthly instalments without interest commencing from the next month onwards at branch level.

Eligibility Criteria for Disbursement of Festival Advance

- One year of satisfactory service as an appraiser as on 31st March of previous Financial Year.
- No default in their own prized Chitty tickets and loans.
- The recovery of advance availed in previous year should be completed.

HO Ref. No. 2312 dt 11-09-2024

Special Festival Allowance to Gold Appraisers

- Special festival allowance for agents in connection with Onam will be announced each year by the company.
- Eligible for agents who have completed 1 year of satisfactory service as on 31st March of previous Financial Year.

Business Promoter System

Ref. Cir. No.39/2024 (BD) dt 28/09/2024 w.e.f 30/09/2024

- This system aims to expand KSFE's customer base by penetrating to a new demographic and geographic market and drive subscription growth by targeting potential customer within the localised area.
- The Business Promoters are engaged on contract basis across our regions for marketing Chitty products.
- These promoters are expected to enhance outreach to new customers, especially youngster.
- They are also expected to increase product awareness by leveraging their marketing and new working skills.
- Chit agreements collected by BPs handed over to branches for the completion of enrolment process.
- Customer has the facility to remit the first instalment and further installments directly or through "KSFE Power App".
- BPs are not allowed to receive the first instalment of the Chitty as cash.
- They are allowed to collect the cheque for first instalment.
- BPs are provided with "KSFE Promoter App" for canvassing.
- BPs are working under the control of RLM Manager and AM of regions.
- Age limit - 20 to 45 years
- Educational Qualification - Plus two or above

Canvassing Commission to BPs

- 10% of first instalment for each ticket canvassed in a Chit.
- Commission will be credited automatically to his/her Sugama account after remitting 3 installments from date of registration of Chit.

Allowance to BPs

- Those BPs who has achieved the business targets as per contract will get ₹7500/- for first 6 months.

Security Norms of KSFE

Securities can be defined as

- “Anything, such as salary recovery undertaking, landed property, deposit receipts etc. that is deposited or pledged as guarantee for the fulfilment of an undertaking regarding the repayment of an advance, along with interest thereon, to be forfeited in case of default”

Types of securities accepted by KSFE

Gold security

Ref. Cir. No.17/2001 dt 06/10/2001 & 62/2002 dt 25/03/2002 w.e.f 01/04/2002

- Offers gold ornaments as security to our various schemes.
- Submit application in Form No. GS-01 (In duplicate).
- Gold security agreement in Form No. GS-10 will be executed.
- No ceiling for security amount to be secured.
- Appraiser charge is 0.35% of security amount subject to minimum ₹50/- and maximum ₹350/-.
- Facility for part redemption.
- Maximum amount of security to be charged is 85% of Market Value of gold. (w.e.f 02/05/2025)

Redemption charge to gold security

- 0.10% of the redeemed security amount subject to maximum ₹50/-.

Admissible amount secured under GS

Carat	Maximum Amount
18 carat	80% of the Market value per gram for 18 carats as on date
22 carat	80% of the Market value per gram for 22 carats as on date
24 carat & BIS Hall marked ornaments	80% of the Market value per gram as on date

Fixed Deposits

- Term deposits of any Nationalized/Scheduled banks, District co-operative banks, Service co-operative banks (Financial Grading I or II), KSFE and other bank having deposit insurance coverage.
- Value should be sufficient to cover the Future Liability.
- Such deposits should be renewed on maturity.
- If prize money offered as security not sufficient to cover Future Liability.
- Security for unsecured amount = Unsecured portion of Future Liability - Sugama rate of interest accrues on monthly reduced balance of PM

deposited.

For unsecured Future Liability

- Additional deposit or other acceptable security or 2 undated crossed cheques in the name of KSFE.
- 1st cheque amount = 50% of unsecured amount
- 2nd cheque amount = 50% of unsecured amount + 10% of unsecured amount
- A signed promissory note for the unsecured amount should also be obtained.

Kissan Vikas Patra

Ref. Cir. No.19/1994 dt 27/09/1994 w.e.f 01/10/1994

Accepted as security for Future Liability.

Face value

- After six months from the date of issue - 75% of the face value.
- After 30 months from the date of issue - Full face value.

National Savings certificates

Ref. Cir. No.19/1994 dt 27/09/1994 w.e.f 01/10/1994

The face value or issue price of NSC.

- NSC (8th issue) can be accepted as valid security at any time and the same will cover the Future Liability.

Value of security

- For Chitties- Equal to sum of future instalments.
- For Advance - Principal + Interest.
- Interest means 16% simple interest for the period of loan.
- Interest is to be determined for the period till the maturity of the instrument or the remaining period of the loan whichever is longer.
- Lien of the company to be noted in NSC certificates same as FD security.
- Forms prescribed by the Post Office are used for noting the lien.

LIC Policy

- Accepted as security for future instalments.
- Surrender value should cover the future liability with interest.
- Policy may be in the name of subscriber or third person.
- Acceptance of the Life Insurance Policy in the name of person other than loanee/subscriber or spouse as security towards prize money/loan payment.

Ref. Cir. No.20/2005 dt 17/02/2005

- The reassignment of LIC policies assigned in favour of the company as security for liability of the life assured are signed by Managing Director as a matter of

practice. This function is decentralised, and all the Branch Managers are authorised to sign the reassignment of LIC Policies on clearing the liabilities for which the policies are pledged/assigned.

Ref. Cir. No.19/1997 dt 11/04/1997

Documents needed

- Original Policy/Policies.
- Surrender value as on date.
- Form - I
- Form - II
- Form - III
- Form - IV
- Form - V

Bank guarantee

Documents needed

1. Application from the subscriber having request to accept bank guarantee (BG - I)
2. A letter from KSFE Branch manager to Bank manager regarding the Chitty details, bank guarantee amount required and period up to which the bank guarantee required.
3. The bank guarantee from bank manager is on ₹300/- worth stamp paper. (BG - II)
4. A letter in triplicate from KSFE Branch manager to Bank manager seeking the confirmation of bank guarantee. (Send 2 copies)
5. Bank manager returned one copy with "Confirmed" seal, seal & signature of Bank manager and seal of bank.
6. Chitty scrutiny note.
7. Stamped receipt.
8. Indenture (FD VI. Ref. No. 4206)
 - The guarantee should be from a Nationalised, scheduled/District Co-operative Bank and valid for a period not less than 3 months after the termination of Chitty.
 - The amount guaranteed should be sufficient to cover the future instalments plus the amount of one instalment to set of interest in the event of default.
 - In case the guarantee is from an outstation bank the genuineness thereof may be verified if so desired by the Unit Head by issuing a letter in duplicate in the prescribed form by registered post directly to the bank requesting confirmation of the issue of the guarantee.

Postal Life Insurance Policies Ref. Cir. No.117/2006 dt 19/10/2006

- Only Central/State Government and PSU employees are covered.
- Duly assigned original policy document in favour of KSFE is to be submitted.
- Assignment fee ₹1/- paid by the insurant and the original post office receipt is to be forwarded along with assignment request.
- Postal Life Insurance Policy which has not completed 3 years, from the date of its issue, is not eligible for surrender. Ref. Cir. No.10/2007 dt 23/01/2007
- Managers are directed to confirm the surrender value admissible.

Life Cover Policies

To accept the Life cover policies of all insurance companies up to the extent of its surrender value, these companies must be registered with Insurance Regulatory and Development Authority (IRDA) and are willing to record the assignment in our favour.

To accept life cover policies in the name of the spouse of the subscriber / loanee also provided. Ref. Cir. No. 99/2003 dt 14/07/2003 and 3006/PLG dt 09/07/2020.

Passbook Security

- The passbooks of non-prized Chitties of KSFE can be accepted as security for FL of prized Chitties.
- Paid up value should cover the FL

Calculation of paid-up value is as per CFA - 1982

Here only the amount remitted by the subscriber reduced by the proportionate foreman's commission is considered. The value is found out by discounting the paid-up value @16.5%. Ref. Cir. No.56/2012 dated 12/10/2012)

Sugama Security Account (SSA)

- Advance will be secured from Prize Money.
- Future monthly instalments adjusted from this account.
- Customers can enjoy interest income on this Sugama account.

NRI Deposits Ref. Cir. No.19/1994 dt 27/09/1994 w.e.f 01/10/1994

- NRI, NRO, FCNR & NRNR deposits can be accepted as security to our various schemes

Value of security

- NRE (Non-Resident External Rupee Accounts) - Face value
- NRO (Non-Resident Ordinary Rupee Accounts) - Face value
- NRNR (Non-Resident Non-Repatriable Rupee deposit accounts) - Face value
- FCNR (Non-Resident Foreign Currency accounts)- Face value is 90% of the buying rate as on date.
- NRE (Cash Certificates) – Issue price/surrender value as on date.

- The deposit receipts are properly discharged, and company's lien should be noted on it.
- The bank in which deposit is kept agrees to close it and make required payment to KSFE even before maturity on demand.
- Procedures same as acceptance of FD' s from Nationalised and Scheduled Banks.

Ref. Cir. No. 24/1999 dated 22/02/1999

Treasury Deposits

- Accept Treasury deposits as security for our various schemes as in the case of deposits from Nationalised Banks / Scheduled Banks.
- All the District and Sub Treasury Officers are therefore noted the lien of KSFE in the deposits as and when requested by them.

Ref. Cir. No.200/2000 dt 15/12/2000 and GO No.61/2000/Fin dt 27/11/2000

Alert Note 1/2021(IA&V) dt 18/03/2021

- If fixed deposits of Co-operative Banks are accepted as securities for our various schemes, ensure the gradation of such banks are Grade II and above. For this, obtain a gradation certificate from the concerned banks and attached with the file. Such norms are same in the case of accepting the salary certificates of employees of Co-operative Banks as sureties.
- For confirmation of financial documents offered as security, concerned forms regarding this should be sent only through local delivery system or through registered post. The system of confirmation through customer by hand should be dispensed with.
- While accepting financial security documents including Insurance policies as security, should ensure the seal and signature of the concerned institutions. In addition to the postal confirmation, digital confirmation should also be obtained. For this, the details regarding security documents along with the details of postal confirmation should also be sent through e-mail from branch ID and attach such copy of e-mail attached with the file.
- All branches should confirm the authenticity of fixed deposits from co-operative banks and other financial institutions already offered as securities on or before 30-04-2021. For this, the scanned copy of such FD's should send to concerned institutions along with a request through e-mail and a copy of such reply should also attached with the file.
- All the fixed deposits from other financial institutions offered as security and still have liability to KSFE, should renew as and when it attains its maturity.

Ref. Cir. Nos.39/1999(PLG) dt 16-03-1999, 140/2000 (BD) dt 16/08/2000, 195/2000 (PLG) dt 27-11-2000 & 104/2005 (PLG) dt 03/08/2005.

PERSONAL SURETY

Personal Surety Norms

A Prized subscriber/ Loanee may offer personal sureties as security for the payment of future instalments. The personal sureties offered should have the required salary/gross taxable Income as specified in the norms.

KSFE accepts as sureties, the employees of

- Centre/State/Quasi Government (Except Railway).
- Central/ State Government Public Sector Undertakings.
- Government/Aided Schools & Colleges.
- Local Bodies.
- Nationalised and Scheduled Banks.
- Co-operative Institutions according to their financial classifications (Class II and above). *Ref. Cir. No.39/1999(PLG) dt 16/03/1999*
- Professionals such as Doctors, Engineers, Chartered Accountants, Company Secretaries, Architects, Advocates, Cost Accountants, Financial Analysts etc.
- Employed and Professional couples.
- Institutions recognised by KSFE.

Persons accepted as sureties should be

- Permanent Residents and working in Kerala state.
- Permanent/ officiating full time employees.
- Should have at least six months service left for retirement after termination of the Chitty/advance liability. (*Ref. Cir. no. 68/2001 dt 23-04-2001*)

Exemptions

1. Six months service is not compulsory in cases where combined security of property and personal surety is offered.
2. When 5 sureties are offered for 100 months Chitties, 2 sureties are exempted from this condition.

Persons accepted as sureties should not be

- Employees of institutions in which the salary certificates are not accepted or rejected by KSFE.
- Defaulters in any of our schemes in the capacity of principal debtor or surety/guarantor in any of our branches.

Classification of employees

- SREG – Salary Recovery Enforceable Group
- SRNEG- Salary Recovery Non-Enforceable Group

Salary Calculation

- SREG - 10 times of BP + DA

- SRNEG - 8 times of BP + DA

Salary includes

BP + DA + Ad hoc DA + PP + IR if any

Number of sureties/guarantors permitted except under self / single surety norms:

- Generally, not less than 2 sureties and not more than 4 sureties.
- For 100 months and above Chitties, 5 sureties. In this case, 6 months service after termination of liability is not compulsory for 2 sureties.

Points to be verified when salary certificate is received

- Whether it must be in the form prescribed by the company.
- Whether it comes under SREG or SRNEG category.
- Whether the surety is working inside the Kerala State or he/she is transferrable to other States.
- Whether all columns in the salary certificates should be filled up with employee's PEN number and office land phone number and his/her signature.
- Whether it satisfies the required minimum continuous service of one year.
- Whether it has sufficient salary as per our norms.
- Whether the recoveries exceeding the limit of 60% of gross salary.
- Whether there is any co-operative recovery or court attachment from the salary of the employee concerned.
- Whether the Recovery Undertaking has been duly signed by the surety concerned.
- Whether the Employment Certificate and Recovery Undertaking have been duly signed by the Drawing/Disbursing Officer/Head of the Department.
- Whether the Office Seal and Designation Seal of the disbursing authority have been affixed in the spaces provided.

Important points to be noted while accepting Personal Surety as security

- Obtain attested copy of the personal identification card of the employee after verifying with its original.
- The salary certificates of the self-drawing officers should be got attested his/her signature by immediate superior officer. Also obtain the name of the treasury in which employee's salary drawn, audit no. in salary certificate and attested copy of the pay slip. In such cases, remember that the Immediate Superior officer should confirm only the signature attestation but not salary or service particulars.
- If the salary certificate of an employee is offered for another liability in addition to the existing liability, 50% of the existing liability should also be considered. Not to comply this, if there are three or more personal sureties in the existing liability.
- Not to accept any salary certificates issued with certain conditions.

Ref. Cir. Nos.93/2000 dt 06/06/2000 & 150/2000 dt 29-08-2000

- To allow employed and professional couples having a taxable annual income of ₹2 lakh and above as sureties.

Ref. Cir. Nos.150/2000 dt 29/08/2000 & 166/2000 dt 23/09/2000

- Should accept the salary certificates of employees who has completed one year of service except KSEB employees. The probation declaration of workmen category employees of KSEB is 6 months from date of joining.
- Accept salary certificates of employees of Kerala State Co-operative Bank, Kerala State Co-operative Agricultural and Rural Development Bank and District Co-operative Banks under SREG category with authorized signatories Secretary/President/Manager/General Manager.
- Also accept salary certificates of employees of Urban Co-operative Bank and Farmers Service Co-operative Bank with audit gradation class II and above under SREG category with authorized signatories Secretary/President/Manager/General Manager.
- Also accept salary certificates of employees of Primary Agricultural and Rural Development Bank /Agricultural and Rural Development Bank with audit gradation class II and above under SRNEG category. It can be accepted under SREG category if a specific agreement must be made with the Secretary of the above Banks.
- Only SREG sureties are acceptable for SAOD (Public).

Surety Confirmation

- On receipt of surety applications and after initial scrutiny, the genuineness of the subscriber (If employed) and sureties should be ascertained. For this, the prescribed form should be sent in duplicate by registered post in the name of the officer who has signed the employment certificate after noting factor in the Security Inward Register. The expense for the above should be charged from the party.
- In case the confirmation letter sent in name cover is returned undelivered for any reasons, a fresh letter shall be sent in the official address of the employer by Registered Post Acknowledgement.
- In both the above cases, the sureties shall be accepted only based on the reply received from the officer concerned.
- The Branch Manager/Staff can certify the genuineness of the sureties. In such cases, sureties can be accepted and payment arranged without waiting for the confirmation. The confirmation when received should be retained in the document.

Application for acceptance of Personal Surety

- Two types of forms used, one for persons not employed (Form No.434) and another for persons who are employed (Form No.433)

Employment Certificate

- It is a form which must be filled up by the applicant.

- The applicant must give details of his/her employment particulars in this form.
- Such details should be attested by the Drawing Officer of the institution in which the applicant is an employee.
- Agreement for recovery from employee's salary should also be attested by the Drawing Officer.
- Letter seeking confirmation of the salary certificate details (Form No.437) should also be attested by the drawing Officer.
- When advances are given to company employees with concessional rate of interest, the applicant must join the Salary Deduction Scheme, and he/she must submit an undertaking (Form no. 449) in this regard.
- Form of Undertaking should be got executed under salary deduction scheme in respect of self-surety. This mandatory provision is hereby deleted in respect of cases where single surety is offered. *Ref. Cir. No.195/2000 dt 27/11/2000.*
- No deduction by way of court attachment or compulsory co-operative recovery.
- If co-operative recovery is not compulsory, should be mentioned in the salary certificate or a voluntary recovery certificate obtained from the concerned authority. *Ref. Cir. No.114/2001 dt 21/07/2001.*
- Salary certificates with co-operative recovery may be accepted by applying manager's discretion.
- Genuineness shall be verified over telephone in addition to registered postal confirmation.
- Acceptance of property security along with personal sureties is left to the discretion of the concerned Regional Manager.

Ref. Cir. No.7/2001 dt 16/10/2001

- The reliability of the salary certificate is confirmed not through confirmation letters only, but also through land phone of the office of the employee. If there is any doubt, conduct personal visit to the office of the employee for confirmation.

Ref. Cir. No.32/2002 dt

Personal Surety Norms – Clarification

- Maximum recovery (Including Chitty/ loans instalment) should not exceed 60% of the gross salary. If it exceeds 60%, 50% of the gross salary will only be considered.
- Minimum net salary of the surety should be ₹10000/-
- While processing the surety application form, each surety should have a minimum net salary and his/her total deductions/recovery from salary as per the salary certificate should not exceed 60%. If any of these two conditions are not satisfied, such surety application cannot be accepted.
- It should be ensured that the net salary of all the sureties combined considering the gross monthly instalment of Chitty/advance applied for, is at

least 40% of the combined gross salary.

Ref. Cir. No.6/2005 dt 18/01/2005

Introduction of new set of Personal Surety/Guarantee Norms

- For widening the base of eligible sureties by including highly credit worthy segments and enhancing the limit of liability that can be covered by Self/Single/Multiple Surety under all categories.
- Modifications of personal surety norms based on the evaluation of prospective sureties, awarding points for different categories, accepting them as sureties on the strength of documentary evidence and by collecting postdated/security cheques.

Persons who fulfil the following criteria will be eligible to be accepted as sureties under the new set of norms

1. Being an existing subscriber with good repayment track record in either Chitty/ loan account.
 2. Having a good and proved repayment track record in other institutions (during last 12 months)
 3. Being endowed with a regular and steady income by virtue of employment/profession/business/rentals etc.
 4. Having possession of immovable or movable assets like buildings, houses, vehicles etc.
 5. Those who own land phone, mobile phone etc.
 6. People in self employed category
 7. People with good repayment capacity.
- Spouse should be a co-obligant wherever practical. Two different score sheets are introduced for the purpose. Ref. Cir. No.94/2007 dt 22/08/2007

A) Credit scoring criteria for SREG/SRNEG categories.

1. Personal Information
2. Property Information
3. Income Information
4. Nature of job or hierarchical position

B) Credit scoring criteria (General other than SREG/SRNEG categories).

1. Personal Information
2. Property Information
3. Income Information
4. Nature of job or hierarchical position
5. Information on repayment habits.

Multiple Liability-Inter Branch Liability Verification-Compliance of HO Guidelines

- When personal sureties are accepted by branches, inter branch liability

verification reports are to be obtained from nearby branches and branches near to employee's residence. If they fail to send reports within 5 days, originating branch accept the surety presuming that the sureties have no default or liability. The originating branch should record the fact in scrutiny note while making payments.

Ref. Cir. No.60/2008 dt 10-06-2008 w.e.f 10/06/2008

Surety Acceptance of Aided School Teachers

- Aided School Teachers who are in continuous service on or before 15-07-1988 need not produce any certificate regarding protection. Aided School Teachers who joined after 15-07-1988 and have completed one year of continuous service in schools under the same corporate management having at least 3 schools of the same category under it can be accepted as sureties/guarantor. A certificate from the Headmaster/ Manager of school should be obtained.
- Those Aided School Teachers who do not require a certificate regarding protection are included in the approved SREG category.
- All aided school teachers who were appointed against regular vacancies up to 14.07.1997, being protected teachers, were accepted as surety/guarantors to our various schemes under SREG without insisting on certificate regarding protection from the headmaster concerned.

Ref. Cir. No.174/99 (BD) dated 15/11/1999

- As the Government has now ordered that till such time as protected teachers in aided schools are absorbed against vacancies, they shall be paid only 50% of their salary, in future i.e. with effect from 1.6.2002, teachers from aided schools, even if they are eligible for protection, shall be accepted as sureties/guarantors to our various schemes only on producing a certificate from the concerned Head Master, to the effect that the incumbent is working against permanent vacancy/absorbed against permanent vacancy, that he/she is eligible for full salary and that he/she is not a supernumerary employee eligible for protection.
- As the aided school teachers under Corporate Managements (having more than 3 or more similar schools) are not likely to be retrenched so easily and as their chances of being absorbed to the vacancies created by retirement is higher, clause (2) of Circular 174/99 (BD) dated 15.11.1999 stands unaltered. These norms will come into force with effect from 01/04/2002.

Ref. Cir. No.66/2002 (BD) dt 01/04/2002

- Accept salary certificates of aided school teachers who were appointed up to 31-03-2011 and included in the Teachers Bank and are in service as on date, as sureties in various schemes of KSFE.

Ref. Cir. No. 27/2014 dt 26/05/2014

- Aided school teachers who were in service as on 31-03-2015, can be accepted as sureties / guarantors in various schemes of KSFE under Salary Recovery Enforceable Group (SREG).

Surety Acceptance of KSRTC Employees

- Surety applications of KSRTC employees may be accepted only along with sureties of other departments belonging to SREG category.
- Self-surety and single surety of KSRTC employees should not be accepted.

Ref. Cir. No.192/2002 dt 12/09/2002

- To accept KSRTC employees on self-surety status or as a loanee/subscriber provided at least one surety besides himself is a SREG employee.
- KSRTC employee as single surety to an unemployed person should not be entertained.

Ref. Cir. No.52/2004 dt 12/04/2004

Government Orders for Effecting Salary Recovery

- Govt. has issued strict orders for effecting recovery from the salary of the subscriber/Debtors, surety/Guarantors with immediate effect.

- 1) G.O. (P) 197/76/Fin dated 12/07/1976
- 2) G.O. (P) 87/96/Fin dated 12/01/1996
- 3) G.O. (P) 10/98/Fin dated 09/02/1998
- 4) Circular No.62/2004/Fin dated 16/12/2004.
- 5) G.O. (P) 86/2007/Fin dated 11/12/2007
- 6) G.O. (P) 9/2021/Fin dated 13/01/2021

- The unit Heads are directed to ensure the salary recovery in all defaulted personal security cases. The details of delinquent drawing Officers should be reported to the Corporate Office for further necessarily follow up action.

Ref. Cir. No. 5/2005(BD) dt 18/01/2005

Bogus surety accepted as security-non-compliance of instructions

- The loss if any, due to non- compliance of the instructions will be recovered from the Assistant Manager and the Manager concerned.
- After obtaining signature of the executants, verify the signature with employment certificate.
- An Assistant Manager and another employee of the company witness the documents in token of having signed in their presence.
- The identity of the loanee/surety/debtor should be verified with a valid identity card and a clear photocopy of it is attached with the file for future reference.
- The branches should report to RO/HO immediately the details of bogus surety detected in the specified format attached with this circular.

Ref. Cir. No.55/2008 (Default) dt 27/05/2008

Multiple Liability-Inter-branch liability verification

- Branches must respond within 5 days, if they fail to send a report originating

branch accept the surety presuming that the sureties have no default or liability.

- The originating branch will obtain the response from the branches and record the fact in the scrutiny note while making payments.

Ref. Cir. No.60/2008 dt 10/06/2008

- Professionals (below the age of 60 years) such as Doctors, Engineers, Chartered Accountants, Company secretaries, Architects, Advocates, Cost Accountants, Financial Analysts etc. having membership in the professional body concerned and a taxable annual income of ₹1 lakh and above will be accepted as sureties and guarantors as SRNEG employees.

Ref. Cir. No.150/2000 (PLG) dt 29/08/2000

- The income of the spouse will be considered if he/she is either SREG/SRNEG or a Tax payee.

Ref. Cir. No.76/2008 (BD) dated 22/07/2008

Date of Retirement of Government Employees and Teachers

- As per Rule 60(a) Part I KSR, Government employees retire from service on the AN of the last day of the month in which he attains the age of 55 years. The teaching staff also retires at 55 years, but they were allowed to continue the service till the last day of the month in which the Academic year ends except in cases where their age of superannuation falls in the month of April, May and June.
- According to new G.O.(P) No. 154/2009/Fin dt 24-04-2009, all Government Employees and teachers who attain the age of 55 during a financial year will continue in service till the end of that financial year. (i.e. Up to 31st March).
- In the case of teachers in those institutions where the academic year closes on a date after March 31st, their service will continue even after March 31st, and they will retire only on the last day of the month in which the academic year closes.

Ref. Cir. No.80/2009(BD) dt 29/09/2009 w.e.f 29/09/2009

- For that almost all co-operative institutions including KSFE branches in Kerala have been provided login credentials to put recovery notices against Govt employees through online mode in SPARK.
- Accordingly, the amount deducted by the DDO will be transferred to the Special TSB account of the DDO and from there, the amount is to be transferred to the concerned institution via TSB Cheque.

Government Circular No. 515/2015/Fin dated 12/11/2015

Acceptance of Salary Certificate from SREG Employees with modifications/ amendments/ additions/ deletions/ remarks etc. directions issued

- Such certificates produced from police department and other institutions in which Gratuity Act 1972 is applicable may be accepted obtaining another surety application form also, duly signed by the loanee/ subscriber/surety/ guarantor in this regard, agreeing for voluntary deduction/attachment of

gratuity in case of default, in his individual capacity.

HO Ref. No.12401 dt 08/07/2016

SPARK (Service and Payroll Administrative Repository for Kerala)

- Introduction of 'SPARK' - Software for Online processing of Salary Recovery of Government employees from June 2016 onwards in KSFE.
- The amount so deducted will be directly credited to the bank account of the branch office concerned.
- Branches should have to ensure that the recovery schedule is submitted before 15th of every month, and timely action is initiated on all default cases.
- The reliability of the salary certificate is also confirmed through SPARK by using PEN number of the employee.

Government Circular No. 44/2016/Fin dated 18/05/2016

Ref. Cir. No.37/2016 dt 02/07/2016

- SPARK facility is provided up to 30-05-2019. After 30-05-2019, old system of recovery is in force.

Government Circular No. 44/2019/Fin dated 07/05/2019

Ref. Cir. No.23/2019 dt 21/05/2019

Latest condition made to ensure the recovery from Government employees who are the sureties for KSFE Chitty/Loan schemes

- Collect a declaration from sureties in hand written mode regarding the recovery of defaulted amount from his/her retirement benefits in a specified format.

Ref. Cir. Nos. 66/2016 dt 23/12/2016 w.e.f 23/12/2016 & 20/2018 dt 18/06/2018 w.e.f 18/06/2018

Surety Acceptance of Part Time Contingent Employees

- Accept salary certificates of Part Time Contingent Employees in State Service in the category of SREG for various schemes of KSFE.
- Part Time Contingent Employees includes Part Time Librarians, Nursery School Teachers and Part Time Sweepers.
- Retirement age – 70 years
- Maximum surety limit of Self and Single Surety - ₹1 lakh
- Multiple Sureties ₹4 lakhs (3+1)

Ref. Cir. No.14/2018 dt 10/05/2018

Revised Personal Surety Norms

- Ref. Cir. Nos.01/2023 (BD) dated 05/01/2023 w.e.f 05/01/2023 and 06/2023 (BD) dated 13/02/2023 w.e.f 13/02/2023.

Sl. No.	Category	Salary Certificate (₹ in Lakhs)	Score Sheet (₹ in Lakhs)	Total (₹ in Lakhs)
1	Self-Surety			
	a) Employees belong to SREG/SRNEG producing his/her own salary certificate b) Professionals such as Govt. Doctors, Engineers, College Professors etc. producing his/her own salary certificate having Basic Pay above ₹75000/-.	5 7	1 0	6 7
2	Single Surety			
	a) Employees belong to SREG/SRNEG producing his/her own salary certificate along with salary certificate of other employees belongs to SREG/SRNEG	10	1	11
	b) Professionals such as Govt. Doctors, Engineers, College Professors etc. producing his/her own salary certificate along with salary certificates the employees of same category having BP above Rs75000/-.	14	0	14
	c) Professionals such as Govt. Doctors, Engineers, College Professors etc. producing his/her own salary certificate along with salary certificates the employees of other categories having BP above ₹75000/-.	12	0	12
	d) An unemployed person producing salary certificate of employees belongs to SREG/SRNEG	5	Nil	5

3	Multiple Surety			
	a) Employees belong to SREG/SRNEG producing his/her own salary certificate along with two or more salary certificate of other employees belongs to SREG/SRNEG	18	Nil	18
	b) An unemployed person producing salary certificate of two employees belongs to SREG/SRNEG	10	Nil	10
	c) An unemployed person producing salary certificate of three or more employees belongs to SREG/SRNEG	16	Nil	16
	d) If the subscriber and his/her spouse belong to SREG/SRNEG produce their salary certificates	12	Nil	12

- The maximum liability that can be created under personal security by a branch manager is ₹12 lakhs.
- If the salary certificates of two or more persons are offered for Single/Multiple surety cases, consider 10 times of BP+DA in case of SREG employees, and 8 times of BP+DA in case of SRNEG employees.
- If an employee offers his own salary certificate for second Chitty/Loan liability, entire existing liability under his surety is to be considered. But in the case of single/multiple surety, 50% of existing liability is to be considered.
- For multiple surety, should have the salary certificates of above 2 employees up to maximum 5 employees.
- Can accept the salary certificates of Class IV employees, if FL exceeds ₹5 lakhs.
- Score sheets are not applicable for loans.
- Minimum net salary should be ₹10000/-.
- In case of EMI based loans, BP + DA should be equal to Future Liability.

In case of Part Time (Regular) employees,

- Maximum liability created under his/her salary certificate is ₹2 lakhs
- Minimum net salary should be ₹7000/-.
- Do not consider more than one PT employees in multiple surety cases.

Delegation of powers (In lakhs)

Ref. Cir. No.01/2023 (BD) dated 05/01/2023 w.e.f 05/01/2023

(Amount - ₹ in Lakhs)

Name of Scheme	Branch	RO	2 Member Committee DGM(B&O) & GM(B)	3 Member Committee GM(B), GM(F) & MD	Board
Chitty	Up to 12	>12 to 18	Nil	Nil	Nil
Chitty Loan	Up to 7	>7 to 10	NIL	Nil	Nil
KPL	Up to 7	Nil	Nil	Nil	Nil
CVL	Up to 5	>5 to 10	>10 to 15	Nil	Nil
Special Car Loan	Up to 7	Nil	>7 to 15	Nil	Nil

Revision in the minimum net salary of the company employees for creating liability in KSFE. Ref. As per latest Pay Revision Settlement w.e.f 01/08/2017)

Designation	Minimum Net Salary Requirement	Maximum limit of SAOD
PTS	₹1700	₹100000
Office Attendants/ Watchman/Driver/ Record Keeper	₹3000	₹140000
Assistants	₹5000	₹200000
Assistant Managers	₹5000	₹400000
Managers and above	₹5000	₹400000

Modified Form of Salary Certificate

- Ref. Cir. No.15/2021(BD) dt 24/02/2021
- GO No. 9/2021/Fin dt 13/01/2021
- Avoid Form of Undertaking (Form No. 449) along with modified form of salary

certificate. Ref. Cir. No.6/2022(BD) dt 13-01-2022.

New List of Approved Institutions as Sureties from 2011 onwards

1. TRACO Cable Company Ltd, Regd. Office – Ernakulam and 3 factory units located at 1) Irumpanam, Tripunithura, Ernakulam 2) Chumathara, Thiruvalla, Pathanamthitta and 3) Padanakkara, Pinarayi, Thalassery.
 - SREG Category.
 - Competent authority to issue salary certificate-
 - Regd. Office - Senior Manager (Finance).
 - Factory Units---Manager (Finance)
 - Ref. Cir. 61/2011 dt 19/10/2011
2. NUALS (National University of Advanced Legal Studies), HMT Colony, Kalamassery.
 - SREG Category.
 - Competent authority to issue salary certificate-Registrar.
 - Ref. Cir. No.72/2013dt 2/12/2013.
3. Malabar Cancer Centre, Moozhikkara, Thalasseri, Kannur.
 - SREG Category.
 - Competent authority to issue salary certificate-Administrative Officer.
 - Ref. Cir. No.74/2013 dt 11/12/2013
4. Thenmala Ecotourism Promotion Society
(A Government of Kerala Undertaking), Dam Junction, Thenmala, Kollam.
 - SREG Category.
 - Competent authority to issue salary certificate - Tourism Promotion Officer
 - Ref. Cir. No.5/2014 dt 27/01/2014
5. CAPE (Co-operative Academy of Professional Education), Regd. Office, Tvpm.
 - SREG Category.
 - Competent authorities to issue salary certificates
 - 1) Regd. Office-Director.
 - 2) 7 Engineering Colleges-Principals.
 - 3) 1 MBA college-Director.
 - 4) 1 Hospital-Administrator.
 - Ref. Cir. No.31/2014 dt 18/06/2014
6. KINFRA (Kerala Industrial Infrastructure Development Corporation), Vellayambalam, Tvpm.
 - SREG Category.
 - Competent authority to issue salary certificate- Managing Director &

Manager (Finance).

- Retirement age- 58 years
- Ref. Cir. No.54/2014 dt 2/12/2014

7. Sri Pisharikavu Devesom Employees of Kollam and Koilandy.

- SREG Category.
- Competent authority to issue salary certificate-Executive Officer.
- Ref. Cir. No.52/2017Dt 3/08/2017

8. Neeta Gelatin India Limited (Old name Kerala Chemicals and Protien Limited), Corporate Office-Kochi, Sub division offices at Kathikkoodam & Kakkanad.

- SREG Category.
- Competent authority to issue salary certificate- DGM (P&A).
- Retirement age- 58 years
- Ref. Cir. No.62/2017dt 25/10/2017

9. Thirumandhamkunnu Bhagavathy Devesom, Angadippuram, Malappuram.

- SREG Category.
- Competent authority to issue salary certificate-Devesom Executive Officer
- Retirement age - 65 years
- Ref. Cir. No.9/2018 dt 3/03/2018

10. C-DIT (Centre for Development of Imaging Technology), Tvpm and Regional Offices at Kayamkulam, Ernakulam and Kannur.

- SREG Category
- Competent authority to issue salary certificate-Registrar
- Retirement age- 58 years
- Ref. Cir. No. 16/2018 dt 10/05/2018

11. DTNBWED (Dathopanth Thenkadi National Board of Workers and Development) Kochi & Kozhikode.

- SRNEG Category.
- Competent authority to issue salary certificate-Regional Director.
- Retirement age- 60 years
- Ref. Cir. No.18/2018 dt 08/06/2018

12. CAPE, Muttathara, Vallakkadavu, Tvpm.

- SREG Category.
- Competent authority to issue salary certificate- Director.
- Ref. Cir. No.30/2018 dt 06/08/2018

13. Ooralungal Labour Contract Co-operative Society Limited, Madappally, Kozhikode.

- SRNEG Category.
- Competent authority to issue salary certificate- Managing Director.
- Ref. Cir. No.37/2018 dt 01/10/2018

14. Information Kerala Mission (IKM), Nanthencode, Tvpm.

- SREG Category.
- Competent authority to issue salary certificate- Executive Director.
- Ref. Cir. No.54/2018 dt 24/12/2018.

15. United Electrical Industries Limited, Pallimukku, Kollam.

- SREG Category.
- Competent authority to issue salary certificate-Managing Director.
- Ref. Cir. No.2/2020 dt 10/01/2020

16. CRPF Employees

- Those who has permanent address in Kerala and works in Kerala at the time of submitting salary certificates.
- Allowed only for Chitty schemes including pravasi Chitties.
- SRNEG Category.
- Should submit computer generated salary certificate/ pay slip of the employee along with filled up details of employee in KSFE salary certificate.
- Genuineness of computer-generated salary certificate/ pay slip should be confirmed as per our existing rules.
- Recovery proceedings should be initiated in case of default, even though the CRPF employee is working outside Kerala State.
- An undertaking in the specified manner should be obtained from the employee for default recovery proceedings.
- Ref. Cir. No.82/2021 (BD) dt 04/10/2021

17. Kerala Council for Historical Research (KCHR)

- SREG Category
- Competent authority to issue salary certificate - Director
- Ref. Cir. No.11/2022(BD) dt 21/01/2022

18. Kerala Media Academy

- SREG Category
- Competent authority to issue salary certificate-Academy Secretary.
- Ref. Cir. No.31/2022(BD) dt 24/03/2022

19. Kerala State Coir Corporation Limited

- SREG Category
- Competent authority to issue salary certificate - Personal Manager.

- Ref. Cir. No.58/2022(BD) dt 20/07/2022

20. Brahmos Aerospace Thiruvananthapuram Limited (BATL)

- Established in 2007.
- Old name is Kerala High-tech Industries Limited (KELTEC).
- A joint venture of DRDO & Russian Federation.
- Corporate office at New Delhi. Registered office at Thiruvananthapuram. Another unit at Hyderabad.
- SRNEG Category
- Competent authority to issue salary certificate-Senior Manager (Pers & Admin) and Deputy Manager (HR & Admin).
- Retirement age- 58 years.
- Ref. Cir. No.89/2022(BD) dt 31/12/2022

21. Kerala State Drugs and Pharmaceuticals Limited (KSDPL)

- A Kerala Government Undertaking.
- Established in 1974 at Kalavoor, Alappuzha.
- SREG Category
- Competent authority to issue salary certificate- Manager (Personal & Admin)
- Ref. Cir. No. 05/2023(BD) dt 10/02/2023

22. Sree Mammiyoor Devaswom, Guruvayoor.

- A super grade temple under Malabar Devaswom Board.
- Competent authority to issue salary certificate- Executive Officer.
- SREG Category.
- Ref. Cir. No.No.24/2023(BD) dt 31/05/2023

23. Kerala Clays and Ceramics Products Limited (KCCPL)

- A Kerala Government Undertaking.
- Registered office is at Pappinissery, Kannur.
- Other units are at Kannapuram, Payangadi, Mangattuparamba in Kannur District and at Neeleswaram, Karnidalam in Kasargode District.
- SREG Category
- Competent authority to issue salary certificate- Managing Director
- Ref. Cir. No.25/2023(BD) dt 31/05/2023

24. Grameen Dak Sevak (GDS) employees of India Post Department

- SRNEG Category.
- Considered only under self-surety category.
- Three months completed after entering the service.

- Accepted for security subject to 8 times (BP + DA) or max. ₹1 lakh whichever is less.
- Minimum net salary ₹7000/-.
- Should not be more than 50% recovery at the time of accepting the salary certificates.
- Competent authority to issue salary certificate- Post Master of Head Post Office.
- Retirement Age- 65 years
- Ref. Cir. No.59/2023(BD) dt 26/12/2023

25. Kerala Artisans Development Corporation (KADCO)

- A Kerala Government Undertaking under Industries Department.
- SREG Category.
- Retirement Age- 58 years.
- Competent authority to sign & issue salary certificate- Managing Director.
- Ref. Cir. No.32/2024(BD) dt 24/07/2024 w.e.f 24/07/2024

26. Malabar Cements Limited (MCL)

- A Kerala Government Undertaking established in 1978.
- Appointments through Kerala PSC & Kerala Public Enterprises Selection and Recruitment Board.
- Accept salary certificates of permanent employees only.
- SREG Category.
- Retirement Age- 58 years.
- Competent authority to sign & issue salary certificate- Assistant Manager (Finance).
- Ref. Cir. No.40/2024(BD) dt 22/10/2024 w.e.f 22.10.2024

27. Sree Nava Mukunda Temple, Thirunavaya P.O, Thiroor under Thirunavaya Devaswom Malappuram.

- A super grade temple having an annual income above ₹8 Crores under the Malabar Devaswom Board.
- Accept salary certificates of permanent employees only.
- SREG Category.
- Appointments of permanent employees in the recognised posts are through the temple trust obeying Malabar Devaswom Board Rules.
- Retirement Age- 65 years
- Competent authority to issue salary certificate- Devaswom Executive Officer.
- Ref. Cir. No.2/2025(BD) dt 07/03/2025 w.e.f 07/03/2025

28. Kerala State Co-operative Consumers Federation Limited (CONSUMERFED)

- A Kerala Government Public Sector Undertaking.
- Established in 1965 at Kochi, now having 11 Regional Offices, 1105 Permanent Employees and more than 400 Retail Outlets.
- Appointments of permanent employees through PSC.
- SREG Category
- Retirement Age- 58 years
- Competent authority to issue a salary certificate- General Manager
- Ref. Cir. No.16/2025(BD) dt 28/04/2025 w.e.f 28/04/2025

29. Kerala State Co-operative Federation for Fisheries Development Limited (MATSYAFED)

- A Kerala Government Public Sector Undertaking.
- Appointments of permanent employees through PSC.
- SREG Category
- Retirement Age- 58 years
- Competent authority to issue a salary certificate- General Manager at Head Office and District Managers at District Offices.
- Ref. Cir. No.25/2025(BD) dt 16/06/2025 w.e.f 16/06/2025

30. Kerala State Centre for Advanced Printing and Training (C-Apt)

- An autonomous institution under Higher Education Department of Kerala.
- Established in 1992.
- SREG Category
- Retirement Age- 60 years
- Competent authority to issue a salary certificate- Managing Director.
- Ref. Cir. No.26/2025(BD) dt 16/06/2025 w.e.f 16/06/2025

31. Kochi Metro Rail Limited (KMRL)

- A Kerala Government & Ministry of Housing & Urban Affairs co-owned company.
- SRNEG Category
- Retirement Age- 60 years
- Competent authority to issue a salary certificate- Deputy General Manager (HR)
- Ref. Cir. No.36/2025 (BD) dt 15/09/2025 w.e.f 15/09/2025

32. Kerala Sahithya Academy, Kerala Lalitha Kala Academy & Kerala Sangeetha Nataka Academy

- Cultural centers working under Govt. of Kerala.
- SRNEG Category

- Retirement Age- 56 years & 60 years (for employees coming under NPS)
- Competent authority to issue a salary certificate- Secretary
- Ref. Cir. No.46/2025 (BD) dt 05/12/2025 w.e.f 05/12/2025

33. Gulati Institute of Finance and Taxation (GIFT)

- Autonomous Grant in Aid institution under Govt. of Kerala.
- SREG Category
- Retirement Age- 60 years
- Competent authority to issue a salary certificate - Director
- Ref. Cir. No.49/2025 (BD) dt 18/12/2025 w.e.f 18/12/2025

34. Kerala Small Industries Development Corporation Limited (Kerala SIDCO Ltd)

- Public Sector Undertaking under Govt. of Kerala.
- SREG Category
- Retirement Age- 58 years
- Competent authority to issue a salary certificate for employees working at Head Office – Chief Accounts Officer
- Competent authority to issue a salary certificate for employees working at Marketing and Raw Material divisions – Regional Head
- Competent authority to issue a salary certificate for employees working at Production Units – Unit Manager
- Ref. Cir. No.12/2026 (BD) dt 24/02/2026 w.e.f 24/02/2026

PROPERTY SECURITY

General Conditions

- The property proposed to be mortgaged should be situated within Kerala.
- The owner's title over the property should be clear, valid, and marketable.

Specific Conditions

- Prime deed should be original or allotted duplicate copy in case of partition deed.
- If the prior deeds are executed within 13 years from the date of submission, all the original prior documents executed during the last 13 years and immediate prior deed be insisted.
- If the prime deed is beyond 13 years from the date of submission, then attested photocopies or certified copies of the prior deeds be insisted.
- If there is right of minors and if they are still minors, such document should not be accepted. If the minors are between 18-21 years of age, a registered consent should be obtained along with documents.

- If there are any court cases that are endorsed in backside of last page of the document, obtain the copy of such endorsements and verify if there is any stipulated conditions.
- The Company will not accept landed property as security by way of additional charge for the liability of a person other than the subscriber and the mortgagor in the 1st mortgage.
- Acceptance of property as additional charge for liabilities of people standing in fiduciary relations (i.e. father and son/daughter, Brothers, Sisters, Son-in-laws, Daughter-in-laws etc.) to the mortgagor can be considered on merit of each case by the Regional Manager provided a Registered Mortgage is prepared to be created.
- The survey no. and extent shown in the revenue records should tally with the title deeds. If there is any discrepancy, clarification must be obtained from the Village Officer.
- The sketch of the security property should contain side measurements, correct survey /resurvey no and extent.
- Ensure that the EC during last 13 years is endorsed with correct survey/resurvey no with subdivision number.
- If there is no direct access to the offered property, i.e. Accessibility to the property is through another person's property, either the said property should be mortgaged to the company or registered right of pathway noted with freedom of entry by KSFE officials and Revenue officials and demarcated sketch from village office should be obtained.
- All the pledged documents should be handed over to the mortgagor after all the liens to that property are lifted.

Documents Required

- Application (Prop.1)
- Affidavit (Prop.2)
 - a) The affidavit shall be executed by the mortgagor in stamp paper purchased in his/her name. The signature of the mortgagor in the affidavit shall be attested by an advocate.
Ref. Cir. No.52/1999 (Legal) dt 03/04/1999.
 - b) Present rate of stamp duty for affidavit is ₹50/- w.e.f 12/02/2019.
Ref. Cir.No.5/2019(BD) dt 12/02/2019 and Letter No. H2/280/2018 dt 06/02/2019.
- Latest Land Tax Receipt.
- Non-RR/LA/Attachment Certificate [If necessary].
- Possession and Enjoyment Certificate.
- Location Sketch.
- Location Certificate showing the four boundaries.

- Thandapper Account. (Copy of Basic Tax Register kept in Village Office).
- Latest Building Tax Receipt/Luxury Tax Receipt (If there is building). [If the Sq. Ft. of the building is 3000 or above, then Property Tax remitted yearly in Village Office should also be produced].
- Encumbrance certificate (for the last 13 years). [If there is any entry regarding Gehan Release deeds or Court attachment release orders, the same should also be produced]
- Prime Title Deed/Deeds.
- Prior Deeds in original (for the last 13 years) (If the prime deed is beyond 13 years, certified copy from SRO or original seen attested copy is sufficient).
- Power Of Attorney.
- Panel Advocate's Report.
- Valuation Report.

After the acceptance of property, the following procedures are to be complied with

- Invitation of Mortgagors to create equitable mortgage to confirm the identity. (Prop.3)
- Register of equitable mortgage of title deeds deposited by the Mortgagors duly signed by Manager and Assistant Manager with seal, signature and date. (Prop.4)
- Admission of mortgage by Mortgagors (Prop.5)
- Request from the Mortgagor to acknowledge receipt of title deeds (Prop.6)
- Receipt signed by the Manager acknowledging title deeds (Prop.7)
- Agreement. (Prop.8)
- Signature of mortgagor/s with date in document register.

Types of Title Deeds

Sale Deed	Settlement Deed
Partition Deed	Gift Deed
Patta	Kraya Certificate/Purchase Certificate
Will	Ozhimuri (Release Deed)
Kudikidappu Certificate	Relinquishment Deed

Nature of Tenure

- The tenure of property means the mode/ system /action/ fact of holding land.
- The tenure can be Janmam, Kanam, Pattom, Verumpattom, Pandaravaha, Swaroopam Vaka, Thanathu & Adima.
- We accept Janmam, Pandara Vaka, certain Swaroopam Vaka, Thanthu & Adima.
- If Kanam is the tenure, Janmam right should be obtained by settling the Janmikkaram.

- The purchase certificate is needed only for Verumpattom property as the Jenmam right is vested with the Government by virtue of S.72 of Kerala Land Reforms Act 1963.
- Ownership of a verumpattom property has two components, viz. Verumpattom right and Jenmam right.
- The Jenmam right purchased from the government is evidenced in the purchase certificate issue by the Land Tribunal.
- For all practical purposes, people holding Kanam and Pandaravaha property can be considered to have absolute title to the property.

Power of Attorney

- The Power of Attorney (POA) or Letter of Attorney is a written authorization to represent or act on another's behalf in private affairs, business or some other legal matter.
- The person authorizing the other to act is the *principal, grantor, or donor*.
- The one authorized to act is the agent, attorney or power holder.
- The power of attorney is frequently used in the event of a principal's illness or disability, or when the principal can't be present to sign necessary legal documents for financial transactions.
- The power of attorney can end for a number of reasons, such as when the principal dies, the principal revokes it, a court invalidates it, the principal divorces their spouse, who happens to be the agent.
- The Power of Attorney should be registered with the particulars of that property.
- All the pages of POA should be signed by the executants.
- The principal has given specific authority to assign the property.
- In exceptional cases POA specifically for executing mortgage in KSFE (between the mortgagor and his/her spouse) and attested by a Notary Public duly confirmed shall also be considered.
- If the POA received from foreign countries attested by Embassy Officials are not in stamp paper, the same shall be impounded by the District Authorities.
- Copy of POA only be forwarded to RO for legal scrutiny.
- Whenever POA is accepted at our end, confirmation from the executant should be obtained with regards to its existence for each mortgage proceeding.

Types of POA (General & Specific)

- A general power of attorney acts on behalf of the principal in any and all matters, as allowed by the state. The agent under a general POA agreement may be authorized to take care of issues such as handling bank accounts, signing checks, selling property and assets like stocks, filing taxes, etc.
- A limited power of attorney gives the agent the power to act on behalf of the principal in specific matters or events.

Alert Note

- If the document, which needs to be registration, is not registered, then the document will not be admissible as a piece of evidence under Section 49 of the Registration Act 1908.

Minimum Extent of property needed for mortgage proceedings

- In Panchayath area - 5 cents
- In Municipality/Corporation area - 3 cents

Domestic Violence Act 2005

- On 26th October 2006, Protection of Women from Domestic Violence Act 2005 came in to force in our country.
- Wife has got residential rights in the housing property of the husband as per S. 39 of Transfer of Property Act 1882.
- While the property belonging to the husband is being accepted as security for Chitty prize money and for all types of loans, wife should invariably be made a party to the mortgage.
- When landed properties are accepted as security mortgagor's wife has invariably to be made a party to the mortgage hereafter.
- In the case of purchasing residential buildings, flats etc. by the husband under the New Housing Finance Scheme, wife should also be made a party to the loan agreement and mortgage proceedings.

Ref. Cir. No.133/2006 dt 28/11/2006

Wife should also sign

- Application (Prop.1)
- Affidavit (Prop. 2)
- Admission of mortgage by Mortgagors (Prop.5)
- Document Register
- Chitty security bond/ loan agreement

Fees Payable to Panel Advocates

- For FL up to ₹10 lakhs - ₹1000/- per file.
- For FL above ₹10 lakhs - ₹1250/- per file.

Ref. Cir. No.28/2024(Legal) dt 21/06/2024 w.e.f 22/06/2024

Acceptance of Flats as Security (Ref. Cir. No.58/2005 dt 14/11/2005)

- Accept completed flats as security for various schemes of the company subject to the following conditions
 1. Flats given as security should be situated inside the state of Kerala.
 2. The construction of the flat should be completed, and the owner should have received an undivided share with the ownership certificate.
 3. For valuation purposes, the cost per Sq. Ft. should not exceed ₹6500/-.

4. While accepting Flats as security for Chitties, the new system is not applicable. But the condition of FSV is having 2 times the FL is modified as EMV having 2 times the FL.
5. The sanctioning authority of Flat as security is AGM of concerned Regions.
Ref. Cir. No.54/2022(BD) dt 13/07/2022

Action taken at branch level

- Forms used are same as accepting property as security with suitable modifications.
- The BM should personally inspect and confirm that the construction of the flat offered as security is fully completed.

Along with application the customer should submit

- Registered title deed/Ownership certificate issued by local authority giving the undivided share of the flat owner.
- Latest building tax receipt and revenue records relating to property security.
- Attested photocopies of prior title deeds covering at least 13 years. Originals to be verified at the branch level.
- Encumbrance certificate covering 13 years of the whole property where the flat is situated.
- Copy of the Bye law of the Society/ Association and check whether there are any restrictive conditions in it.
- Copy of the consumer card issued by Electricity Board/ Authority.
- Copy of the approval for the construction of flat by the concerned authorities.

The following factors are to be considered while valuing Flats

- Area of the flat should be taken as only the built-up carpet area of the flat. i.e. Inside area of the flat. Common areas are not to be considered.
- The location, surroundings/locality, the neighbourhood, access to the roads and kind of roads, building facilities, quality of flats and its amenities.
- All the provisions for fixing the value of property given as security may be followed.
- The FSV of the flat should be sufficient to cover at least twice the future liability of the schemes.

Action to be taken at Regional Offices

- When a file for accepting flat as security is received by the Regional Manager concerned, cross check the genuineness of all the documents and the reasonability of the valuation done by BM.
- The Regional Manager forward his file with recommendation to the Business Manager at Head Office.

Action to be taken at Head Office

- The BM should attest each page of photocopy of all the documents & records

and forwarded to Business Department at HO through RO putting his sign with designation seal and office seal. The original documents should be kept in the branch under safe custody.

- At HO, the Business Manager is empowered to deal with such cases. On receiving a file, check whether all the documents pertaining to the case have been forwarded without omission. In the case of omission, the same may be intimated to branch and got.
- All the details of the file from branch should be recorded in the register kept at Business Department at HO.
- To get the legal opinion, the required documents forwarded to our Law Officer. The report of Law Officer also noted in the above register.
- The file may be rejected or sanctioned by the Business Manager subject to certain changes or conditions and transmitted back to respective branch with a copy to Regional Manager concerned.

Safe Keeping Documents of Immovable Properties

Ref. Cir. No.47/2008 dt 24/04/2008 & 54/2009 dt 16/07/2009 & 55/2015 dt 25/11/2015

- Originals of only property documents after entered in the Property Document Custody Register, should be kept in separate almara's in strong room or kept in the vicinity of concerned BM/AM.
- While receiving original documents from customers, a set of photocopies of all original documents are also to be obtained from the subscriber/ loanee.
- The responsibility of custody of documents is vested with the Branch Manager and AM-in-charge of payment.
- When originals are taken from safe custody, such movements should be noted in the Property Movement Register with proper initials.
- Other branch liabilities should be recorded in the system and EMR (Property IV) and the originals should not be released until the entire liabilities with the company are cleared.
- The acceptance and release of property documents will be made only with the consent of Branch Manager/Unit Head.
- Documents should be verified while handing over charge to new Manager.
- Only photocopies of documents duly attested by the Unit Heads with seal "Verified with the original and found correct. Original documents kept with the branch" send to Panel Advocate for Scrutiny.
- Only photocopies attested by BM be forwarded to RO/HO for acceptance from that end.

Valuation of Landed Property

Ref. Cir. No.37/2005 dt 22/03/2005

- Managers were directed to value the landed property intended to be pledged to the Company for availing Loans/Advance, if the property is situated within the radius of 20 kms from the branch within the Revenue District

of the concerned branch. In all other cases the valuation of the property may be carried out by the Branch Manager nearer to the location of the property.

- For all subsequent creation of charge the property shall be visited by the Manager concerned as above and ensure the identity and FSV as above.
- In all cases where property is pledged as security and where the period of default is 12 months or more, the Branch Manager should visit the property and submit a report on the discrepancy of the physical attributes of the property, if any, including changes in the number of yielding trees to the concerned Regional Manager.
- Company vide Cir. No.19/97 dated 11/04/1997 had directed Regional Managers or Managers at Regional Office to revalue property cases at least a minimum of 5% and report to HO once in six months. Ref. Letter No.3020/PLG/ dated 04/03/2005.
- The Regional Office should also maintain a register showing the details of property, Name of Loanee and Branch, Date of visit of RO officials, valuation by branches, value assessed by R.O etc., which will be verified by Head Office during the visit of the higher officials and IAD teams.

Modified System of Valuation

Ref. Cir. No.95/2007 dt 22/08/2007

1. For cases where property happens to be in the same locality
 - If the property happens to be situated within the operational area of the Branch where the Chitty has been floated, the first officer will be the Branch Manager of the concerned branch, and the second officer will be Branch Manager of a neighbouring branch or Regional Office as decided by the Regional Manager.
2. For cases where property happens to be in a different location in the same Region
 - The first officer in the Committee will be the Branch Manager of the Branch where the Chitty has been floated, and the Second Officer will be of another Branch or Regional office or vice-versa. Second Officer of the Committee will be decided by the Regional Manager.
3. For cases where property happens to be in a different region
 - The first officer in the Committee will be the Branch Manager of the Branch where the Chitty has been floated, and the 2nd officer will be the Branch Manager of the Branch or the Regional Office under whose jurisdiction the property is located or vice-versa. Second Officer in the Committee will be decided on by the above-mentioned Regional Manager.
 - Valuation process should be completed and report submitted within a period of not more than 7days.
 - The valuation of building in the property will be based on the market realities, quality of construction etc.
 - The rubber estates and other plantation properties will be considered like

any other normal property and valued based on the market realities and prime nature of the property.

- The Branch Managers will have discretionary powers to condone a shortage up to 10% (between the security value and the liability to be secured) in favour of the reliable customers based on their track record with us.

Ref. Cir. No.95/2007 dt 22/08/2007 w.e.f 22/08/2007

- Manager's discretionary power to condone shortage up to 10%, between security value and the liability to be secured, is applicable to all types of securities related to Chitty payments.
- The shortage of 10% (referred to above) is calculated as the future liability to be secured.

Ref. Cir. No.103/2007 dt 29/09/2007 w.e.f 29/09/2007

The Centralized Valuation System

Ref. Cir. No. 40/2025 (BD) dt 09/10/2025

- Empanelled valuers have been appointed for property valuation in a scientific and error free manner under each region.

Valuation Method

Valuer Category	Property Details	Time frame for conducting valuation
Engineer/ Valuer with equivalent qualification.	Property including house measuring greater than 3000 sq. ft. of area.	Valuation must be completed within 3 working days upon receiving a property file.
	Commercial Building	
	Flat	
	RC Building	
All valuers including engineers.	Land only	
	Property including house measuring up to 3000 sq. ft. of area.	
	Farm land	

Property Valuation Fee (Ref. Cir. No.40/2025 (BD) dt 09/10/2025)

Valuation Amount	Property Valuation Fee Income	Panel Advocate Fee	Approved Valuer Fee	Total Fee
Up to ₹20 lakhs	₹250	₹1000	₹1000	₹2250
Above ₹20 lakhs up to ₹2 Crores	₹250	₹1250	₹1000	₹2500
Above ₹2 Crores	₹250	₹1250	₹1500	₹3000

Revaluation of Property

- Revaluation of the property already under mortgage to company should be made only after obtaining written sanction from Regional Office.
- Unless 3 years are elapsed after the first valuation, revaluation will be permitted only on account of reasonable grounds.

Property Revaluation Fee (Ref. Cir. No.40/2025 (BD) dt 09/10/2025)

Valuation Amount	Property Valuation Fee Income	Approved Valuer Fee	Total Fee
Up to ₹2 Crores	₹200	₹1000	₹1200
Above ₹2 Crores	₹200	₹1500	₹1700

Acceptance of Property Security at Branch Level

Ref. Cir. No.48/2001 dt 17/03/2001 w.e.f 02/04/2001

- On receipt of the property documents, a detailed scrutiny note shall be written by the assistant and the same shall be verified by the concerned Assistant Manager and the Branch Manager before forwarding the property document file to the panel Advocate, retaining the Scrutiny Note in the unit.
- If during the course of scrutiny, the Advocate finds that any additional documents/records are required to establish the title, he should inform the Manager and the Manager will, in turn, collect the same from the party. Additional documents shall be requested in writing.
- Opinion of the panel Advocate shall be obtained within 7 days of receipt of property documents in branch. If the documents are found acceptable in the opinion of the panel advocate, arrangements have to be made for valuation of the property.
- If the documents are not found acceptable the same can be rejected at Branch level. The Unit Heads can refer doubtful cases to Regional Office for clarification. However, the onus of acceptance of property Security will be of the Branch Manager.
- On getting back the property document file from the panel advocate, the adequacy of the title and acceptability of security shall be incorporated by both Assistant Manager and the Branch Manager in the original scrutiny note retained with the unit. If the value of security is adequate as per norms procedure for equitable mortgage can be resorted.
- On receipt of the sanction order from Regional Office, the Branch should arrange for creating equitable mortgage/registered mortgage in strict compliance of the directions in the sanction order. The sanction order from the Regional Office should necessarily contain the value of the property accepted by the Regional Manager.
- The Branch Managers have got the power to accept the same property for subsequent times once the value is adopted by Regional Manager subject of course to the number of additional charges being limited to six including initial mortgage.

Acceptance of Property Security at RO Level

- If FL exceeds ₹20 lakhs, RO sanction is needed.
- While forwarding fresh property files to RO for acceptance, ensure the sequence of enclosures are listed as follows: -
 - 1) Covering letter with summary and with recommendation of BM.
 - 2) Scrutiny notes of Chitty/Loans.
 - 3) Legal scrutiny note.
 - 4) Valuation report (with seal and signature of the KSFE officials valuating the property along with the signature, designation and license no. of the valuer).
 - 5) Application (Prop I)
 - 6) Affidavit (Prop II) [If the mortgagor is a male married, his spouse should also join as party to the affidavit. Photographs of mortgagors should be attested by an advocate with seal and signature and obtain the same in all pages. Also, signature of mortgagors in all pages. Schedule of property is also furnished in the space provided]
 - 7) Loan application (In case of Loans)
 - 8) Covering abstract (In case of KPL)
 - 9) Customer profile (In case of all loan applications) with remarks and signatures of officers concerned.
 - 10) Income proofs of applicants in case of loans
 - 11) E-verification certificate with signature and designation of Assistant, AM & BM.
 - 12) Revenue records
 - a) Latest Land Tax Receipt
 - b) Latest Building Tax receipt/ Building Ownership Certificate
 - c) Possession Certificate
 - d) Location Certificate
 - e) Location sketch marking the side measurements of the property
 - f) Thandapper Account
 - g) Non-Encumbrance certificate for a period of 13 years immediately prior to submitting the application. If the prime deed is before 13 years, EC from the date of prime deed needs to be produced.
 - h) Any other relevant documents/details
 - 13) Title deed/deeds
 - 14) Prior title deed/deeds
 - 15) Additional information, If any.
- Branches should keep the originals of the above in safe custody and send attested photocopies only.

- The legal cell in the Regional Office will process the security documents received from the Units.
- The opinion of the PTLA can also be obtained if a second opinion is felt necessary by the Regional Manager.
- The decision/sanction of the Regional Manager should then be communicated to the Branch.
- If no additional documents are to be obtained from the parties, the Regional Manager should communicate his decision/sanction within 10 days of the receipt of the file from the Branches.

Additional Charge Creation

- Limited to six charges including the equitable mortgage. Sanction for further charges will be given only by Regional Manager on the strong recommendations from BM in very genuine cases.

Third Party Mortgage

- Sanction for Third Party Mortgage will be given only by Regional Manager on the strong recommendation from BM concerned. Once sanction is obtained for a person, for further charges in the name of this person need not be send.
- Allowed only to those persons who are having fiduciary relationship with the mortgagor. This should be noted in the Prop.1 and in the covering letter with proper recommendation of the Unit Head. Prop.1 & Prop.2 along with scrutiny note, the request of subscriber and consent of mortgagor be forwarded to RO.

Inter Branch Liability (IBL) & Inter Region Liability (IRL) Creation

- Sanction for IBL creation will be given only by Regional Manager on the strong recommendation from BM concerned for each case.
- Branches seeking IBL/IRL creation should send a liability schedule in the following format.

SI No	Charge No	Name of Subscriber	Chitty/ Loan	Lien Created Branch	Future Liability	Default if any

- Besides, the originating branch should collect up-to-date position of the accounts from other lien created branches and send the copies to RO concerned along with covering letter, Prop.1, Prop.2, scrutiny note, request of subscriber and consent of mortgagor.
- As the sanction for IRL vested with HO, copies of the above documents along with covering letter from AGM forwarded to HO Business for sanction from that end. After obtaining this, a sanction order by AGM along with HO order send to branches concerned.

- Circumstances under which prior sanction is needed from RO/HO
 1. If FL of Chitty/ Loan exceeds the delegated powers of Branch Manager.
 2. If number of LOC's exceeds 5.
 3. For Inter Branch Liability creation.
 4. For Inter Region Liability creation.
 5. For Third Party Mortgage creation.
 6. For transferring of property documents pledged in one branch to another branch after the completion of liability with the written request of subscriber.
 7. For constituting team member from other branch (Manager/ AM) to complete valuation process.
 8. For making property valuation by same Region valuation team.
 9. For making property valuation by other Region valuation team.
 10. For all revaluation purposes.
 11. For FSV adoption regarding revaluation by RO accepted files.
 12. For clubbing of property documents mortgaged by same person by different occasions.

Requirement of Forced Sale Value (FSV) (Ref. Cir. No.84/2005 dt 02/06/2005)

Schemes	FSV
Chitty	1.5 times of FL (Sum of future installments)
Chitty loan	1.5 times of FL (Advance amount)
KPL	2 times of FL (Advance + Full interest)
TFS	2 times of FL (Advance + Full interest)
KHL	1.3 times of Advance
CVL	Advance + Interest as per repayment schedule (FL)

Maximum number of charges, which can be created on a property

(Ref. Cir. No.52/2013 dt 02/09/2013)

- The number of charges that can be created on a property has been increased to six. First by deposit of title deeds and the next five by letters of continuity.

Limiting number of parties in the First Mortgage (Equitable Mortgage)

- It is therefore decided to limit the number of subscribers/loanees who can join in the equitable mortgage to a maximum of four including the mortgagor.
- Spouse's liability can be charged as Letter of Continuity when he/she is not a party in the equitable mortgage subject to the condition that the maximum number of charges that can be created on a property is SIX including the equitable mortgage.

Reference Circulars Regarding Property Security

Cir. No.06/1994 dt 18/03/1994

- The present practice of revaluing the property after one year will be dispensed with if the value of the property as per original valuation is sufficient to cover the present liability.

Cir. No.6/1995 dt 25/04/1995.

- Acceptance of mortgage by deposit of title deeds (equitable mortgage) for second time as security without registered mortgage.

Cir. No.32/1995 dt 11/12/1995

- Acceptance of mortgage by deposit of title deeds (equitable mortgage) for second time as security without registered mortgage.

Cir. No.29/1996 dt 16/09/1996

- Maximum amount of Chitty liability that can be charged to the landed property security - Enhancement – intimated.

Cir. No.19/1997 dt 11/04/1997

- Acceptance of property security -Procedures at branch level and regional office level.

Cir. No.20/1997dt 11/04/1997

- Maximum amount of Chitty liability that can be charged to the landed property security - Enhancement – intimated.
- The maximum amount of Chitty liability that can be sanctioned per security of landed property was fixed at ₹15 Lakhs limiting the forced sale value on dual valuation to a maximum of ₹30 Lakhs.

Cir. No.17/1998 dt 18/03/1998

- Acceptance of land with building under lease as security.
- When landed property with rented out buildings is mortgaged to the company, the rights of the company will naturally be the rights of the Tenants. The rights of the Tenants are subject to the provisions of Rent Control Act. When such property is attached or auctioned, the auction purchaser gets the title of the property subject to the right of the Tenant. Hence not to accept landed properties with building which is rented out. But it can be accepted subject to following guidelines.
 1. If entire area of the land is occupied with building which has been rented out, normally it is not acceptable. However, if the rent of the rented buildings is sufficient to cover the monthly installments and interest in case

of loans, RM may accept that property after obtaining the POA from the mortgagor and consent from the Tenants.

2. If a portion of the land offered as security occupied by a building, such property can be accepted based on the value of the remaining part of the land subject to the free and fair accessibility to the property from the public road.

Cir. No.52/1999(Legal) dt 03/04/1999

- Streamlining the procedures for equitable mortgagors- Number of parties in the first mortgage is limited to 4- Mortgager and spouse of mortgagor may join as party later.

Cir. No.123/1999 dt 13/08/1999

- Guidelines for Property valuation and acceptance – not to accept cardamom estates and property belongs to companies- insisting of Non Kudikidappu certificate & Land acquisition non procedure certificate from Village Officer and a personal surety if landed property is below 5 cents in rural areas and below 3 cents incorporations/municipalities-maximum FSV for rubber, coffee, tea and coconut plantations should be below ₹2.5 lakhs per acre-for paddy fields having direct road access, maximum FSV is ₹1 lakh per acre. insisting of Non liability certificate from Tahsildar if liability exceeds ₹5 lakhs.

Cir. No.153/1999 dt 15/10/1999

- Not to accept plantation properties if the extent is above 3 acres.

Cir. No.35/2001 dt 26/02/2001

- Acceptance of Plantation property as security and enrolment of planters and employees of plantations as subscribers/loanees/sureties. All the branches, especially in the hilly areas like Wayand, Idukki, Eastern side of Kozhikode and Kannur Districts etc. should abstain from enrolling planters & employees of organizations engaged in plantation of the above crops, in our schemes and from accepting them as sureties.

Cir. No.48/2001 dt 17/03/2001

- Procedures regarding acceptance of property security at Branch / RO level.

Cir. No.163/2003 dt 23/10/2003

- Acceptance of cardamom estate as security – restrictions imposed lifted – guidelines for valuation and acceptance.

Cir. No.196/2003 dt 24/12/2003

- Valuation of building in the property security offered- regarding.
- The maximum market value that can be fixed for first class residential building constructions comprised in security property (Building with RCC roofing, marble/granite flooring, woodwork in teak and with expensive plumbing, sanitary and electrical fittings has been enhanced to maximum per Sq. Ft. 5% depreciation is to be provided according to the age and quality of maintenance of the building to assess the net market value. 75% of the net

market value should be taken as FSV of the building.

- The branch managers and Regional Managers may exercise their discretion in valuing the property (both land and building) depending on the track record of the customer, financial credit worthiness including Income Tax Returns and family income.

Cir. No.37/2005 dt 22/03/2005

- Valuation of landed property- refer notes quoted above.

Cir. No.84/2005 dt 02/06/2005

- Exercising more caution in accepting property as security and refixing the upper limit of RCL advance against property security. To avoid such mishaps Managers should make it a point that whenever a property is offered as security for additional liability after 3 months of each valuation/mortgage whichever is later, a visit should be made to the property to ensure that there has been no deterioration of the property, and the Forced Sale Value is not less than the FSV accepted. If there is difference in the valuation (lower) the fact should be intimated to the Regional Office concerned.

Cir. No.97/2005 dt 19/07/2005

- Directed the Branch Managers to assess the value of the property, whenever it is offered as security again for creating additional liability after 6 months of each valuation/mortgage. Where the date of default is more than 12 months to the date of retirement of a manager, responsibility for any loss on account of the delay will be with the Manager/Managers who failed to take timely RR action. (Ref. Cir. Nos.84/2005(BD) & 90/2005(RR))

Cir. No.157/2005 dt 08/11/2005

- Enhancing the limit of advance under RCL scheme on property security - Reg.

Cir. No.158/2005 dt 14/11/2005

- Acceptance of flat as security- procedures regarding.

Cir. No.171/2005 dt 14/12/2005

- Procedures regarding Chitty/loan payment files send to RO/HO.

Cir. No.133/2006 dt 28/11/2006

- Protection of Women from Domestic Violence Act 2005 legal impact in creation of mortgage regarding- wife should be made a party to the mortgage.

Cir. No.141/2006 dt 12/12/2006

- Maximum amount of Chitty liability that can be charged to the landed property security - Enhancement – intimated.

Cir. No.95/2007 dt 22/08/2007

- Modifications in the procedures for acceptance of Property securities – decision intimated along with the changes adopted – reg (Ref, notes quoted

above).

Cir. No.103/2007 dt 29/09/2007

- Property valuation-liability waiver regarding.

Cir. No.133/2007 dt 24/12/2007

- Procedures regarding Chitty/loan payment files send to RO/HO.

Cir. No.22/2008 dt 01/03/2008

- Acceptance of plantation property as security-regarding.

Cir. No.46/2008 dt 24/04/2008

- Acceptance of property security to be used for industrial purposes.

Cir. No.47/2008 dt 24/04/2008

- Introduction of Systems for safe keeping of Original Documents of Immovable Properties in Units.

Cir. No.76/2008 dt 22/07/2008

- Acceptance of property security- legal reports- regarding.

Cir. No.54/2009 dt 16/07/2009

- Introduction of Systems for safe keeping of Original Documents of Immovable Properties in Units.

Cir. No.29/2010 dt 21/07/2010

- Enhance the rate of Panel Advocate's fees for scrutiny of the property documents from ₹250/- to ₹350/- per file.

Cir. No.42/2010 dt 20/08/2010

- The revised rate of valuation fee including valuer and panel advocate fee w.e.f01/07/2010 is 1% of Chitty sala/loan amount subject to min Rs350/- max ₹1350/-.

Cir. No.70/2010 dt 28/12/2010

- Specifying all areas under panchayaths, municipalities and corporations as notified areas.

Cir. No.17/2011 dt 03/02/2011

- Enhancement of delegation of powers regarding acceptance of property security in various schemes.

Cir. No.13/2012 dt 29/03/2012

- Purchase of flats/villas through NHFS scheme.

Cir. No.49/2012 dt 014/09/2012

- Modifications in property valuation report-calculation of FSV regarding.

Cir. No.52/2013 dt 02/09/2013

- Maximum amount of liability that can be created by an individual - number

of charges that can be created on a property - enhancement to 6 nos- reg.

Cir. No.61/2013 dt 22/10/2013

- Limit of availing Chitty loans under property security at branch level.

Cir. No.63/2013 dt 01/11/2013

- Enhancement of Panel Advocate's fee – reg
- It is decided to enhance the Panel Advocate's fees for scrutiny of the property documents from Rs'- 350/- to Rs' 500/-'per file.

Cir. No.70/2013 dt 28/11/2013

- Limit of loan amount under NHFS scheme.

Cir. No.79/2013 dt 28/12/2013

- Enhancement of Valuation Fee to be collected from customers.1% of Chitty sala/loan amount subject to min Rs500/- max ₹1500/-.

Cir. No.13/2014 dt 07/03/2014

- Enhancement of administrative and processing charges to 0.5% under NHFS scheme.

Cir. No.24/2014 dt 21/05/2014

- Enhancement of loan amounts under NHFS scheme.

Cir. No.25/2014 dt 21/05/2014

- Property valuation changed procedures.

Cir. No.30/2014 dt 18/06/2014

- Enhancement of maximum liability under single property.

Cir. No.01/2015 dt 08/01/2015

- Changes in NHFS schemes.

Cir. No.16/2015 dt 23/03/2015

- Changes in NHFS schemes.

Cir. No.25/2015 dt 18/04/2015

- Changes in NHFS schemes.

Cir. No.55/2015 dt 25/11/2015

- Introduction of Systems for safe keeping of Original Documents of Immovable Properties in Units.

Cir. No.65/2015 dt 30/12/2015

- Changes in interest rates of NHFS.

Cir. No.01/2016 dt 21/11/2016

- Alert notes regarding property security.

Cir. No.10/2016 dt 20/02/2016

- Changes of names and interest rates of various schemes.

Cir. No.32/2016 dt 28/05/2016

- Changes under NHFS scheme.

Cir. No.38/2016 dt 15/07/2016

- Revaluation of property by Accepted Branch manager itself for RR proceedings

Cir. No.67/2016 dt 29/12/2016

- Enhancement of valuation fee.

Cir. No.04/2017 dt 12/01/2017

- Enhancement of valuation fee.

Cir. No.02/2018 dt 06/01/2018

- Alert notes regarding property security.

Cir. No.36/2018 dt 17/09/2018

- Procedure changes under various loan schemes.

Cir. No.48/2018 dt 07/11/2018

- Stamp duty for POA (If number of power holders is less than 5) is ₹600/-

Cir. No.50/2018 dt 15/11/2018

- Alert notes regarding property security.
1. For all loan documents under property security, should need Promissory Note in which signature of loanee is obtained in revenue stamp and mortgagor below the promissory note.
 2. The stamp paper for Affidavit (Prop II) should be purchased in the name of mortgagor. Additionally, ensure that photographs of mortgagors are attested by an advocate, with their seal and signature on the front page, as well as on every subsequent page.
 3. All the columns are properly filled up, furnish the schedule of property and obtain the signature of mortgagor/s in all pages of affidavit.
 4. Send modified form of Prop.3 as registered letter and received back at the time of signing the documents and kept with the file. If subscriber/loanee and mortgagor are different people, send Prop.3 for each case.
 5. The signature of the mortgagor should be witnessed by the Assistant and AM with the following words "Prop III received from mortgagor and ID proof verified with the original".
 6. All the original documents kept in the separate almaras provided for the same as per Cir. Nos.47/2008, 54/2009 & 55/2015, and the key should be in safe custody of Manager or AM in charge of payment.
 7. If new manager takes over the charge of the branch, he/she should verify the property documents along with other valuables and gold stock.
 8. If the default is more than 6 installments under third party mortgage cases,

should send registered recovery notice.

9. RO sanction should be obtained for all third-party mortgages and additional charges above the approved limit of branch. (i.e., 6 charges).
10. Obtain sanction for each IBL from RO and IRL from HO through RO for each case and noted such creations in the EMR in the originating branch.
11. Obtain EC for all fresh LOC's including the date of signing the documents and latest LTR and BTR for all additional charges after each financial year.
12. Obtain e-verification certificate generated by branch (as per HO Cir. No.50/2018 (IA&V) dt 15/11/2018 came into force w.e.f 01/12/2018) duly signed with designation seal by Asst & AM/DM in charge of payment and Branch Manager and send a copy of the same along with all the files sending to RO for sanction.

Cir. No.52/2018 dt 13/12/2018

- Securities under DDFS system.

Cir. No.05/2019 dt 12/12/2019

- Enhancement of stamp duty of affidavit/declaration to ₹50/-.

Cir. No.31/2019 dt 27/06/2019

- Fees regarding PTLA.

Cir. No.35/2019 dt 25/07/2019

- Changes under NHFS scheme.

Cir. No.58/2019 dt 11/12/2019

- Changes regarding valuation of property.

Cir. No.07/2020 dt 17/02/2020

- Acceptance of land and building under EMS house building scheme by Government owned financial institutions and companies.

HO Ref. No.3006/Plg dt 01/07/2020

- Sending modified form of prop III to the mortgagor ₹

Cir. No.47/2020 dt 06/08/2020

- Changes in sanctioning powers of Branch Managers under property security. Future liability of Chitty/Chitties, loan/loans, Chitties/loans up to and including ₹15 lakhs.

Cir. No.48/2020 dt 07/08/2020

- Changes in sanctioning powers of Branch Managers under property security.

Cir. No.47/2020

- In case of loans, only advance amount is considered for calculation of FL for the limit up to and including 15 lakhs.

Cir. No.53/2020 dt 20/08/2020

- Alert notes regarding acceptance of property security.

HO Ref. No.12404 dt 4/3/2021

- Creation of Inter Branch & Inter Region Liability regarding.
- For creation of Inter branch Inter region liability and if the liability exceeds the branch limit, the legal acceptability and FSV adoption of the property should be done by the concerned Regional Office under which the equitable mortgage creation branch is situated.
- HO sanction should be obtained for further charge creation of already Inter Region sanction obtained properties.

HO Ref. No.12404 dt 31/08/2021

- Remuneration to Valuers regarding.
- Valuation fee is 1% of Chitty/Loan liability subject to minimum ₹1000/- and Maximum ₹1750/-.
- If future liability is up to and including ₹5 lakhs, valuation fee is to be collected is ₹1000/-. (Legal charges ₹750/- & Valuation fee income ₹250/-)
- If future liability is above ₹5 lakhs, valuation fee to be collected is ₹1750/-. (Legal charges - ₹750/-, Amount payable to Valuer - ₹750/- & Valuation fee income - ₹250/-)

Alert note dt 5/10/2021

- From AGM Region Kottayam regarding property pledging.

Cir. No. 92/2021 dt 04/12/2021

- Modification in KHL from 06-12-2021.
 1. Amount of disbursement of KHL is limited to 2 times the EMV of the property.
 2. KHL amount can be disbursed in 4 equal installments.
 - A. Mode of Disbursement for One Storied Buildings
 - a) First installment - On completion of basement and 25% expense incurred including building materials.
 - b) Second installment- Construction up to lintel level.
 - c) Third installment- After completion of roof concrete.
 - d) Fourth installment- After completion of entire plastering works.
 - B. Mode of Disbursement for Two Storied Buildings
 - a) First installment- After completion of basement works.
 - b) Second installment- After completion of roof concrete of first floor.
 - c) Third installment- After completion of roof concrete of second floor.
 - d) Fourth installment- After completion of entire plastering works.
 3. If EMV of the property is 75% or more of required loan amount, then it can be disbursed in 3 equal installments observing the existing conditions.
 4. Delegation of powers of KHL- BM- Up to 20lakhs AGM- Above 20 lakhs & Up to 35 lakhs.

5. Further charges should be created on the KHL availed property only after the completion of construction works and obtain building number.
6. The above changes are not applicable for purchase of building with land and renovation of building.
7. The plan and estimate of the building may be attested by the licensed Building supervisor/Engineer/Architect of Panchayath /Municipality/ Corporation.
8. After the disbursement of entire loan amount, BM should ensure the completion of work and prepare a Completion Certificate regarding this and attached with the file.
9. If the loan amount is not consumed within the stipulated time, steps including RR action should be initiated to recover the loan amount with interest.
10. The above changes are w.e.f 06/12/2021.

Cir. No.95/2021 dt 24/12/2021

Procedure changes regarding property security under various schemes

Name of Scheme	Market Value for Future Liability
Chitty	2 times of Future Liability
Chitty Loan	2 times of Loan Amount
KHL (For new construction of building)	Half of the total Loan amount
KHL (For other types)	1.3 times of Loan amount
KPL	2 times of (Loan Amount + Interest)
CVL	2 times of (Loan Amount + Interest)
Chitty Loan	2 times of Loan Amount
KPL	2 times of (Loan Amount + Interest)
CVL	2 times of (Loan Amount + Interest)

Creation of Liability (Property Security)

1. Maximum liability that can be created on a single property - ₹5 Crores
2. Maximum liability that can be created by a single Individual - ₹6 Crores
3. A report regarding acceptance of property security up to ₹20 lakhs cases under branch level should be sent to AGM (Region) in every quarter.

Revised condition regarding minimum extent of property needed for mortgage proceedings

1. No need of Non Kudikidappu Certificate & Personal Surety.
2. Acceptance of such properties should be vested in Regional Managers as per the recommendation of Branch Manager.
3. A report regarding acceptance of property security up to ₹20 lakhs cases

under branch level should be send to AGM(Region) in every quarter.

HO Ref. No.3006/Plg dt 16/02/2022

- Property Security- PBMS - Third party mortgage- Clarification- reg: -
- Third party mortgage creation can be done through letter of continuity also.

HO Ref. No.12404 dt 22-03-2022.

- Not to insist on the production of location certificate along with property documents while accepting it. But the entries in location certificate such as the distance to reach the property, marking of boundaries, topographic symbols etc. should be noted in location map. (Ref. GO No. 45/2022/RD dt 15/02/2022 regarding the stoppage of issuance of location certificate, residential certificate and life certificate from revenue department)

Cir. No.43/2022(Legal) dt 25/04/2022

Changes in accepting property security- reg: -

1. If property accepted as security having no right to the wife of the mortgagor, no need to obtain signature of wife in document register, Prop.2 and Prop.5.
2. In case of availing loans and income of wife is also considered, then wife should also sign security documents. But in the case of availing House Loan, security documents must have the signature of husband and wife.
3. If Gift deed or Settlement deed executed by senior citizens are accepted as security with any stipulated conditions in favor of them, should obtain the signature of them in security documents.
4. If POA executed in favor of father, mother, wife, husband, son, adopted son, daughter, brother, sister, sons-in-law, daughters-in-law, then no need of registration of POA. Notary attested POA can be accepted. In all other cases, registered POA's should be produced.

Cir. No.54/2022(BD) dt 13/07/2022 w.e.f 15/07/2022

Changes in accepting property and flat towards security to Chitty- reg: -

1. If property security is accepted for FL of Chitty only and if the subscriber has good track record, then EMV of the property should be 1.5 times the FL. This is applicable for the subscribers who have completed 2 years as prompt Chitty subscribers. In certain cases, if the default is 3 installments (not continuous), this condition is applicable by using the discretionary power of branch managers.
2. The criteria regarding value of the property should be noted in the Chitty scrutiny note.
3. If the charge is created on the same property for Chitty and loan of the prompt subscribers having good track record, 1.5 times of FL of Chitty is to be calculated from EMV, and the balance portion of EMV is to be considered for the creation of FL of loans.
4. This modified system is applicable for properties accepted as securities in which its valuation is conducted w.e.f 15/07/2022.

5. In case of already accepted properties, the new system is applicable only after conducting revaluation completing 3 years from previous valuation with the approval of concerned AGMs.
6. This system is not applicable to Chitties under RR proceedings and default cleared under Aswas, OTS and Adalath schemes.
7. While accepting Flat as security for Chitties, the new system is not applicable. But the condition of FSV is having 2 times of the FL is modified as EMV having 2 times of the FL.
8. The sanctioning authority of Flat as security is AGM of concerned Regions.
9. The rate per Sq. Ft. is enhanced to ₹6500/- from ₹3500/- while accepting Flat as security.
10. The system of condoning 10% of unsecured FL by branch managers as per Cir. Nos. 95/2007 & 103/2007 are not applicable to new property securities accepted w.e.f 15/07/2022.
11. If properties accepted as securities for Chitties/loans of BM/AM and their spouse, father, mother, sons, daughters, adopted sons & daughters, brothers and sisters, such BM or AM should not be the member of valuation committee. For this, consider the BM/AM of nearby branches.
12. While sending prop III to mortgagors, send 2 copies and retain the original by mortgagor and return the copy with signature and date, identity document type with its number along with the sending cover and attached with the file. For this, the words "ayacha cover koodi konduvaram" ("അയച്ച കവർ കൂടി കൊണ്ടുവരണം") in Malayalam should also be noted as condition in Prop.3.
13. While accepting property security below 3 cents under the jurisdiction of Thiruvananthapuram and Kochi corporations, the power of accepting such property is vested in Units if its sanctioning power of FL is under unit level. No need for sanctions from concerned AGMs. A month wise report regarding this should be sent to concerned RO.
14. No need to check valuation if EMV of the property is below and up to 2 Crores. If EMV is above 2 Crores, before accepted at region level, check valuation should be conducted by fresh valuation team other than the initial valuation team. If EMV is above 4 Crores & complaint regarding valuation of the property, check valuation should be conducted by committee comprising 2 RO managers and a fresh valuer.

Cir. No. 55/2022 (Legal) dt 19/07/2022

Enhancement of PTLA's fee reg: -

- The retainer fee is ₹7500/- per month for scrutiny of 15 files + Additional fee of ₹700/- per file if the number of files exceed 15 numbers + ₹1500/- per month as conveyance allowance. This enhancement came into force from 01/07/2022.

Cir. No.70/2022 (BD) dt 14/09/2022

Property Security - New Instructions - reg: -

1. We should obtain a certified copy of the prime document directly from Registrar Office concerned and compare it with prime document and ensure no changes in it. The expense for this is to be borne by the subscriber/loanee.
2. The genuineness of revenue documents should be confirmed with the concerned Village Officer during the time of valuation of the property. This should be noted while preparing the scrutiny note.
3. The valuation report should have photographs of the concerned property and building (if necessary) with property owner or authorized person and valuation team (Manager/Assistant Manager) in it. In the case of third-party property, the valuation report should have the photograph of owner of the property. This condition should be observed in all cases of acceptance of property security.
4. Online verification should be done in all cases of property security acceptance, and a copy should be attached with the file as instructed in Cir. Nos.50/2018 (IA&V) dt 15/11/2018 and 53/2020 (IA&V) dt 20/08/2020.

Cir. No.01/2023 (BD) dt 05/01/2023 w.e.f 05/01/2023

Delegation of Powers (Revised System)

Chitty Scheme

Name of Security	Branch Level	RO Level (Sr. Mgr. /Chief Mgr.)	RO level (AGM)
Property	Up to ₹20 lakhs	Above ₹20 lakhs up to ₹40 lakhs	Above ₹40 lakhs up to ₹5 Crores

Loans Schemes

(Amount - Rupees in lakhs)

Name of Scheme	Branch	RO	2 Member Committee DGM (B&O) & GM(B)	3Member Committee GM(B), GM(F) & MD	Board
Chitty Loan	Up to 12	Above 12 up to 25	Above 25 up to 60	Above 60 up to 1 Crore	Above 1Crore
KHL	Up to 20	Above 20 up to 35	Above 35 up to 50	Above 50 up to 75	Above 75 up to 1Crore
KPL	Up to 7	Above 7 up to 15	Above 15 up to 20	Above 20 up to 25	Above 25 up to 30
CVL	Up to 5	Above 5 up to 15	Above 15 up to 25	Above 25 up to 30	Above 30 up to 40
Special Car Loan	Up to 7	Nil	Above 7 up to 15	Nil	Nil

- Future liability of both Chitty/ loan & Loan/Loans exceeds the branch limit, the sanctioning power regarding acceptance of FSV under property security is vested in Regional Office/Head office.

Cir. No.12/2023 (BD) dt 13/03/2023 w.e.f 20/03/2023

- Maximum liability that can be created on property security for liability of a Firm/Corporate body is ₹6 Crores.

Cir. No.18/2023 (BD) dt 11/05/2023 w.e.f 11/05/2023

Amendments of the production of original prior documents under 13 years while accepting the property security-reg: -

- If the extent in the prior document is more than that in the pledged prime document, and is unable to submit the original prior document, then its copy shall be submitted. The genuineness of this copy is ensured with the certified copy of prior document.
- If the extent in the prime document is same as prior document, then the original prior document should be submitted. If unable to produce the original prior document, the file with sufficient explanations should be forwarded to RO concerned for sanction.

Cir. No.13/2024(Legal) dt 26/03/2024 w.e.f 01/04/2024

- Standardized procedures for Legal Scrutiny Reports, Property Scrutiny Reports and Duties of Panel Advocates & Part Time Legal Advisors (PTLAs)

Cir. No.28/2024(Legal) dt 21/06/2024 w.e.f 22/06/2024

Revision of fees paid to panel advocates reg: -

- Future liability up to and including ₹10 lakhs – ₹1000/-
- Future liability above ₹10 lakhs - ₹1250/-

Cir. No.46/2024 (Legal) dt 11/11/2024 w.e.f 11/11/2024

- Uniform format for Power of Attorney (POA).

Cir. No.3/2025(BD) dt 06/02/2025 w.e.f 06/02/2025

- Maximum liability that can be created on a single property - ₹7.5 Crores
- Maximum liability that can be created on a single Individual - ₹8 Crores

Cir. No.18/2025 (BD) dt 05/05/2025 w.e.f 01/06/2025

Restriction in accepting Third Party Property reg: -

To avail Chitty Loan, KPL, Car Loan, CVL under Property Security, the following restrictions are imposed.

1. Property in the name of a person
 - Avail loans in the name of such person, his/her spouse, father, mother, sons and daughters, adopted sons and daughters, brothers, sisters, son-in-law, daughter-in-law, father-in-law, mother-in-law.
 - Avail loans in the name of Sole Proprietorship firms of such person, his/her spouse.
2. Property in the name of more than one person
 - Avail loans in the name of such persons or their spouses only
3. Property in the name of a Partnership Firm

- Avail loans in the name of such firms or partners only
- 4. Property in the name of the Trustee/company
 - Avail loans in the name of such Trustee/Company only
- 5. No concession to the above norms in case of LOCs of already mortgaged properties in KSFE.
- 6. Changes in Third Party Sanction
 - For availing Chitty Prize Money and Loans to the properties of the above persons, no need to obtain TPS from the concerned Regional Offices.
 - For availing Chitty Prize Money to properties other than the above persons, need TPS from the concerned Regional Offices for all charges including Equitable Mortgage.
- 7. No changes to the existing other conditions in case of availing Chitty Prize Money and Loans, accepting property security.
- 8. In case of KHL, no changes in the existing conditions.

Ref. Cir. No.40/2025 (BD) dt 09/10/2025

Implementation of Centralized Valuation System for Property Valuation reg: -

- Empanelled valuers have been appointed for property valuation in a scientific and error free manner under each region.

Valuation Method

Valuer Category	Property Details	Time frame for conducting valuation
Engineer/ Valuer with equivalent qualification.	Property including house measuring greater than 3000 sq. ft. of area.	Valuation must be completed within 3 working days upon receiving a property file.
	Commercial Building	
	Flat	
	RC Building	
All valuers including engineers.	Land only	
	Property including house measuring up to 3000 sq. ft. of area.	
	Farm land	

Property Valuation Fee

Valuation Amount	Property Valuation Fee Income	Panel Advocate Fee	Approved Valuer Fee	Total Fee
Up to ₹20 lakhs	₹250	₹1000	₹1000	₹2250
Above ₹20 lakhs up	₹250	₹1250	₹1000	₹2500

to ₹2 Crores				
Above ₹2 Crores	₹250	₹1250	₹1500	₹3000

Property Revaluation Fee

Valuation Amount	Property Valuation Fee Income	Approved Valuer Fee	Total Fee
Up to ₹2 Crores	₹200	₹1000	₹1200
Above ₹2 Crores	₹200	₹1500	₹1700