

EDC Citizen's Charter

GENERAL : EDC Limited, incorporated on March 12, 1975 as a public limited company under the Companies Act, 1956 and originally known as the Economic Development Corporation of Goa, Daman & Diu Limited (EDC), has been the state financial institution set up by the Govt. of Goa with the prime objective to promote industrial development.

Originally EDC had been operating in the Union Territory of Goa, Daman & Diu and thereafter the State of Goa, besides Union territories of Daman & Diu and lately Dadra and Nagar Haveli. The territorial area of operation has now been extended over the entire Union of India with amendment to Memorandum & Articles of Association.

EDC Limited, being a Government Corporation, its policies and decisions are controlled by the Board of Directors appointed by the Government of Goa having representation from government, IDBI/ SIDBI, industries, social workers, elected members of the public and other professionals. EDC has been acting as a State Industrial Development Corporation (SIDC), besides being accorded the twin status of State Financial Corporation (SFC) by IDBI/SIDBI.

The equity capital of the company is mainly subscribed by the Government of Goa, Daman & Diu Administration and IDBI.

OBJECTIVE: The main objectives of the Corporation are :

1. To carry on the business of an investment company for providing financial assistance to industrial enterprises and for enterprises like hotel and tourism related services, hospital and medical aid services and to professional enterprises for starting, running, expanding, modernising their professional activities etc.
2. To extend financial assistance in various types of instruments as fund based and provide guarantees, securities etc. as non-fund based activities, and to provide fee based financial services.
3. To establish companies in subsidiary or joint sector for starting, taking over or conducting industrial enterprises and other economic activities of any description.
4. To encourage and promote participation of capital in various forms like equity, preference or debentures in industrial enterprises and other economic activities.
5. To identify and motivate entrepreneurs to set up industries and assist them in the spade work by conducting various forms of Entrepreneurship Development programmes.
6. To offer and act as an agent for the disbursement of various incentives and concessions and benefits on behalf of the Government to assisted units and enterprises assisted by EDC Ltd.

EDC Limited offers variety of loan schemes under different categories befitting the class of entrepreneurs, the size of the project, the purpose of the requirement of funds etc. The schemes can be enumerated as below:

1. General Term Loan Scheme.
 - (i) For acquiring fixed assets like land, building , plant and machinery and other miscellaneous assets for:
 - Setting up new micro, small, medium and large industrial enterprises and in the service sector.
 - Expansion /modernization / diversification of existing industrial concern and service sector units.
 - (ii) Tourism related activities such as restaurants, hotels, travel agencies, etc.
 - (iii) Units in health care such as clinics, diagnostic centers, hospitals, etc.
 - (iv) Acquisition of new barges.
2. Scheme of Financial Assistance Against Mortgage of Immovable Properties.
3. Scheme of Loan Assistance for Construction of Commercial Complexes.

4. Scheme of Loan Assistance for Construction of Residential / Residential cum Commercial Complexes.
5. Composite Loan Scheme for EDC Clients with Good Track Record.
6. Scheme for self- employment to educated unemployed youth. (Chief Minister's Rojgar Yojana).
7. EDC's Personal Loan scheme, Vehicle Loan scheme and EDC's Housing Loan Scheme for permanent Government Employees/ regular teachers and employees of Government aided schools and Colleges and PSUs like MPT and Goa Shipyard.
8. Scheme of Term Loan Assistance to Qualified Professionals.
9. Interest Rebate Scheme for:
 - Units located in backward talukas of Goa - 3% p.a.
 - Units promoted by resident/non-resident Goans - 1% p.a.
 - Units promoted by women entrepreneurs - 1% p.a.

The above rebate shall be available in any one of the category until the scheme is in operation.
10. Operation of TUFF scheme of Ministry of Textiles for textile units assisted by EDC Limited

A summary of the term loan and special schemes is annexed. [Refer Link Document.](#)

WORKING HOURS : The working hours of the office are from 9.30 a.m. to 5.45 p.m. with lunch hours between 1.15 p.m. to 2.00 p.m, 5 days a week (Monday to Friday). The visitors can meet any officers/staff during office hours, preferably during morning sessions with prior appointments.

PRELIMINARY INFORMATION: The Loans Department /Microfinance Department (MFD) provides assistance and guidance to the entrepreneurs in respect of the procedure, norms or any other aspects pertaining to the availment of financial assistance for the projects in the respective departments that can be considered by EDC Limited.

PRELIMINARY CLEARANCE: The applications for term loans below Rs.5.00 lakh for new cases are placed for approval of the General Manager (Loans/MFD). In case of term loans above Rs.5.00 lakh and upto Rs.10.00 lakh and special scheme loans like Housing loan and Professional loan above Rs.5.00 lakh upto Rs.25.00 lakh, the proposal is examined by a Screening Committee for granting preliminary approval after which it is placed before the concerned sanctioning authority for sanction. The members of the screening committee comprise of CGM(Engg), GM(Finance), DGM(Law) and GM(MicroFinance).

In cases of term loans above Rs.10.00 lakh and upto Rs.25.00 lakh the proposal is placed before the regular PCC for preliminary approval after which it is processed by Microfinance Branch for final sanction

All other applications are placed before the Project Clearance Committee (PCC) for preliminary approval. The PCC is chaired by the Managing Director, Other members of the Committee are Joint Managing Director, CGM, all GMs / DGMs(Loans, Recovery, Finance, Engineering) and DGM(Law).

The Committee meets as and when required preferably on Fridays. On obtaining preliminary clearance from the Committee, the Loans Department issues the preliminary clearance letter along with conditions stipulated therein if any within a weeks time after the approval of the Minutes of the Meeting/or approval by the concerned General Manager.

The letter of approval is accompanied by the detailed application form along with formalities to be complied with. If the application is rejected/closed/withdrawn at PCC level, the application fees will not be refunded.

LOANS DEPARTMENT: If the project satisfies the eligibility criteria for financial assistance under the above mentioned schemes, the entrepreneurs are provided with the application forms for term loan assistance. The preliminary application form is a simple form seeking the salient aspects of :

- a) Promoter's background, experience, details and accounts of sister concerns, PAN card/ Aadhaar card, etc
- b) Project details incorporating all the technical aspects mainly product, capacity, location, technology, raw materials, utilities, manpower etc.
- c) Details of land and consents and approvals if any.
- d) Market, demand supply and selling arrangements.
- e) Project cost and means of finance.
- f) Expected turnover, breakeven point and financial viability.
- g) References, bankers, collateral securities etc.

The applicant has to pay non-refundable processing fees to the Corporation alongwith the preliminary application form as follows:-

Loans upto Rs.2 lakh	Rs. 100.00
Loans above Rs.2 lakh upto Rs.5 lakh	Rs. 500.00
Loans above Rs.5 lakh	Rs.2000.00

The above fees are exclusive of service tax and educational cess which are additionally payable at prevailing rates.

DETAILED LOAN APPLICATION: The applicant is required to file the detailed application along with necessary enclosures and consents within 15 days from the date of preliminary clearance letter. Checklist for submission of final application is annexed. [Refer Link Document.](#)

PROCESSING FEES: Processing fees of 1% on the term loan sanctioned, restricted to a maximum of Rs.1.00 lakh, are payable by the applicant, as under:

- a) At the time of submission of PCC application – as indicated above.
- b) At the time of submission of final application - 0.25% of the term loan applied for less amount paid at (a)
- c) Before first disbursement of term loan – 1% of the term loan sanctioned subject to a maximum of Rs.1.00 lakh less amounts paid earlier at (a) & (b)

Service tax and educational cess at the applicable rates are payable on the processing fees. These fees are non-refundable.

MICRO FINANCE DEPARTMENT: All applications for term loans below Rs.25.00 lakh, Loans to Qualified Professionals under the scheme, EDC's Personal, Vehicle, and Housing loans and CMRY loans and shall be processed by MFD. The applications for term loans above Rs.25.00 lakh, are processed by the Loans Department.

No preliminary clearance is required for term loans below Rs.5.00 lakh and for EDC's Personal loans, Vehicle loans and Housing loans and CMRY loans. The applicants should furnish application in prescribed forms alongwith non-refundable processing fees as under:

1. **TERM LOANS** below 25.00 lakh / **PROFESSIONAL LOAN** As indicated above
2. **CMRY LOANS**

	<u>Application Form Fee</u>	<u>Application Fee</u>
a. Upto Rs.25,000.00	Rs. 5.00	- Nil
b. Above Rs.25,000.00	Rs.25.00	- Rs. 200.00
(i) Rs. 25,000.00 to Rs. 5,00,000.00		- Rs. 200.00
(ii) Rs. 5,00,001.00 to Rs.10,00,000.00		- Rs. 500.00
(iii) Rs.10,00,001.00 & above		- Rs.1,000.00

3. HOUSING LOAN

- a) At the time of receipt of application. - 0.5% of loan amount subject to a maximum of Rs.2,000.00
- b) Title investigation fees (wherever title needs to be investigated) - As applicable
- c) Publication fees whenever required - As per actuals
(Applicant may however be given option of carrying out the publication on their own)

4. PERSONAL LOAN

- 1% of the loan amount subject to a maximum of Rs.1000.00

5. VEHICLE LOAN

- 0.5% of the loan amount subject to a maximum of Rs.2000.00

All the above non-refundable Processing fees are exclusive of service tax and educational cess, which are payable at the applicable rates.

APPROVING AUTHORITY: The appraisals / disbursements for all term loan applications above Rs.25.00 lakh, except Professional loans, are placed under General Manager (Loans). All CMRY loans, special scheme loans and term loans below Rs.25.00 lakh and all Professional Loans are placed under General Manager (MFD).

The Loans Department/ MFD holds discussions with the applicant, scrutinizes the application and prepares a loan proposal alongwith comments thereon. The proposal is then placed before the approving authority. The approving/sanctioning authority for the loans including term loans and special scheme loans is as under:

Upto Rs. 5.00 lakh	- General Manager
Above Rs.5.00 lakh and upto Rs.10.00 lakh	- Chief General Manager
Above Rs.10.00 lakh and upto Rs.25.00 lakh	- Managing Director
Above Rs.25.00 lakh	- Board of Directors

The CMRY applications are placed before the Appraisal Committee for screening and approval to place them before the Task Force Committee (TFC) for sanction.. The Appraisal Committee and the TFC consists of members as appointed by the Government from time to time.

The sanction of loan is communicated to the applicant within 7 days from the date of approval. This is enclosed with special conditions stipulated along with the general terms applicable for financial assistance. A brochure which explains " How to obtain EDC funds faster" is furnished to the applicant along with sanction letter. The draft of the acceptance letter is also enclosed therewith. The sanction letter is issued by the concerned head of department i.e. G.M (Loans / MFD).

ACCEPTANCE: The applicant is expected to convey acceptance within 15 days from the date of receipt of sanction letter.

DOCUMENTATION: On acceptance of the terms and conditions, the applicant has to approach the Legal Department which starts preparing and approving the legal documents based on the terms and conditions stipulated. The Legal Department seeks various documents, records, consents and also the compliance of requisite terms and conditions before execution of the documents.

In case there is need for title investigation of the property considered for security, the same is referred to Advocate on the panel of the Corporation. The draft documents are prepared within 15-30 days from the submission of complete information required by the Legal Department.

INTEREST RATE: The present rate structure is as under:

For loans above Rs.25.00 lakh	-	11.5% - 15% p.a.
For loans below Rs.25.00 lakh	-	11.5% p.a.
For Professional laons	-	11.5% p.a.(rebate of 1% for prompt payments)
For Vehicle/ Housing loans	-	10% p.a. (rebate of 0.5% for prompt payments)
For Personal loans	-	10.50% p.a.
For CMRY loans	-	8% p.a.
For CMRY - women entrepreneurs -	-	6% p.a.

The interest rates are subject to revision from time to time.

PENALTY CLAUSE: The penalty clause is as below:

In case of default in the payment of interest, the interest due will be capitalised and will attract penal interest in addition to the normal rate of interest on the amount so capitalised. In the event of default in the payment of any instalment on account of principal, penal interest at such rate as may be stipulated by the Corporation from time to time in addition to the above normal rate of interest will be charged on the defaulted amount for the defaulted period.

No penal/ compound interest is charged for CMRY Loans.

REPAYMENT PERIOD: The repayment schedule is fixed based on the profitability estimates, cash generation and debt servicing capacity of the project.. In case of term loan, the moratorium period varies from 6 months to 2 years with overall repayment period of 5-8 years. Any deviation in this regard is to be suitably justified. In the cases of CMRY loans, the repayment period is 10 years (including moratorium of maximum one year) in monthly installments. The maximum repayment is restricted to 5 years for loans against vehicles (CMRY), As regards loans to Government employees the repayment period is 5 years for Personal loans, 7 years for vehicle loan and 20 years for Housing Loan. The repayment period in such cases shall however be restricted upto the age of superannuation of the borrower.

DISBURSEMENT: On execution of the necessary and requisite legal documents, the applicant is entitled to avail the loan on compliance of terms and conditions and as per the procedure laid out. The applicant should make a request for disbursement in writing in the prescribed format along with compliance / submission of -

- a. Terms and Conditions of sanction
- b. Consents and approvals for the project
- c. Auditors certificate of Capital Position and Investment towards the project
- d. Invoices / bills for assets against which disbursement is claimed
- e. Valid and adequate insurance.

Every disbursement is normally made within 5 days after filing the claim and on compliance of requisite terms.

VERIFICATION AND VALUATION: Before every disbursement, the designated Recovery Officer is expected to inspect the site and verify the assets against which disbursements are being made and give the follow-up/verification report. However, in cases where disbursements are made against proforma invoices, the assets are verified after the disbursement. As regards disbursement against land/ building the same is subject to valuation by the Corporation's Civil Engineer.

APPROVAL FOR CHANGES/MODIFICATIONS IN THE TERMS & CONDITIONS OF SANCTION: Any special changes prior to first disbursement or any major changes in the terms and conditions will have to be got approved from the Competent Authority.

In case of changes in the suppliers/ specifications of plant and machinery/furniture's etc. and / or reallocation of project cost, the borrower has to furnish application in writing, along with the non-refundable processing fees as under:

Term loan sanction (Rs.in lakh)	1 st request (Rs.)	2 nd request (Rs.)	Subsequent request (increments in Rs.)
0-5	-	-	-
5-20	1000	1500	+1000
20-50	2000	3000	+2000
50-250	3000	5000	+3000
250 and above	5000	7500	+5000

In addition to the above fees, the borrower shall have to bear the requisite service tax and educational cess as applicable.

INSTALMENT AND INTEREST NOTICES: Every borrower is sent the notices of the installment/ Equated Monthly Instalment (EMI) as and when due. Besides every assisted unit / borrower is also sent quarterly interest notices indicating the interest dues for the quarter along with earlier dues if any. The rate of interest is charged as per agreed terms.

The borrower should contact EDC office immediately in case of discrepancy, if any in the notices or if the notices are not received in time. The status of interest and term loan account of the concerned borrower can be handed over to the borrower as and when needed.

In case the borrower desires the working of interest calculations, as also the principal amount outstanding and overdues, the same can be furnished to the borrower within 2 working days. The breakup of penal, compound and simple interest can be furnished to the borrower as and when sought for within 5 working days.

FOLLOWUP & RECOVERY: The operations of Follow-up and Recovery Department are placed under General Manager (Recovery).

The concerned recovery officer makes frequent visits to the assisted units in his area as a follow-up to see the progress of the working of the unit, its operations etc.

Visits, reminders, discussions and persuasion are made for recovery of dues in time. In case of consistent and deliberate defaults, coercive action under Section 29, 30 and 31 of the SFCs Act or SARFAESI or PMRA, Recovery of debts due to Bank (DRT) or any other action under available provisions of the law is taken.

REPHASEMENT: In case the borrower avails substantially less amount as compared to the sanctioned amount, he can approach for rephasing of the schedule of repayment for the outstanding amount as compared to the originally sanctioned amount. This is normally appraised by the concerned area officer and put up for necessary approval to Managing Director. This reduces the amount of instalment, keeping the number of instalments almost the same.

RESCHEDULEMENT/ RESTRUCTURING: In case the account becomes sub standard or doubtful due to unavoidable circumstances and / or adverse market conditions, the borrower can seek reschedulement of outstanding interest and term loan. The detailed guidelines have been framed for reschedulement/ restructuring of such accounts. The borrower has to make an application for the same by payment of the prescribed fees.

AUCTION : The units attached under Section 29 of the SFC's Act 1951 / or SARFAESI Act after sending show cause and recall notice, is then publicly auctioned for sale. The Advertisement in newspapers are issued and tender papers are sold for each units being auctioned. Normally the tender document cost Rs. 100.00. The tender papers accompanied by Earnest Money Deposit (EMD) specified therein should be submitted to EDC Limited. The information about units available for sale; current public notice for sale description of assets are displayed on the website of the Corporation. (www.edc-goa.com).

Interested parties should participate in auction between tenderers. The sale of assets is on cash basis with 30% of total of purchase price (including EMD) to be deposited within 10 days of date of letter of acceptance and balance within 30 days from date of letter of acceptance. On receipt of full payment of the auction the assets are transferred in the name of the buyer. Before accepting the bid offer, the original borrower is given the first preference on the same terms.

DISCHARGE/NO DUES: No dues certificate alongwith discharge of the securities i.e. the release of original documents is issued within 15 days from the last payment and the request made by the borrowers.

PUBLIC GRIEVANCE CELL/GRIEVANCE BOX: Whenever there is any grievance or any difficulty encountered by the entrepreneur/client, he can contact the concerned General Manager or Chief General Manager or Managing Director to redress his grievance(s).

Managing Director is the Public Grievance Officer who handles all types of complaints and a reply wherever necessary is given within 15 days on the subject matter, after having necessary clarifications/consents/approvals, etc.

The complaints can be handed over directly to the Office of the Public Grievance Officer or placed in the Grievance Box which is kept at the entrance of the office.

The Corporation is following the working manual, EDC Citizen's charter and internal orders issued from time to time for decision making purposes, supervision and accountability.

SYSTEM: The Corporation has devised its objective of extending financial assistance for the industrial and economic development of the State. The procedures have also been well laid out for different functions. However, this is not an end in itself. The systems are being continuously modified/improved/updated, based on the changing environment taking into consideration various aspects of public services rendered by the Corporation. Accessibility, transparency, efficiency, effectiveness, quality, speed and simplicity of procedures with responsibility and accountability and empathy of the entrepreneurs are considered as the main aspects and elements in the Citizen's Charter. Hence it is advisable that the entrepreneur first visits this office and understands the system, procedure, prevailing terms and conditions, etc.

A Standard Time Chart for the various services provided is annexed. [Refer Link Document](#).

It may be noted that mere compliance of all requisite formalities does not entitle an entrepreneur to avail financial assistance from the Corporation. Each proposal received by the Corporation is considered on its merits of technical, commercial, financial, economic, environmental, managerial aspects etc. in addition to the Corporation's own experience in financing similar projects.