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AX1/CMB/Cir. 18/2004-05

Credit & Merchant Banking Department  
August 19,2004

ALL BRANCHES / OFFICES IN MAHARASHTRA

Cir.File No.117

Dear Sir,

Re : Finance Scheme for IT Training Institutes promoted by  
Maharashtra Knowledge Corporation Ltd.

Maharashtra Knowledge Corporation Limited (MKCL) is a public limited company promoted by the Government of Maharashtra for propagation of Information Technology in education.

MKCL has launched a state wide IT literacy drive in the form of Maharashtra State Certification in information technology programme (MS CIT) .

For this purpose MKCL has established network on the basis of Public Private Partnership (PPP) strategy through the involvement of several reputed institutions and hundreds of small and local educational enterprises and entrepreneurs. The network now constitutes over 3000 self sustained centres located all over Maharashtra.

This MS CIT course is being offered by Maharashtra Knowledge Corporation Ltd. through these 3000 recognised centres . MS CIT Examination is conducted by Maharashtra State Board of Technical Education and Certificate is granted to the successful learners.

Duration of the course is of 3 months and Course fee per candidate is Rs. 2010/\_  
The admissions process starts one month from the beginning of the course and the entire fees for the course in respect of the candidates registered is to be remitted by the centre to MKCL before commencement of the course irrespective of the fact whether the fee amount is received from the individual candidates or not.

After a period of two months from receipt of the course fees amount ranging from Rs. 1000 and 1100 i.e a minimum of 50% of the course fees per candidate is paid back by MKCL to the Centre as its share. This amount is utilized by the centres for running the training centres.

The remittance of fees by the centres upfront to MKCL is mandatory for all the centres. The training centres depending upon their individual financial strength allow candidates to pay fees in instalments during the course period.

To support the training centres to maximise intake of candidates for the courses a finance scheme is designed for the training centres as follows.

Name of the scheme: Finance Scheme for MKCL recognised IT training centres

#### Eligibility

The IT centres seeking finance under the scheme should satisfy the following eligibility criteria:

- a. The training centre should have necessary infrastructure to conduct the MS-CIT courses as per requirements prescribed by MKCL.
- b. The centre should be recognised by MKCL for conducting the MS-CIT courses and should possess necessary Certificate/Letter from MKCL in this respect.
- c. The Centre should find place in the list of Centres published by MKCL on its authorised site [www.mkcl.org](http://www.mkcl.org)
- d. The centre should not be enjoying any existing credit facility with any other Bank Financial/Institution.

#### Nature of Facility

The nature of the Credit facility to be made available to the training centres will be by way of Cash Credit Limit.

Quantum of Limit and assessment of the requirement and determination of the drawing power.

The courses have a duration of 12 weeks and four batches are covered in a academic year i.e. April to June , Jul to Sept., Oct to Dec and Jan to March.

The fees for the courses are Rs.2010/- per candidate.

. Since MKCL remits 50% of the fees back to the training centre within 2 months and before completion of each course the CC account of the training centre will come into credit balance on receipt of 50% of the fees remitted by MKCL before completion of each course. The limit to be reinstated for the subsequent course only after the receipt of the 50 % of the fee remittance is received back from MKCL and the limit is brought into credit balance.

However training centre has enrolled more candidates for the current course for which the limit is sought, then the limit may be fixed on the basis of the actual number of candidates enrolled or the maximum limit of Rs. 50,000/- whichever is lower.

#### Drawing Power

The Drawing power will be to the extent of 50% of the total amount of fees payable for candidates enrolled for the course in the relevant quarter or the Maximum permissible limit of Rs. 50,000/- which ever is lower.

The centres to submit a list of candidates admitted to the course before the beginning of the course.

The branch should verify the data on enrolment of the candidates , fees collected from the candidates and deposited in the account from the admission register and the fee receipt books with the centre.

The remittance of the fees to MKCL will be through the CC account i.e. the fees collected by the centre will be deposited in the CC account. The centre will remit

the fees for all the candidates enrolled for the course in the relevant quarter, to MKCL by DD in favour of MKCL by availing the DP available in CC limit.

### Security

The primary security will be by way of hypothecation of receivables. I.e. amount of share of fees receivable by the centre from MKCL.

The collateral security for the limit to be by way of equitable mortgage of house property, business premises etc. or paper securities(NSC,KVP,LIC,RBI Bonds etc.) to the extent of the amount equivalent to the limit.(100%)

In case of house property/business premises the valuation report should be of latest date. The search report and legal opinion on mortgageability of the properties will be essential.

In case of paper securities by way of LIC policy is offered the surrender value of the policy will only be reckoned for determining the value of the security. Bank's lien on the paper securities to be registered with the issuing authorities as per the existing guidelines.

Rate of Interest : @BPLR

Credit rating will not be made applicable and interest rate as per existing guidelines for commercial advances where credit rating is not applicable will apply .In the instant case the interest rate applicable will be at BPLR.

Review : after 12 months.

Processing fees : As per extant guidelines.

Other conditions :

1. The training centre should open current account with the branch. The CC limit when sanctioned to be availed through this account.

3. The Letter from MKCL should include a clause that the pay back of 50% of the course fees to the centre and the time schedule agreed will not be altered during the currency of our Finance. This undertaking will be necessary as the quantum of finance to the centres is based on these provisions.

If any Change in the arrangement if desired by MKCL, then the same should be informed to the Bank well in advance by MKCL to enable the Bank to consider it.

4.The entire fee collection to be deposited in the CC account. DD towards remittance of the fees to MKCL should be invariably made through the CC account. Further it is added that all transactions in respect of the MKCL training courses for which the limit will be provided should be routed through the CC account.

5.The Financial statements of the individual centre proposed for financing may be obtained for the sake of information and to ascertain whether the centre generates adequate cash surplus to service interest. The assessment of the limit should be done on the basis of the fee remittance to MKCL as stated earlier . The branches may obtain the copies of receipts for fees remitted by the centre for the preceding 3 courses for assessment of the limit or if warranted may seek independent

confirmation from MKCL. The DP to be determined as explained under the caption Drawing power on page No. 3 of this circular

6.The branches should ensure that the amount to be paid back by MKCL is received by the centre by the end of each course and follow up if necessary may be made with MKCL if the same is not received.

7.Insurance cover for tangible security mortgaged to be obtained.

8.The limit /facility is only for working capital as discussed above and to be made available to existing established IT training centres recognised by MKCL only. The facility should not be made available for setting up of new IT training centres.

9.The scheme will be available to the branches located in Maharashtra only as the recognised training centres are in Maharashtra state only.

10.The granting of the credit facility to the centre will be at the sole discretion of the Branch, on evaluation of the individual proposals from the centres on merits.

The scheme provides good business opportunity to branches in Maharashtra and therefore the branches are advised to make the best use of the scheme for business development.

Yours faithfully,

Dy. General Manager  
Credit.