



## BEST PRACTICES 2020-21

### Best Practice -I

#### 1) Title of the Practice:

#### DIGNITY

#### 2) Objectives of the Practice

To provide financial help to Covid-19 Pandemic affected parents to pay the fee of their children studying in Maharashtra College of Arts, Science and Commerce & Dr. Rafiq Zakaria Centre for Post Graduate Studies and Research.

#### 3) The Context

A large number of students had not paid the college fee due to financial constrains in Covid-19 pandemic. If the students fail to pay the fee their academic year may lapse. It was a challenging task for the college to recover the fee from such students. Hence, the authority of college decided to make a team to find out the actual cause and solution for this.

#### 4) The Practice

As per the directives from College authority, a team consisting of teaching staff prepared a list of student with outstanding fee with the help of office student record. This team was responsible for contacting the parent or guardian to know the actual cause for not paying the fee. To raise the fund an appeal was made to college staff as well as outsider to help the needy parents in this crisis. A good number of staff members and outsider came forward to help the needy parents either in form of Charity or Zakat in order to pay the outstanding fee of their children.

The parents or guardians of the students having outstanding fees were asked to meet the college authorities. In consultation with parents, some parents agreed to accept the help in the form of Zakat while some parents in spite of being deserved for Zakat showed their willingness to return the amount in instalments. To maintain the dignity of such parents the college authority decided to sanction interest free loan.

The college helped the deserving students for the payment of outstanding fee from following sources:

- Student Aid Fund (SAF)
- Charity/ Zakat from College staff and
- Charity / Zakat from Outsiders

Giving interest free loan to students for paying their outstanding fees is a unique idea where the dignity of the parents and students can be maintained. As they were in need of some financial help for the time being, therefore keeping their self-respect in mind, this scheme was developed. The students from Junior and Degree College could continue their course through this scheme.

#### **5) Evidence of Success:**

In spite of all odds, the scheme DIGNITY proved very successful. Around 53 students from junior as well as degree section benefitted through the DIGNITY scheme. They were able to pay their outstanding fees in time and appeared in the exam. The parents were very happy as they were much tensed due to non-payment of fees of their children.

The success of this scheme indicates that in difficult times if we help parents and students, keeping in mind their dignity, they are happy and satisfied and get motivation to study further and face any challenge in their lives. The summary of the scheme is as follows:

Total fund generated	Rs. 2,98,086/-
A) Amount Sanctioned through Zakat	Rs. 1,51,780/-
B) Amount Sanctioned through interest free Loan	Rs. 61,180/-
C) Amount Sanctioned through SAF	Rs. 78,000/-
Total (A+B+C)	Rs. 2,90,960/-

#### **6) Problems Encountered and Resources Required:**

Limitations faced during the process:

- Generation of fund for giving interest free loan to large number of students.
- Fixing the number of instalments as some parents may ask more number of instalments and if permitted, then it might delay the recovery of the loan and this may create problems in successful implementation of the scheme.
- Difficult to meet each and every parent or student in the college and investigate their case if they were really deserving or needy.
- Disbursement of the amount to them either interest free loan or Zakat, was also difficult as they were not able to come to the college easily, particularly the parents staying far away from the college.
- COVID norms were followed during the entire exercise.

#### **7) Notes:**

Generally, the scheme of interest free loan is not adopted. Instead, the help by way of charity or donation is given. But by giving interest free loan, the DIGNITY of parents and students can be maintained and they can also solve the problem of financial crisis with self-respect. Other colleges can also help the needy students in this way.

## Best Practice -II

### 1) Title of the Practice:

**Maharashtra College Employees Co-operative Credit Society Ltd.**

### 2) Objectives of the Practice

To provide financial assistance to the in-service employees of Maharashtra College of Arts, Science and Commerce & Dr. Rafiq Zakaria Centre for Post Graduate Studies and Research in financial constraints.

### 3) The Context:

It was observed that many in-service employees of Maharashtra College were facing financial constraints. Hence, Maharashtra College Employees Co-operative Credit Society Ltd. was established in 1971 with an objective to provide financial assistance to the in-service employees of Maharashtra College. The society is registered under Co-operative Credit Society Ltd. (BOM/RSR/552/1971 dated 23/3/1971). The credit society is transparent and functioning smoothly till date. The newly appointed employees are encouraged to become a member of the society to get the financial assistance with 0% interest rate.

### 4) The Practice:

In order to provide the financial assistance in terms of loan, the availability of fund is the most challenging issue. The society has set the monthly contribution from each employee. The average contribution amount is around 1500/-. This monthly contribution generates the fund. The members can apply for loan after six months of their membership registration. The members have to pay 0.5% of loan amount as processing fee along with the application. The loan amount is sanctioned depending upon the contribution by each member.

The minimum contribution amount and limit of loan amount is as follows:

<b>Contribution amount</b>	<b>Loan eligibility</b>
Rs. 20,000/-	Rs. 50,000/-
Rs. 30,000/-	Rs. 1,00,000/-
Rs. 50,000/-	Rs. 1,50,000/-
Rs. 70,000/-	Rs. 2,00,000/-
Rs. 80,000/-	Rs. 2,50,000/-
Rs. 1,00,000/-	Rs. 3,00,000/-

The members can pay their EMI and monthly contribution in maximum 84 months and can also do prepayment. In addition to this, the credit society also provides emergency fund of Rs. 20,000/- irrespective of the contribution amount. The emergency fund has to be paid by member in maximum 10 installments.

The Maharashtra College Employees Co-operative Credit Society Ltd. is known for financial assistance to its teaching and non-teaching staff. The members can get the loan for higher studies of their children at 0%

rate of interest. This feature reduces the additional burden of interest amount on members. The members get 100% contributed amount on retirement. On 10, 20 and 30 or more years of membership, the retiree will get Rs. 2000/-, Rs. 3000/- and Rs. 4000/- respectively. If the member expires, the nominee will get Rs. 5000/-. The credit society gives Rs. 10,000/- to the members suffering from cancer/ heart problem/ kidney failure from Share Holder Welfare Fund.

**5) Evidence of Success:**

The Credit Society has been sanctioning loan to its employees since long. The number of beneficiaries of last three years is mentioned below.

<b>Sr.</b>	<b>Financial Year</b>	<b>No. of beneficiaries</b>	<b>Total amount credited</b>
1	2018-19	27	75.70 L
2	2019-20	32	79.80 L
3	2020-21	37	1.04 Cr

The success of credit society is evidenced by the number of beneficiaries and amount credited. The data reveals the availability of enough funds and the limit of loan amount may be increased in future. The credit society provides facility to existing loan borrowers to apply for further loan if they have paid 50% of existing loan amount.

**6) Problems Encountered and Resources Required:**

The credit society receives many loan applications so it requires time to sanction the loan to each applicant. Sometimes it takes up to six months for loan sanction. This is the major problem in case of urgent loan. This problem can be resolved if the EMI payment period is reduced. This will generate the fund easily and the loan can be sanctioned to maximum applicants.

**7) Notes**

Other colleges can also provide financial assistance to their employee with 0% interest rate.

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