Guidelines for Implementation of Group loaning activity in PSBCS

Federation is proposed to implement Group loans as Consumption loans to the members of Primary Sheep Breeders Cooperative Societies @ 6.9% Interest rate.

1. **Objective of proposal:** Creation of fund to PSBCS, DSBCU and also long-term sustainability of societies.

2. **Purpose of Loan**: To provide Credit facility to Primary Sheep Breeders Cooperative Society members for consumption needs like

    1. Ram lamb units/Ewe lambs
    2. Sheep rearing units
    3. Feed, Medicines and Vaccines
    4. Marketing of sheep
    5. Health care activity
    6. Purchase of Breeding Rams etc.

3. Scale of Finance: Loan amount: minimum of Rs 25000/- and not exceeding 1 lakh, which may extended to 3.00 lakh as per the need and repayment capacity of the beneficiary.

4. Interest Rate: The loan shall carry rate of interest 6.9%.

- Payment of Interest shall be done on half yearly along with the Loan amount. Rate of interest charged is 6.9% which can be calculated through Equitable Instalments.

  Sharing pattern of Interest earned:

APSGDCFL	5.25% P.A
DSBCU	1.00% P.A
PSBCS	0.65% P.A
	6.90% P.A

- DSBCU may transfer the total recovery (Principal + Interest) paid by the PSBCS/borrower to APSGDCFL immediately.
- The APSGDCFL will appropriate the recovery amount to the loan account of DSBCU as per recovery schedule. The Federation will transfer the share of interest margin @ 5.25%, **1%** and **0.65%** to APSGDCFL, DSBCU and PSBCS respectively from the total interest amount paid. The respective interest margin will be transferred in lump sum on or before March in every year.

5. Sanction of Loan amount:

The Loan amount should be transferred from APSGDCFL to DSBCU

APSGDCFL

↓

DSBCU

→ Share capital (3%) to DSBCU account

→ Processing Fee (2%) 1% to APSGDFCL account

1% to DSBCU

PSBCS

↓

Beneficiary/Borrower

6. **Margin money/Share capital**: **3%** of Total loan amount. The share capital amount should be kept in DSBCU Account.Seperate Share capital Register should be maintained for every affiliated society in DSBCU.The share capital amount of **3%** shall be posted in the said Register.

7. **Processing Fee: 2%** total loan amount.
    - One time processing fee would be deducted from the borrowers sanctioned loan amount before it is disbursed.
    - DSBCU may utilize 1% of processing fee to meet managerial, miscellaneous expenditure and also with the approval of Managing Committee.
    - Balance of 1% of processing fee will be transferred to Account of MD, APSGDCFL with the Bank particulars are here under.

Name of the Account	M/S. A.P.Sheep & Goat Development Cooperative Federation Ltd
Name of the Bank	AndhraPradesh State Cooperative Bank Ltd.
Name of the Branch	Brundavan Gardens
Account Number	996100360001643
IFSC Code	APBL0000003

8. **Repayment:** The Loan is repayable in half yearly instalments along with interest within a period of 2 years.

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a. Foreclosure charges: It would be levied if the borrower prepays his loans/closes loan amount before completion of the loan amount.

b. In case of default in payment of instalment / Delayed payment of instalments the Penal interest @ 2% will be levied over and above the Normal interest rate.

9. Selection of the society:

- The society should be functioning and there shall be an elected /PIC committee to manage the affairs of the society. The society must be affiliated to District union.
- Identify the societies based on credibility to get credit/financial assistance.
- The District Union shall be responsible for identifying eligible societies and recommend for sanction of loans with Management Committee resolution of concerned PSBCS & DSBCUs.

10. Selection of the Beneficiary:

- He should be a member of society.
- He should be between 18 to 60 years of age.
- He should have a Aadhar and Bank account
- He should have at least 20sheep/Goat and must be practicing sheep rearing activity at present.
- He shall abide by the terms and conditions laid down by the Federation/ District union pertaining to repayment of Loan.

11. Resolution of PSBCS and DSBCU:

There shall be resolution of the Society for identification of beneficiary and sanction of loan. Resolution of PSBCS and DSBCU is mandatory for sanction of Loan amount. The District Unions shall arrange for orientation on Grounding of sheep units and loan repayment.

12. Terms of Mortgage: Go through the Loan Manual communicated.

1. Upto Rs 3.00 lakhs - Charge a Declaration Bond / Form B
2. From Rs 3.00 lakh to Rs 50.00 lakh - 1. Simple Mortgage
   2. Equitable Mortgage

13. Sanction of Loan:

The DSBCU shall ensure successful completion of the sanctioning of loan basing on the resolution of District Union for sanction of loan to the members of the society.

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All the documents filled and signed along with mortgage and surety bonds etc, shall be kept under the safe custody of District Union.

14. Valuation certificate:

Soon after completion of Grounding of Sheep Units, Valuation certificate of sheep rearing unit shall be furnished duly authorized by local VAS/AVH AD along with photo of Sheep/Goat Unit and beneficiary.

15. Maintenance of Registers:

At the Primary Society level and at the District Unit level, Loan Distribution cum Loan Ledger, Cash Book should be maintained.DCB Register (Demand ,collection, Balance),

Declaration Bond/Mortgage Bond Register, Cheque issue Register, Share Capital Register, BR Register, Interest Repayment Registers etc. should also be maintained separately.

16. Utilization Certificate and Disbursement Voucher:

Soon after completion of Grounding of Sheep Units, utilization certificate and Disbursement voucher shall be furnished for the sanctioned loan amount.

17. Loan Clearance:

The District Union, soon after recovery of Loan amount with Interest, the mortgaged documents shall be handed over back to the concerned beneficiary/Borrower duly obtaining the permission from MD, APSGDCFL before issue of clearance certificate. A clearance Certificate duly signed by the Executive Director shall be given to the beneficiary by cancelling the Mortgage.

Sd/-Dr.K.VenkataRamana
Managing Director

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