

(Annexure-I)

APCOB Refinance Policy for Schematic Lendings for the year 2019-20

1. Preamble:

The LT Loaning Programme allocations given to DCCBs during the year 2018-19 expired by 31.03.2019 and fresh allotments for the year 2019-20 were made under various purposes to all the 13 DCCBs.

The NABARD has communicated Refinance Policy for Schematic Lendings for the year 2019-20 vide Circular No. NB.DoR/3204/PPS - 9/2018-19, dt.25.03.2019. Based on the NABARD Policy, The APCOB Refinance Policy for schematic lendings for the year 2019-20 is prepared.

2. Eligibility Criteria:

Taking into the account, the norms laid down by NABARD the eligibility criteria of the DCCBs for advancement of LT loans is devised as follows For the year 2019-20:

a) CRAR:

No refinance would be available to DCCBs having CRAR below 9% as on 31.03.2018.

b) Audit:

The DCCBs with audit classification 'C' and 'D' for the year 2017-18 will not be eligible for refinance.

The drawals will be considered during the period from 01.04.2019 to 30.09.2019 based on their audited financial Position as on 31.03.2018 or 31.03.2019(if audited position as on 31.03.2019 is available). From 01.10.2019 to 31.03.2020, the same will be based on their audited financial position as on 31.03.2019. Sanction and drawals on or after 01.10.2019 will be permitted only to such DCCBs, which have completed the audit and submitted the relevant audit report to the APCOB.

In case any DCCB slips into C or D classification In the Audit of 2018-19, refinance to such DCCBs will be stopped Immediately.

5. Extent of refinance:

- (i) 100% for all thrust areas.
- (ii) 97.5% for all other diversified purposes and Krishak Sathi Yojana.

6. Terms and Conditions for Sanction of L.T. Loans:

In addition to the terms and conditions communicated from time to time for different purposes under LT Loaning the following are the additional terms and conditions:

As already communicated vide our letter No.APCOB/2/OPR dt.16.1.2007, DCCBs should ensure that the PACS should have a **minimum recovery percentage of 50% as on 30.06.2018** under LT, to become eligible for securing allotment of LT Loaning Programme. A Certificate to this effect should be furnished along with the reimbursement claim.

The eligibility of PACS will be arrived based on the recovery percentage as per the PACS-wise Member level DCB as on 30.06.2018 up to 31.08.2019 and based on the PACS-wise Member level DCB as on 30.06.2019 from 01.09.2019 onwards.

- i. In case of Farm Mechanization and Two Wheeler Loans, the borrower should meet **25% of the cost by way of margin money/down payment** including share capital contribution.
- ii. In case of Minor Irrigation Loans, if the borrower does not meet 25% of the cost by way of margin money/down payment including share capital contribution, loans may be sanctioned subject to the fulfillment of the following conditions:
 - a) Borrower must be Kisan Credit Card A/C holder and must be operating the account regularly.
 - b) The electric pump set financed by the DCCB should have been registered with Electricity Dept., i.e., the DCCB should ensure that the service connection number is available at the time of release of loan towards the purchase of pump set/electric motor/submersible pump set as the case may be.
 - c) The PACS/DCCB should ensure that the asset financed is insured, till the loan amount is repaid in full.

8. Reimbursement of Disbursements made by DCCBs – Preferring claims from NABARD:

After making disbursement to the borrowers through PACS/ Branch, the DCCB may prefer reimbursement claims to APCOB in the prescribed proforma under 1st Installment as well as 2nd and subsequent installments separately.

The following aspects will be verified while processing Drawal applications of DCCBs:

1. Verification of Rate of Interest in case of first installment.
2. Repayment period.
3. Total Sanctioned amount per unit as per guidelines in vogue.

In addition to the above, the DCCBs are required to submit the following certificates along with the drawal application/reimbursement claims.

1. Proforma Certificates
2. Certificate on maintenance of Books of Accounts at PACS level.
3. Certificate to the effect that the Cheques not encashed at ground level are not included in the present claim (Effective Mortgage Certificate)
4. Certificate to the effect that the PACS through which loans were financed to borrowers are eligible for LT Loaning as they have full-filled the minimum recovery norm of 50% under LT as on 30.06.18.
5. Certificate of period of disbursement made by the DCCB.
6. Statement with full particulars of borrowers i.e, Loans sanctioned, Margin Money/Down Payment, Share Capital collected under Farm Mechanisation.
7. Certificate under Minor Irrigation as indicated at para 4.2.(a)(b)&(c)
8. Financial particulars and Position of Liquid Assets.
9. Certificate to the effect that the Mortgage Bonds executed by the Borrowers against the present claim are under the custody of DCCB.

12. Time frame for sanction and disbursement of loans by PACS/DCCBs

Particulars	Loans upto Rs.2 lakhs	Loans above Rs.2 lakhs
Admission of Loan Application along with Pattadar passbook and title deeds - Preliminary Scrutiny	Day 1	Day 1
Obtaining of E.C.	Day 2	Day 2
Field inspection, appraisal, scrutiny	Day 3	Day 3 & 4
Legal Scrutiny and sanction by PACS	Day 4	Day 5 & 6
Loan Case No. and Sanction by Branch/HO of DCCB	Day 5	Day 7
Execution of Mortgage Bond and forwarding of Loan application along with Mortgage Bond to the Branch/HO from PACS	Day 6 & 7	Day 8 & 9
Sanction and disbursement by HO/Branch/PACS	Day 8	Day 10

13. Land valuation & Eligibility criteria :

Keeping in view the existing land valuation norms the following modifications were made in order to help the farmer/borrower

A. 100% of SRA Value (or)

B. 200% of SRA value subject to the maximum limits indicated by APCOB vide circular dated 10.06.2013 viz., Double Crop wet land - Rs.2.50 lakh, Single crop wet land - Rs.1.50 lakh and Dry land - Rs.1.00 lakh.

(Note: When only 100% of SRA value is taken, then there will not be any maximum ceiling limit per acre as indicated in APCOB circular dt.10-6-2013. This is in order to give benefit to the borrowers where the SRA values of the lands are fair enough)

A or B whichever is higher.

Furnishing of SRA Value certificate is a must.

However, the DCCBs should have placed the above subject before their Board of Management for consideration and approval, before implementing the same.

(v) The DCCBs should furnish the periodical returns to APCOB promptly without any delay.

(vi) The DCCBs should pay the instalments (Principal + Interest) on the specified due dates.

(vii) The DCCBs are advised to continue the preparation of DV files and keep them in safe custody, as per the guidelines already issued in the matter. The DCB should prepare Branch-wise list of DV files so as to enable the APCOB officers to verify the DV Files in selected Branches.

(viii) The DCCBs are advised to furnish monthly statements with regard to Test Verification, Utilisation study, Test Field Inspection and Test Legal Scrutiny, as instructed by CMI & AD vide Circular dated 17.2.2010.

(ix) A statement showing the details viz. loan A/c No, name & address of the borrower, mobile No, date of disbursement, amount, mode of disbursement, and name of the PACS/branch should be furnished with drawal application to the APCOB.

(x) The DCCBs should furnish loan documents under LT (Agri.) Finance such as, Loan agreement, D.P. Note etc. to APCOB for the year 2019-20 along with Board Resolution. The DCCBs are also advised to obtain agreement from PACS in the proforma communicated.