



OPERATIONAL GUIDELINES

For

BALARAM

(**Bhoomihina Agriculturist Loan And Resources Augmentation Model**)



Department of Agriculture & Farmers' Empowerment

Government of Odisha



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1. Introduction

As per the Census 2011, about 83.3% people of Odisha are living in rural areas. The majority of the rural workforce of Odisha is engaged in Agriculture and allied activities and Agriculture sector still continues to be the major source of livelihoods for a major part of the population of the state. Also during the current situation of the COVID-19 pandemic, the state can leverage the potential of agricultural sector in reviving the economy. Usually, the lessee cultivators / sharecroppers who are landless or marginal cultivators do not have access to most of the assistance and facilities provided by Government. It is necessary to strengthen the farmers cultivating land as share croppers in the state and enable them to avail loan through formal credit institutions.

In 'SAMRUDHI' the new Agriculture Policy-2020 of Govt. of Odisha, one of the important measures of action is the promotion of a new model to facilitate sharecroppers by providing institutional credit. SAMRUDHI has envisaged many steps for providing all required support to the landless farmers, sharecroppers and oral lessees.

According to the estimation of the Agriculture Census 2015-16, there are 48.66 lakhs operational holdings in Odisha. Out of this about 9.05 lakhs operational holdings are of "leased in" tenancy status (2.83 lakhs are of "wholly leased in" and 6.22 lakhs are of "partly leased in" tenancy status). In brief about 18.6% of operational holdings are being operated by sharecroppers out of which 93.2% are small and marginal farmers.

Keeping in view the above, Government of Odisha in collaboration with NABARD has evolved an alternative mechanism for purveying credit particularly crop loan /Kisan credit card through formal credit institutions in Odisha to Lessee Cultivators/ sharecroppers. The mechanism envisages forming Joint Liability Groups (JLGs) as a strategic intervention and accessing bank credit thereby reducing the dependence of these groups of farmers on informal sources of credit. Accordingly, the scheme "**BALARAM**" (**Bhoomihina Agriculturist Loan and Resources Augmentation Model**) has been formulated.

2. Aims and Objectives of the Scheme

- i. To augment flow of credit to farmers cultivating land as tenant farmers, oral lessees or share croppers who do not have proper title of their operational land holding, through formation and financing of JLGs.

- ii. Formation of One lakh Joint Liability Groups of Lessee Cultivators / sharecroppers or oral lessees in the State covering 05 lakh such farmers over a period of 2 years which will serve their common interest regarding access to credit from formal financial sector.
- iii. To extend collateral free loans to target clients through JLG mechanism.
- iv. To execute the programme by close coordination of State Government, Banks and eligible farmers.

3. Project Holder

Department of Agriculture and Farmers' Empowerment, Government of Odisha will be the project holder and the scheme will be implemented under their overall supervision and guidance. Institute on Management of Agricultural Extension (IMAGE) has been declared as the Nodal Agency for implementation of "BALARAM" and the structural platform of Agricultural Technology Management Agency(ATMA) shall be leveraged for programme execution.

4. General features of JLG

A Joint Liability Group is an informal group comprising of 4-10 individuals coming together for the purpose of availing bank loan on individual basis or through group mechanism against mutual guarantee. The management of the JLG is to be kept simple with little or no financial administration within the group.

5. Criteria for membership

- i. Members should belong to similar socio-economic status, background and environment carrying out farming and allied activities and who agree to function as a JLG. This way the groups would be homogeneous and organised by likeminded farmers/individuals and develop mutual trust and respect.
- ii. The members should be residing in the same village/ area/ neighbourhood and should know and trust each other well enough to take up joint liability for group/individual loans.
- iii. Members who have defaulted to any other formal financial institution, in the past, are debarred from the Group Membership.
- iv. More than one person in the family should not be included in the same JLG.

Definition

Lessee cultivators /Sharecroppers -Any person who cultivates an agricultural land of another person for the purpose of agriculture and allied activities on a consideration in cash or kind or both as per their mutual agreement.

6. Critical factors in JLG approach

The success of JLG concept depends on several factors. However, following factors are critical -

- i. The concept depends heavily on mutual trust within the groups and on peer pressure for the repayment of loans.
- ii. The quality of group leadership is critically important for the sustainability of the group.
- iii. The quality of group leadership is critically important for the sustainability of the group.
- iv. The JLG exists only for the single purpose of expediting certain categories of loans. Generally they are not multifunctional groups.

7. Eligible Activities

All cropping activities (including Horticulture crops) are eligible under the scheme.

8. Major strategic steps of the Scheme

Proper identification of the borrowers and implementation of scheme through a dedicated nodal agency are crucial for success of the scheme. To address this issue, IMAGE, Bhubaneswar will act as Nodal Agency for implementation of the Scheme at State level. The implementation and monitoring of the Scheme will be taken up by Project Director, ATMA at District level and Block Agriculture Officer/AAO at Block level. The formation of JLGs of eligible landless farmers cultivating land as sharecroppers or oral lessees will be undertaken by Krushak Sathi (KS) of Department of Agriculture and Farmers' Empowerment at Gram Panchayat/ village level. The step-wise process of implementation of the Scheme would be as under:

- i. Assignment of targets for formation of JLGs for a particular financial year to Krushak Sathi (KS) on gram panchayat basis by PD, ATMA /Block Agriculture Officer.
- ii. Krushak Sathi will identify such eligible farmers/oral lessee in allotted Gram Panchayat who are not defaulters to any formal financial institutions and prepare list of such beneficiaries and share it with the local bank branches/PACS who have been assigned the villages/Gram Panchayat as per service area scheme in a specified format.
- iii. Bank Branches/PACS will check the list and eliminate existing loanees /defaulters from the list.
- iv. After receiving revised list from Bank branches/PACS, the Krushak Sathi will form JLGs in the villages/Gram Panchayats assigned to him as per

guidelines, provide necessary hand holding support to the beneficiaries and help the JLGs in filling various forms / preparing documents to be submitted to Bank / PACS for availing loan.

- v. Based on the application of the beneficiaries/JLGs regarding area of cultivation by them, the Village Agriculture Worker/Horticulture Extension Worker/Agriculture Overseer of the concerned Gram village/Panchayat will verify the details and prepare “**Certificate of Cultivation**” which will be countersigned by BAO/AAO at block level. The Certificate of Cultivation will provide/contain details of land under cultivation along with information about crops grown in a format specified in the guideline.
- vi. Krushak Sathi will help JLGs in preparation of loan application and submission of the same along with Certificate of Cultivation to concerned Bank branch/ PACS for credit linkage.
- vii. The Bank branch will issue KCC/crop loan to JLGs based on Certificate of Cultivation and calculate the eligible loan amount as per scale of finance of the district.
- viii. Krushak Sathi will prepare detail information regarding status and progress of formation and credit linkage of JLGs and appraise the VAW/HEW/AO about the progress of the scheme.
- ix. To bring transparency and better monitoring of the scheme, a dedicated portal for the scheme will be created by Department of Agriculture and Farmers Empowerment, Govt. of Odisha so that the data uploaded by Krushak Sathi can be viewed and shared with other stakeholders including Banks. However, till such time the portal is functional, manual format will be used for formation and credit linkage of JLGs.
- x. Krushak Sathi will also build the capacity of the beneficiaries for prompt repayment of loan availed.

9. Institutional Structures to support the Scheme

State Level –Institute on Management of Agricultural Extension (IMAGE), Bhubaneswar an autonomous society under the Government of Odisha will act as Nodal Agency for implementation of the Scheme at State level. The scheme will be monitored and reviewed by them as per guidelines issued by Department of Agriculture and Farmers’ Empowerment, Government of Odisha from time to time.

District Level – The implementation and monitoring of the scheme will be taken up by Project Director, Agriculture Technology Management Agency (ATMA) of each district of Odisha. ATMA will make an assessment of eligible beneficiaries and no of JLGs after the completion of activities mentioned in point (b),(c) and (d) of para 8 of these guidelines by Krushak Sathis.

Block Level - The implementation and monitoring of the scheme will be taken up by Block Agriculture Officer of each Block of Odisha. He will assign target to each Krushak Sathi for formation, nurturing and credit linking of JLGs in each Gram Panchayat of the District.

Gram Panchayat Level – Each Gram panchayat of Odisha will be entry point for implementation of the scheme. Krushak Sathi nominated by the concerned CDAO on behalf of Department of Agriculture and Farmers' Empowerment, Government of Odisha in each Gram Panchayat will be grass root level functionary for identification of eligible farmers, formation, nurturing and credit linking of JLGs as per targets assigned to them, under the supervision of the concerned VAW/HEW/AO.

10. Capacity building

NABARD, Odisha R.O., Bhubaneswar will conduct a State level workshop for officials of Department of Agriculture and Farmers' Empowerment, IMAGE and Banks involved in the scheme to familiarise all stakeholders with the details of the scheme so that state level units of different departments and banks can issue instructions to ground level implementing units to actively participate in the implementation of the scheme. Further, NABARD will also support in conducting such training programmes at district level to train District level officials, core team of ATMA, Banks or any other agency identified by the Department Agriculture & FE. The core team of ATMA at district level is expected to sensitise block level core team of ATMA, Banks and other stakeholders who in turn will train Krushak Sathi/Village Agriculture Worker (VAW)/ Horticulture Extension Worker (HEW)/Agriculture Overseer.

The broad components of the training include concept of JLG, steps for formation of JLGs, formats to be used in formation of JLGs, incentive structure for formation and credit linkage of JLGs, repayment, roles and responsibilities of the stakeholders including Banks etc. Some formats are also included in annexure for ready reference.

11. Use of technology

Department of Agriculture and Farmers' Empowerment, Government of Odisha will develop a dedicated portal (either web-based and/or app-based) to capture the data of JLG formed by KrishakSathi, generation of Certificate of Cultivation, monitoring of applications assigned to bank branches and sanction of loan and MIS for district/state level monitoring and review etc. Further, the database would be used for administration of interest subvention, input subsidy administration or any other benefits to the groups, if envisaged.

12. Certificate of cultivation

A “**Certificate of Cultivation “ (CoC)”** shall be issued to the individual member of the “ Joint Liability Group” that has been formed for cultivation of seasonal crops and availing crop loan from the financial institutions for the said activities. The following process shall be followed for issue of “Certificate of cultivation”. The specimen copy of the Certificate of Cultivation is attached at **Annexure- I.**

In order to avail the “Certificate of Cultivation” the farmer has to submit an application in the prescribed format (**Annexure-II**) to the Krushak Sathi of the concerned Gram Panchayat.

- i. Upon receipt of application, the Krushak Sathi will visit the crop field of the applicant and verify the details of the field.
- ii. He/ she should complete this verification within 7 days of receipt of application.
- iii. After field verification, the Krushak Sathi will record his/her observation in the same form (overleaf) and submit it to the Village Agricultural Worker/Agriculture overseer who will countersign the verification form and submit the same to the concerned Assistant Agriculture Officer (A.A.O) within 3 working days.
- iv. Thereafter the Assistant/Block Agriculture Officer (B.A.O) will issue the CoC to the eligible farmer within 3 working days.
- v. The VAW/A.O should make at least 10% verification of the field on random basis and if necessary the RI/RS may check the particulars for accuracy.
- vi. The A.A.O should make at least 5% verification of the field on random basis
- vii. The A.A.O should maintain details of all the CoCs issued in a season.
- viii. The CoC will only be used for the purpose of availing crop loan from the financial institution under “**BALARAM**” scheme and no other purpose. In case of default by the sharecroppers(to whom CoC has been issued) there shall be no liability on the owner.
- ix. Presently the process of issue of CoC will be done manually and subsequently the entire process shall be digitized in the phased manner.

13. Credit assessment by Banks and sanction of loans to JLGs

13.1 Purposes of credit - The finance to JLG through KCC is expected to be a flexible credit product addressing the credit requirements of its members which includes crop production, consumption, marketing and other productive purposes.

13.2 Credit Assessment - The JLGs under the supervision of Krushak Sathi would prepare a credit plan for its individual members and an aggregate of that is submitted to the banks along with certificate of cultivation.(A format for preparation of credit plan is given as annexure to this guideline) Banks may evolve simple loan application for this purpose. For

the convenience of the Banks a format is enclosed herewith for their ready reference. The individual members of JLG would be eligible for bank loan/KCC after the bank verifies the individual members' credentials if required. The financing bank branches/PACS can access the list of JLGs along with details of members assigned to their branches in the portal and self monitor the process of submission, sanction and disbursement of loan.

13.3 Documents - The documents to be obtained from JLGs promoted under the scheme include “Introduction form”, “application cum appraisal form”, “mutual guarantee & DPN”. Set of specimen forms of each of these is enclosed. Banks may make use of the forms with suitable modifications if necessary.

13.4 Financing Model

13.4.1 Model A

Individual Financing - Each member may be provided an individual KCC loan. The financing bank could assess the credit requirement, based on the crop to be cultivated, available cultivable land/activity to be undertaken and the credit absorption capacity of the individual. Similar assessment of credit need would be done in case of fishery activity. All members would jointly execute a loan document, making each one jointly and severally liable for repayment of all loans taken by all individuals belonging to the group.

The mutual agreement needs to ensure consensus among all members about the amount of individual debt liability that will be created including liability created out of the individual loan. Any member opting out of group or joining the group will necessitate a new loan agreement, to be kept on record in the bank branch.

13.4.2 Model B

Group Mode Financing - The group would be eligible for accessing one loan, which could be combined credit requirement of all its members. The credit assessment of the group could be based on the available cultivable area of each member of the JLG/ activity to be undertaken for farm sector or off-farm sector. All members would jointly execute the document and own the debt liability jointly and severally.

The mutual agreement is needed to ensure consensus among all members about the amount of individual debt liability that will be created. Any change in composition of the group, will lead to a new document being registered by the bank branch.

The Group Members also have to enter into the interse-agreement in stamp papers as required for a general power of attorney in the Proforma at **Annexure-VI (A,B,C)**. The agreements should be executed in the non-judicial stamp paper of Rs 100 each.

In order to avail financing by the PACS, the JLG has to deposit the minimum share capital as envisaged in the Bye-Law of the PACS. No further share linkage as percentage of the loan shall be taken from the Group or members of the Group.

Further, in case of financing by the Cooperative Banks, the loan advanced to the group shall be treated as group loan and shall be disbursed to the individuals by credit to their Savings Bank Accounts mentioned with the concerned Cooperative Bank. However, the PACS shall maintain loan accounts of the individual members of the JLGs in subsidiary accounts to facilitate recovery of loans as and when due.

13.5 Loan limit

Considering that the loan/KCC to be granted is against the mutual guarantee offered by the group, the Banks may follow its own criteria for financing of JLGs and providing them KCC based on certificate of cultivation. However, an amount of Rs.1.60 lakh per JLG may be sanctioned, keeping in view the scale of finance and type of activity being undertaken by the group both under Models A & B.

13.6 Rate of interest

Banks may decide the rate of interest to be charged to JLGs for KCC and other Agriculture loans as per RBI guidelines. However, banks may consider providing incentives for prompt repayment to JLGs, as applicable.

13.7 Margin and Security Norms

No collaterals may be insisted upon by the banks against their loans to JLGs. It may however, be ensured that the mutual guarantees offered by the JLG members and certificate of cultivation are kept on record. Margin as per the usual norms may be applied.

14. Interest Subvention/Rebate on prompt repayment

The State Government will extend the benefits of interest subvention/ rebate on prompt rebate to the farmers, on similar terms and conditions as envisaged in the existing guidelines for KCC.

15. Credit to JLGs to form normal business activity under Priority Sector

As the programme is intended to benefit farmers cultivating lands who may not have adequate collateral to offer to avail of bank loan in their individual capacity, lending to JLGs may be treated as direct agricultural advances under priority sector advances

segment. Banks may include lending to JLGs in their corporate plan and also in the training schedule of officers/staff.

16. Personal accident insurance

Banks may consider covering individual members of JLG under personal accident insurance.

17. Crop insurance scheme

The farmers of JLG group may be covered as loanee farmers under Pradhan Mantri Fasal Bima Yojana, if they give their consent.

18. Repayment and Recovery Mechanism

The group mode of financing would provide the social collateral that would help the financial institutions in recovering their loans. The Certificate of Cultivation/ Loan Eligibility Certificate will identify the farmer who is really taking up the activity and defaults can be tracked efficiently. Also a dedicated portal would gather all the information about the borrowing members. The Krushak Sathi will act as conduit for building sensitization among the beneficiaries.

The repayment modality of the loan shall be same as crop loan sanctioned under Kisan Credit Card (KCC) Scheme for Kharif& Rabi seasons.

19. Incentive for promotion of JLGs by NABARD

NABARD will provide grant assistance to Krushak Sathi through Project Director, ATMA of each district. Under the scheme, Project Director, ATMA will act as Joint Liability Promoting Institutions (JLPIs) for formation, nurturing and financing of new JLGs. For the purpose, Project Director, ATMA will submit application through Department of Agriculture and Farmers' Empowerment, Government of Odisha to NABARD, R.O., Odisha to sanction them project for promotion and credit linkage of JLGs in their district as JLPI. After sanction of the project, Project Director, ATMA will be eligible for getting grant assistance from NABARD for formation, nurturing and credit linkage of JLGs @ Rs. 2000/- per group as per extent guidelines of NABARD. However, the incentive shall be linked with the financing of the JLGs and the incentive shall be released in three instalments as indicated below:

- First instalment of Rs.1000/- would be released after disbursement of loan by the bank.
- Second instalment of Rs.500/- would be released after one year from the date of loan disbursement subject to the certification by the financing bank that the loan repayment is regular/without default by all the individual members of the JLG.

- Third instalment of Rs.500/- would be released after the end of second year from the date of loan disbursement subject to similar certification from financing bank as above. In case of short term loans, it will be available if the facility has been renewed by the bank during the year and is regular.

20. Monitoring and review mechanism

Considering the significance of effective implementation and better monitoring mechanism for success of a scheme, there is a well-structured, institutionalized three tiered structure at State level, District level and Block level for effective implementation and monitoring of formation and promotion of JLGs under the scheme.

20.1. State Level

To properly coordinate and monitor the progress in the implementation of the programme and also provide policy guidelines for better outcome of the scheme the existing **Sub-Committee of SLBC for Agriculture Credit** will provide/conduct the review of the scheme on quarterly basis. In each quarter the SLBC Sub-Committee reviews the Credit flow to Agriculture and allied sectors including dairy, fishery, poultry and animal husbandry etc. Therefore in each SLBC Sub-Committee meeting the progress of the '**BALARAM**' scheme will be reviewed. Director, IMAGE will be invited to each such review meeting.

20.2. District Level

No new committee is required to be formed at district level. The existing ATMA Governing Board (GB) is a policy making body which provides guidance, review and steers the progress and functioning of ATMA. The GB is chaired by the District Collector. In order to synergize the efforts of ATMA in mobilising the lessee cultivators/ share croppers, the existing ATMA Committee shall closely and periodically review the implementation including constraints faced by Krushak Sathis / JLGs.

20.3. Block level

Similarly, monitoring of the scheme at the Block / Cluster Level and effective coordination among the stakeholders are critical for real success of the scheme and benefit to the JLG members as envisaged. The existing **Block Technology Team (BTT)** will coordinate the implementation of the scheme at Block level. It will provide the hand holding support to Krushak Sathi and JLG members. The representative of the financial institutions, who are members of the BLBC (Block Level Bankers Committee), may be invited to the meeting of the BTT while monitoring the implementation of 'BALARAM'.

(Specimen Copy)

Annexure – I

**GOVERNMENT OF ODISHA
DEPARTMENT OF AGRICULTURE AND FARMERS' EMPOWERMENT**

Certificate of Cultivation

This is to certify that (Name of the farmer), (Address) is cultivating land as detailed below during the year_____.

District-

Block-

(GP/ ULB)-

Village /SU-

Farmer ID-

KALIA ID-

Name of the land owner		Land details	District- Tahasil- Village- Khatiyon no- Plot no-
Season / Year	Kharif/Rabi	Land in acres	
Crops			

Date of Issue:

Place:

Signature of Issuing Officers

(with seal)

N.B. The certificate is only for the purpose of availing crop loan as a member of JLG / sharecropper and there shall be no liability to the owner of the land in the event of default by the sharecroppers.

Annexure -II

Application for issue of Certificate of Cultivation

To

Smt/Sir/Ms.

Krushak Sathi, _____, Gram Panchayat-
_____, Block -

Sub:- Request for issue of Certificate of Cultivation

Madam/Sir,

I Smt./Sri/Ms. _____ S/o/W/o/D/o of
_____ want to inform you that I am cultivating or intend
to cultivate _____ crop in Khata No. _____, Plot No.
_____ in village _____ under _____ G.P in
_____ Block during Kharif/ Rabi season of
_____ (Year) The said plot is owned by Smt/Sri/Ms. of
_____ village in _____ G.P of _____ Block.
Now I am a member of _____ Joint Liability Group.

I therefore request you to kindly issue a “**Certificate of Cultivation**”
in my favour so as to enable me to avail crop loan under “**BALARAM**” scheme.

Yours faithfully,

Date:-

Field Verification Report

I _____, KrushakSathi, _____ G.P. verified the Khata No. _____ Plot No.in village on _____ and found that _____ crop is being cultivated by Smt/Sri/Ms. _____. He/she is a member of the Joint Liability Group.

Signature

Countersignature by the VAW/HEW/A.O

Approved

A.A.O

(with seal)

(Specimen copy)

Annexure - III

Format for collection of name of Farmers by KrushakSathi to be handed over to Branch Manager/PACS for verifications/vetting

District-

Block-

(GP/ ULB)-

Village /SU-

S.N.	Name of the Farmer	Fathers name	Farmer Id	KALIA Id	Area of Land owned	Area of Land taken for cultivation as tenant farmer

Signature of KrushakSathi
Full Name of the Krushak Sathi
Specimen of documents for JLGs

Introduction Form

For Office Use Only

To

The Manager

_____ Branch

_____ Bank

I,

Sri/Smt

Date of Birth : _____

S/o/W/o/D/o _____ aged _____ resident of _____ village and a member of _____ JLG would like to register as a potential customer of _____ Bank. I understand that this is no way binds me to borrow from _____ (Branch), nor does _____ (Branch) agrees to provide loans for all or any purpose.

1. My main occupation is _____
2. I belong to : SC/ST/OBC/Minority Community/Others
3. Full _____ Address _____ :
4. My Bank Account No. _____, Name of the Bank _____ and Name of the Branch _____
5. Particulars of movable property owned by the family

Type of Asset	Description	Approx Market value
Livestock		
Agri implements		
Vehicles		
Any other		

6. Introduction by _____ of _____ (Place)

7. Family details

Sr.No.	Name	Relationship	Sex	Occupation	Educational status
1					
2					
3					
4					

1. Head of Household, Relation with 1 will be written in relationship column)

8. Consumption expenditure

Household Size (No. of family members)	Regular Monthly household usual expenditure (Rs.)	Amount spending on festival seasons (Rs.)

Nomination

In case of my death/permanent disability, my nominee,

_____, who is my

_____ (relationship with customer), aged _____

years, resident of

_____, shall be entitled to receive from and settle any claims to Bank on my behalf.

Declaration

I hereby declare that the particulars given above are true and correct to the best of my knowledge and belief.

Nominee's Signature

Applicant's Signature

Place:

Date:

Comments on Branch Manager (with focus on reputation, credibility and credit record of applicant)

Credibility check done with

Name & Signature of Branch Manager

Place:

Date:

APPLICATION CUM APPRAISAL FORM

For Office Use Only

Repeat Borrower Yes/No

Loan A/c. No. _____

Village : _____

To

The Manager

_____ Branch

_____ Bank

Sri/Smt

S/o/W/o/D/o _____ aged
_____ resident of _____ village and a member of
_____ JLG would like to apply for a loan of Rs. _____
(Rupees _____ only) for the purpose
of Crop loan/consumption loan/others (specify)

I furnish the following particulars

1. Present sources of earnings of applicant or other members of family

Sl.No.		Annual income from activity	Annual expenditure in activity	Annual surplus from activity
1	Primary Occupation			
2	Other Activity-1			
3	Other Activity-2			
4	Activity of other family members			
5	Any Other (specify)			
TOTAL				

2. Loan availed

Source	Purpose	Amount borrowed	Amount due

3. Financial assistance sought for

Activity/Item	Vol.of activity	Loan required

Applicant's Signature

Place :

Date :

4. Comments of Branch Manager/Field Officer (with focus on activity, family income, etc.)

Name of the Branch Manager/Field Officer

Signature of Branch Manager/Field Officer

A loan of Rs. _____ is sanctioned/recommended for sanction.

Proposed repayment schedule

Field Officer

Branch Manager

Head Office

Place :

Date :

Joint Liability Agreement

Mutual Agreement made this _____ day of _____ 20____ by Smt./
Shree

1. _____ D/o./W/o./S/o. _____ aged _____ years
2. _____ D/o./W/o./S/o. _____ aged _____ years
3. _____ D/o./W/o./S/o. _____ aged _____ years
4. _____ D/o./W/o./S/o. _____ aged _____ years
5. _____ D/o./W/o./S/o. _____ aged _____ years

All members of _____JLG, hereinafter called the “Mutual Guarantors” of the First Part, which expression shall be deemed to include their heirs, executors, administrators, assigns and all persons deriving title from them, in favour of _____SCS/ LAMPS/ FSS/ Bank (with Branch Name) with its Head Office at _____ represented by the Managing Director/ Secretary, Shri/ Smt. _____ hereinafter called _____SCS/ LAMPS/ FSS/ Bank (with Bank Name) which expression shall be deemed to include their management, assigns, successors and attorneys on the other part.

Whereas, the Mutual Guarantors are in need of loan for the purpose of _____ and at their request and on Demand Promissory Note executed by each one of them, PACS/ Bank (with Branch Name) has agreed to grant to the borrower’s credit facility as per terms and conditions mentioned in the Sanction Letter.

The Mutual Guarantors stand Guarantee to the loan extended to each one of them. In case of default on the part, of any of Mutual Borrowers in repayment of instalment, principal amount, interest, service charges and any other charges that may be due to _____SCS/ LAMPS/ FSS/ Bank (with Branch Name) or in regularising or clearing the amounts as per the Sanction Letter by the Mutual Guarantors, who offer Guarantee collectively to their individual loans shall remain responsible jointly and severally for making necessary payments to _____SCS/LAMPS/ FSS/ Bank (with Branch Name)

The Mutual Guarantors authorise _____SCS/ LAMPS/ FSS/ Bank (with Branch Name) to exercise lien on the cash security held on their behalf and adjust this cash security against the unpaid balance of loan outstanding on or after due date of any other Mutual Guarantor of their Group.

In witness whereof the Mutual Guarantors and _____SCS/ LAMPS/ FSS/ Bank (with Branch Name) have hereunto respectively set their hands at _____ on the data mentioned above.

1. _____
2. _____
3. _____
4. _____
5. _____

Place :

Date :

For SCS/ LAMPS/ FSS/ Bank (with Branch Name)

Secretary/ Managing Director/ Bank Manager

Annexure – VI (B)

PROMISSORY NOTE

Rs. _____

Place :

Date :

On demand, I _____ promise to
pay _____ SCS/ LAMPS/ FSS/ Bank (with Branch
Name), a _____ sum of
Rs. _____ (Rupees _____
_____) only with interest at
_____ percent per annum for value received.

Signature

Individual borrower

(Full Name & Address)

(To be stamped as a General Power of Attorney)

Inter-se Agreement to be executed by the Members of the Joint Liability Group

This Agreement made, this..... day of 20.....

Between

1. Shri/ Smt./Kum./..... Son/
Wife/ Daughter of aged.....
years, residing at
2. Shri/ Smt./Kum./..... Son/
Wife/ Daughter of aged.....
years, residing at
3. Shri/ Smt./Kum./..... Son/
Wife/ Daughter of aged.....
years, residing at
4. Shri/ Smt./Kum./..... Son/
Wife/ Daughter of aged.....
years, residing at
5. Shri/ Smt./Kum./..... Son/
Wife/ Daughter of aged.....
years, residing at

who are members of the Group, hereinafter referred to collectively as “The Joint Liability Group (JLG) Members,” which expression shall, unless repugnant to the context of meaning include every member of the said JLG and their respective legal heirs, executors and administrators.

Whereas, all JLG members are residents ofvillage in Block, in the District of Odisha State and known to each other.

Now, therefore, this Agreement witnesseththat :

1. Each member shall strive for the success of the JLG and shall act in any manner detrimental to the business interest of the JLG.
2. The JLG members shall be jointly and severally liable for all the debts of the JLG.
3. All assets and goods acquired by the JLG shall be in the joint ownership of all the members of the JLG and shall ordinarily be in the constructive custody of such members as may be authorised by the Group and shall be kept at the

place of business atwhich shall not be changed without consent of the JLG members.

4. The JLG members hereby duly elect and appoint Shri/ Smt./ Kum as Group Leader to look after manage the day to day affairs of the JLG's activities and also act in their name and on their behalf in all matters relating thereto. The Group Leader may, however, be removed at any time by majority vote of the members, and new Group Leader elected.
5. Each of the JLG members hereby agrees to abide by and ratify all such acts, deeds and things as the authorised representatives may do in the interest of the said activities.
6. All the members of the JLG shall execute the Joint Liability Agreement with the PACS/ Bank (with Branch Name) in the specified format.
7. The JLG members hereby specifically authorise the Group Leader :
 - i. To keep or cause to be kept proper books of accounts of the savings made by the JLG members, loans granted to them and the recoveries made from them and render every year the full accounts to the JLG members for their approval and adoption.
 - ii. To receive all payments due to the JLG and issue requisite receipts or acknowledgements for and on behalf of the JLG.
 - iii. To institute and defend on behalf of the JLG members any legal for this purpose engage or disengage any lawyer or advocate or agent and incur the necessary legal expenses in connection therewith.
8. In the event of death any of the members of the JLG his/her legal heirs shall be entitled for the benefits and be liable for the obligations of the deceased member under this agreement.
9. It is agreed that no new person shall be inducted as a member of the LJJ without consent of all the existing members.

In witness whereof the aforesaid members of the JLG have set their respective hands hereunto at the place and onday ofmonthyear must herein appearing.

Name of the members	Signature/ Thumb impression
1)	
2)	
3)	
4)	
5)	

Witness :

Name	Signature/ Thumb impression
1)	
2)	



..... ସେହି ସିନା ଦୁନିଆ କୁ ଯୋଗାଇଛି ଆହାର