



Ref. No. NB.DoR.ST Policy / 3722 / A-1 (Gen)(RP) / 2016-17

Circular No. 02 / DoR - 01 / 2017

05 January 2017

The Managing Director,
All State Cooperative Banks,

Dear Sir,

Provision of Short-Term (ST) refinance by NABARD to State Cooperative Banks for financing Seasonal Agricultural Operations (SAO) - Additional Refinance for the Year 2016-17 - Post Demonetization

As you are aware, Honourable Prime Minister, on 31 December 2016, made an announcement to provide farmers better access to loans from Cooperative Banks and Societies and accordingly an additional amount of Rs 20,000 crore has been allocated towards the same through NABARD. The additional allocation has been made as a special measure to Cooperative Banks in view of difficulties faced by farmers due to cancellation of SBNs. Accordingly, the quantum of refinance to State Cooperative Banks for financing ST (SAO) loans has been increased as enumerated below:

1. Quantum of refinance

1.1 The normal quantum of refinance will be as under:

Net NPAs of StCB	Eligible limit [As a percentage Realistic Lending Programme (RLP) of eligible CCBs]
Up to 6%	55%
Above 6% & up to 10%	50%
Above 10% & up to 20%	45%
Above 20%	Not eligible

1.2 StCBs in the North Eastern Region, Jammu & Kashmir, Sikkim, Himachal Pradesh, Uttarakhand and Andaman & Nicobar Islands, will be eligible for additional refinance of 20% with relaxation in net NPAs, as under:

Net NPAs of StCB	Eligible limit [As a percentage Realistic Lending Programme (RLP) of eligible CCBs]
Up to 15%	75%
Above 15% & up to 25%	70%
Above 25%	Not eligible

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

पुनर्वित्त विभाग

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Department of Refinance

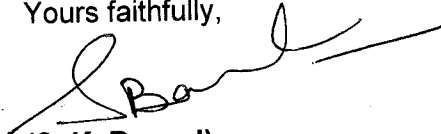
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1.3 StCBs in Eastern Region viz. Bihar, Orissa, West Bengal, Chhattisgarh States and 28 districts in Eastern Uttar Pradesh (under BGREI scheme of Govt. of India) will be eligible for additional refinance of 5% over and above the applicable normal quantum of refinance, as under:

Net NPAs of StCB	Eligible limit [As a percentage of realistic lending program (RLP) of eligible CCBs]
Up to 6%	60%
Above 6% & up to 10%	55%
Above 10% & up to 20%	50%
Above 20%	Not eligible

2. It is expected that the additional refinance provided at concessional rate of 4.5% will encourage cooperatives to lend adequately for Rabi operations of member farmers.
3. All other terms and conditions stipulated in our Circular No. NB.DoR.ST Policy /643 / A-1 (Gen)(RP) / 2016-17 Circular No.140/ DoR -33/ 2016 dated 17 June 2016 will be applicable mutatis mutandis.
4. You may, therefore, apply to the concerned regional office of NABARD for sanction of revised quantum of refinance and draw on the limit against the actual ground level disbursement made to the farmers.
5. This arrangement is a one-time facility extended to Cooperatives for the year 2016-17.
6. Please acknowledge receipt of this circular to our RO.

Yours faithfully,



(S. K. Bansal)

Chief General Manager