



संदर्भ सं. राबैं. डीओआर/ 2 /ए 1.जन./2020-21

परिपत्र सं. राबैं. 82 / डीओआर - 17 / 2020

01 अप्रैल 2020

मुख्य कार्यपालक अधिकारी

सभी लघु वित्त बैंक

महोदय

अल्पावधि के अंतर्गत विविध प्रयोजनों के वित्तपोषण हेतु नाबाई द्वारा अल्पावधि पुनर्वित्त का प्रावधान - वर्ष 2020-21 के लिए नीति

किसानों, लघु व्यवसाय इकाइयों और सूक्ष्म उद्यमों की अल्पावधि ऋण आवश्यकताओं और उनकी पूर्ति में लघु वित्त बैंकों की भूमिका को ध्यान में रखते हुए यह निर्णय लिया गया है कि लघु वित्त बैंकों को अल्पावधि ऋणों के लिए, जिनकी अवधि 12 महीने से अधिक नहीं होगी, राष्ट्रीय कृषि और ग्रामीण विकास बैंक अधिनियम, 1981 की धारा 21(4) के साथ पठित धारा 21(1) के अंतर्गत पुनर्वित्त सहायता प्रदान की जाए।

2. जिन प्रयोजनों के लिए यह पुनर्वित्त मंजूर किया जाएगा, उनमें कृषि और अनुषंगी क्षेत्र;

**Provision of Short term refinance by NABARD to Small Finance Banks for financing various purposes under Short Term - Policy for the year 2020-21**

Considering the short term credit needs of farmers, small business units and micro enterprises, and the role played by the Small Finance Banks in purveying the same, it has been decided to extend refinance support to Small Finance Banks for short term loans, not exceeding a period of 12 months, under Section 21(1) read with Section 21(4) of NABARD Act 1981.

2. The purposes for which such refinance is sanctioned will include short term/ working capital loans for agriculture and allied sectors, non-farm sector including artisans, weavers, handicrafts etc. marketing of agri produce, agri inputs, non-farm produce etc. bonafide trade activities, etc.

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**National Bank for Agriculture and Rural Development**

विभाग नाम

प्लॉट क्र सी-24, 'जी' ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051. टेली: +91 22 26539325 • फ़ैक्स: +91 22 26530090 • ई मेल: [dor@nabard.org](mailto:dor@nabard.org)  
Department of Refinance

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कारीगरों, बुनकरों, हस्तशिल्पियों आदि सहित कृषीतर क्षेत्र; कृषि उपज, कृषि निविष्टियों, कृषीतर उत्पादों आदि के विपणन और बोनाफाइड व्यापारिक गतिविधियों आदि के लिए अल्पावधि/कार्यशील पूँजी ऋण शामिल होंगे।

3. नाबार्ड द्वारा दिए जाने वाले अल्पावधि पुनर्वित्त का संचालन करने वाले मानदंड और पात्रता मानदंड अनुबंध-I में दिए गए हैं। यह नीति की अगली सूचना तक जारी रहेगी।

4. लघु वित्त बैंक अल्पावधि पुनर्वित्त की मंजूरी के लिए संलग्न प्रोफार्मा (अनुबंध II) में अपने सभी प्रकार से पूर्ण आवेदन प्रधान कार्यालय, नाबार्ड को भेजने की व्यवस्था कर सकते हैं और आवेदन की प्रति उस राज्य में स्थित नाबार्ड क्षेत्रीय कार्यालय को भेज सकते हैं जहाँ उनका मुख्यालय अवस्थित है।

5. कृपया परिपत्र की पावती दें।

3. The governing norms of Short Term refinance by NABARD and the eligibility criteria are furnished in Annexure I. The policy would continue till further advice.

4. SFBs may arrange to forward their applications for sanction of ST refinance as per the proforma enclosed (Annexure II), complete in all respects, to NABARD Head Office, with copy to NABARD Regional Office at the State where its Head Quarters is located.

5. Please acknowledge receipt of this circular.

भवदीय

(जिजि माम्मेन)

मुख्य महाप्रबंधक

संलग्न: 9 पृष्ठ



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[www.nabard.org](http://www.nabard.org)

Taking Rural India >> Forward

उक्त दिनांक का परांकन सं. राबैं. डीओआर/3/ए 1.जन./2019-20

प्रति सूचना/ आवश्यक कार्रवाई हेतु प्रेषित:

1. अध्यक्ष के कार्यपालक सहायक, नाबार्ड, प्रधान कार्यालय, मुंबई.
2. प्रधानाचार्य, एनबीएससी, लखनऊ.
3. निदेशक, बर्ड, लखनऊ.
4. संयुक्त निदेशक, बर्ड, बोलपुर/ बर्ड, मंगलूरु.
5. मुख्य महाप्रबंधक, सभी विभाग, प्रधान कार्यालय, नाबार्ड, मुंबई.

(एन. नीरजा)

उप महाप्रबंधक



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## **Annexure I**

### **General Terms and Conditions for Short Term Refinance – SFBs**

#### **1. Introduction**

NABARD has been providing short-term refinance to approved financial institutions (FI) under the provisions of Section 21(1) of NABARD Act, 1981, to supplement their resources for providing short term credit at the ground level. SFBs have now been made an eligible FI for availing of refinance under this facility.

#### **2. Objectives**

The objectives of providing Short - Term Refinance are for providing adequate and timely credit for:

- agricultural operations or the marketing of crops, or
- the marketing and distribution of inputs necessary for agriculture or rural development , or
- any other activity for the promotion of or in the field of agriculture or rural development, or
- bonafide commercial or trade transactions, or
- the production or marketing activities of artisans or of small-scale industries, industries in the tiny and decentralised sector, village and cottage industries or of those engaged in the field of handicrafts and other rural crafts

#### **3. Nature of Accommodation**

Refinance assistance is provided to SFBs in respect of their disbursement for various purposes as enlisted above. Banks are expected to appraise the working capital/ short term credit needs of the borrowing unit in a realistic manner. SFBs can avail refinance from NABARD for amounts not less than Rs.25 crore, on the basis of a declaration submitted through a drawal application, indicating the various purposes for which refinance has been claimed and the loan amount disbursed.

#### **4. Eligibility criteria**

**4.1** Eligibility criteria for drawal of refinance from NABARD are reviewed from time to time. The eligibility criteria prescribed for the present are as under:

- a) Complying with minimum CRAR norm of 15% (as stipulated by RBI).
- b) Net NPAs not exceeding 5% of loans and advances outstanding. Further, the NPA position will be reckoned for the Bank as a whole.
- c) The bank should be in Net profit.



**4.2 Eligibility criteria and Risk Assessment** during a year will be based on the audited data of the previous financial year.

### **5. Eligible Purposes**

Agriculture, MSME and other eligible short term loans lent for a duration not exceeding 12 months, which are outstanding in the books of the bank as on the date of drawal application, non-overdue and unencumbered will be eligible for refinance.

### **6. Quantum of refinance from NABARD**

NABARD will provide refinance to SFBs to the extent of **80%** of their lending for eligible short term loans which are outstanding in the books of the Bank on the date of application.

### **7. Security**

The security for loans and advances by way of refinance or otherwise shall be such as may be specified by NABARD in the General Refinance Agreement (GRA)/Letter(s) of Sanction. Besides, a Mandate in favour of NABARD will have to be duly obtained by the SFB from RBI, where its current Account is maintained. In addition the SFB shall execute a demand promissory note in favour of NABARD.

### **8. Repayment period**

Short term loans disbursed are repayable within 12 months from the date of disbursement. The interest is payable at quarterly rests on 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January every year, or on repayment of entire principal amount.

### **9. Interest rate**

**9.1 Interest on Refinance:** The interest rates and risk premium on refinance will be decided by NABARD based on prevailing market rate, risk perception etc. and is subject to revision from time to time.

**9.2 Penal interest:** In the event of default, penal interest rate of 2% p.a over and above the interest rate at which refinance was disbursed, will be charged on the defaulted amount and for the period for which the default persists. The penal interest rates are subject to revision from time to time

**9.3 Penalty for pre-payment of refinance:** in case repayment is made within 12 months of the drawal the rate of pre-payment penalty will be 2.50% p.a. and will be chargeable for the entire period i.e. from the date of pre-payment to the date on which the instalment would

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actually fall due. The prepayment can only be initiated after minimum notice of 3 working days.

## **10. Operational Discipline**

### **10.1 Non Over Due Cover (NODC)**

The refinance drawal for short term limit will be allowed only against the short term loan portfolio of the eligible purposes which are unencumbered and non-overdue. A Non Over Due Cover (NODC) statement has to be prepared and submitted to NABARD at the time of drawal as well as the currency of the loan.

- a. SFBs can make drawals on the basis of NODC aggregated separately for farm sector and non farm sector i.e. for all the purposes in the sector taken together. SFBs are required to furnish to the HO, NABARD with a copy to concerned RO of NABARD, quarterly NODC statements indicating the purposes in the format prescribed (Annexure IV or as modified from time to time) so as to reach NABARD by 10<sup>th</sup> of the succeeding month.
- b. Drawals by SFBs will be subject to the condition that the outstanding borrowings including the current drawal do not exceed the NODC available at the time of each drawal, a certificate in the prescribed format regarding the availability of NODC will have to be furnished at the time of each drawal.

**10.2 Additional interest on NODC deficit:** In case of deficit in NODC, SFB will have to make good the deficit in NODC. In case the SFB fails to make good the deficit within one month from the date of occurrence of such deficit, additional interest @ 1% p.a. will be charged on the deficit in NODC for the duration of deficit i.e. till the date on which the amount of deficit is regularized.

**10.3 Bifurcation of principal and interest in the loans outstanding:** As hitherto, SFBs may exclude the interest component (including overdue interest) from the outstanding amount and report principal loans separately, in their drawal applications, for arriving at the eligibility for refinance support from NABARD. Besides, as hitherto, only the principal portion of loans (issued, recovered, outstanding and overdues) may be reported in the quarterly NODC statements.

### **10.4 Excess Drawal**

NABARD will take a serious view in case of availment of drawals beyond permissible quantum of refinance on account of reporting of incorrect data about loan disbursement or of NODC by calling back the excess refinance availed by the bank within 3 days along with the penal interest of 1% p.a.

## **11. Clearance of default**





SFBs which fail to honour their commitments to NABARD in repayment of NABARD principal, payment of interest and / or any other dues by the prescribed due dates, will **not** be eligible for any refinance facility from NABARD till the clearance of default in question.

### **12. Monitoring**

NABARD would have the right to conduct spot verification / checks to ensure that the terms and conditions of refinance are adhered to.

### **13. Right to inspection**

NABARD reserves the right to inspect / get inspected the books of accounts of the SFB.

### **14. Right to cause special audit**

NABARD will have the right to cause special audit of the books of accounts and other relevant material of the SFB either by itself or through other agencies to ensure that the same are maintained as per the rules and regulations in force and the terms and conditions of refinance are adhered to by the bank.

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## ANNEXURE II

### APPLICATION FOR SHORT TERM REFINANCE UNDER SECTION 21(1) READ WITH SECTION 21(4) OF THE NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT ACT, 1981 FOR THE YEAR 20...20...

The Chief General Manager/ Officer-in-charge  
National Bank for Agriculture and Rural Development

Dear Sir

#### Application for sanction and release of refinance under Short Term for the year 20...20..

We hereby apply for sanction and release of Rs. \_\_\_\_\_ lakh (Rupees \_\_\_\_\_ lakh only) under Section 21(1) read with Section 21(4) of the National Bank for Agriculture and Rural Development Act 1981 as per details given below, against disbursement of loans and advances for relevant purposes for the year 20...20... (April-March). We agree to abide by the terms and conditions of your refinance scheme of the Small Finance Banks as mentioned from time to time.

Sr. No.	Activity	Maximum Loan period	Amount (Rs. lakh)
i.			
ii.			
iii.			
iv.			
v.			
	Total		

2. We agree to abide by all the terms and conditions of NABARD for financing at ground level and that of refinance stipulated from time to time.
3. We agree to repay the refinance within 12 months from the date of release.
4. We also certify that the payment made to the borrowers are done electronically except when cheques are drawn on banks which are not on NEFT/RTGS mode.
5. We request you to release the refinance to our account No..... with ..... branch of the bank .....with IFSC Number.....MICR Code No. ....
6. In case of any error in credit to the account given above, we will be accountable for the same.



7. We undertake to repay the amount to NABARD as per demand to NABARD's account through electronic mode.
8. We certify that the rates of interest charged on the loan amount conform to the rate wherever stipulated by RBI/NABARD from time to time.
9. We agree that if on verification of our records and of our constituents, NABARD comes to the conclusion that the accounts against which the disbursements of bank loan does not conform to the guidelines laid down by it from time to time. NABARD will have the right to recall the entire refinance disbursed in respect of such account, as per General Refinance Agreement.
10. The under mentioned documents, financial statements and other particulars are furnished herewith.
- Annual Report 20..-20.. / Balance sheet as on 31 March, 20...
  - Trial balance as on the last Friday or as at the end of the month, preceding the date of submission of the application.
  - Certified copy of the resolution of the Board of Directors authorizing the bank's officials to obtain financial accommodation from NABARD in the prescribed form (as per format-Annexure III)

Yours faithfully

For and on behalf of  
The financing bank

Signature of the authorised officer  
And Designation

Enclosure:

Date and Place:

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**ANNEXURE III**

ST (Others) – SFB

**FORMAT OF BOARD RESOLUTION**

**Copy of the resolution passed at the meeting of the Board of Director of**

**..... Bank, held on .....**

Resolved that the bank to avail of loans and advances from the National Bank for Agriculture and Rural Development (NABARD), pursuant to and in accordance with the provisions of the Short Term Refinance scheme for Small Finance Banks for financing eligible activities, as contained in the NABARD's circular No..... dated ..... subject to other guidelines issued by the NABARD from time to time.

Resolved further that unless and otherwise authorized by the Board, the principal amount of the borrowings outstanding to NABARD under the short-term refinance scheme shall not exceed the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) at any time.

Resolved further that the power to borrow from the NABARD under the said scheme be as is hereby delegated to the following officers jointly and/or severally.

.....  
.....  
Name and Designation

Resolved further that the aforesaid officers be and are hereby authorised jointly and/or severally to execute in favour of the NABARD, promissory notes, agreements, declarations, deeds of guarantee or security, the mandate to be issued to the Reserve Bank of India authorizing it to debit our Bank's Current Account with it, with such as may be advised by the National Bank for Agriculture and Rural Development pursuant to the agreement made with it and such other documents as may be required by the NABARD pursuant in connection with the borrowings on the said scheme and generally to do or cause to be done on behalf of the Bank such other acts, deeds and things as may be required by the NABARD in connection with the said scheme.

**/Certified to be true copy/**

**Signature of the authorised official**

**Name and Designation**

**Seal of the SFB**



## Proforma of Promissory Notes

### Demand promissory note to be executed by the Small Finance Bank in favour of the National Bank for Agriculture and Rural Development

Rs. \_\_\_\_\_

Place:

Date:

ON DEMAND the \_\_\_\_\_ Small Finance Bank promises to pay to the National Bank for Agriculture and Rural Development (NABARD) or order the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) with interest at \_\_\_\_\_% or as prescribed by NABARD per annum with quarterly rests on 01 July/ 01 October /01 January/ 01 April for value received.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

For and on behalf of

SFB

Seal of the bank

Authorized signatory

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