



संदर्भ सं. राबैं. डीओआर/ 35 /ए 1. (अल्पावधि - अन्य)/2020-21

परिपत्र सं. राबैं. 108 / डीओआर - 33 /2020

16 अप्रैल 2020

अध्यक्ष

सभी क्षेत्रीय ग्रामीण बैंक

अध्यक्ष एवं प्रबंध निदेशक

सभी क्षेत्रीय ग्रामीण बैंकों के प्रायोजक बैंक

महोदय

नाबार्ड द्वारा क्षेत्रीय ग्रामीण बैंकों को अल्पावधि (अन्य ) के तहत विभिन्न प्रयोजनों के वित्तपोषण हेतु अल्पावधि पुनर्वित्त योजना - वर्ष 2020-21 के लिए नीति

कृपया दिनांक 29 मार्च 2019 के हमारे परिपत्र पत्र सं.एनबी.डीओआर / 3311 /ए-1 (अल्पावधि - अन्य)/ 2018-19 ( परिपत्र संख्या 88 / डीओआर - 30 / 2019) का संदर्भ लें जिसके साथ वर्ष 2019-20 के लिए फसलों के विपणन और मौसमी कृषि ऋण से इतर कुछ अन्य अनुमोदित प्रयोजनों के लिए वास्तविक ऋण कार्यक्रम के आधार पर वित्तपोषण के लिए क्षेत्रीय ग्रामीण बैंकों को समेकित अल्पावधि (अन्य) सीमाओं की मंजूरी के लिए नाबार्ड की नीति भेजी गई थी.

2. इस नीति की समीक्षा की गई और यह निर्णय लिया गया है कि 12% तक शुद्ध एनपीए वाले क्षेत्रीय ग्रामीण बैंक वित्तीय वर्ष 2020-21 में पुनर्वित्त के लिए पात्र होंगे । वर्ष 2020-21 के दौरान नाबार्ड द्वारा अल्पावधि (अन्य) पुनर्वित्त को संचालित करने वाले

**Provision of Short term refinance by NABARD to Regional Rural Banks for financing various purposes under Short Term (Others) - Policy for the year 2020-21**

Please refer to NB.DoR /3311 / A1-(ST Others) / 2018-19(Circular No. NB 88 /DOR-30 /2019) dated 29 March 2019 communicating NABARD's policy for the year 2019-20 for sanction of consolidated ST (Others) limits to Regional Rural Banks (RRBs) for financing marketing of crops, certain approved purposes other than SAO on the basis of Realistic Lending Program for respective purposes.

2. The policy has since been reviewed and RRBs with Net NPAs upto 12% will be eligible for refinance for the financial year 2020-21. The governing provisions of ST (Others) refinance by NABARD during 2020-21 are enumerated in Annexure I. The

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

**National Bank for Agriculture and Rural Development**

पुनर्वित्त विभाग

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प्रावधान अनुबंध-1 में दिए गए हैं। विभिन्न प्रयोजनों के लिए अब तक अपनाए जा रहे मूल्यांकन मानदंड यथावत जारी रहेंगे, जैसाकि अनुबंध II में किया गया है।

3. निम्नलिखित उद्देश्य भी पुनर्वित्त के लिए पात्र हैं

(i) कृषि और संबद्ध गतिविधियों के लिए एसटी एग्री गोल्ड लोन।

(ii) पशुपालन और मत्स्य गतिविधियों की कार्यशील पूंजी आवश्यकताओं के लिए लघु वित्त।

4. नाबार्ड से क्षेत्रीय ग्रामीण बैंकों को पुनर्वित्त सहायता समय-समय पर नाबार्ड द्वारा सलाह के अनुसार ब्याज दर पर उपलब्ध होगी।

5. क्षेत्रीय ग्रामीणों बैंक अल्पावधि (अन्य) ऋण सीमा की मंजूरी के लिए प्रोफार्मा में सभी तरह से पूर्ण आवेदन नाबार्ड के संबंधित क्षेत्रीय कार्यालय को तुरंत भेज दें ताकि वर्ष 2020-21 के लिए सीमाओं की स्वीकृति समय पर की जा सकें।

6. कृपया इस परिपत्र की पावती हमारे संबंधित क्षेत्रीय कार्यालय को दें।

assessment norms hitherto followed for different purposes would continue mutatis mutandis. The assessment norms for marketing of crops is indicated in Annexure-II.

3. The following purposes are also eligible for refinance:

i. ST agri gold loans for agriculture and allied activities.

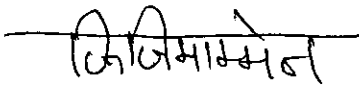
ii. ST Loans for working capital requirements of animal husbandry and fisheries activities.

4. The refinance assistance from NABARD to RRBs will be available at an interest rate as advised by NABARD from time to time.

5. RRBs may arrange to forward their applications for sanction of ST (Others) credit limits as per the proforma, complete in all respects, to the concerned Regional Offices of NABARD immediately, to facilitate timely sanction of limits for the year 2020-21.

6. Please acknowledge receipt of this circular to our respective Regional Office.

भवदीय



(जिजि माम्मेन)

मुख्य महाप्रबंधक

संलग्न: उपरोक्त अनुसार

**Annexure I**  
**General Terms and Conditions – RRBs**

**1. Operative period of ST (Others) limit**

The operative period of ST (Others) limit for the year 2020-21 would be from 01.04.2020 to 31.03.2021.

**2. Sanction of consolidated limit**

A consolidated limit under ST (Others) will be sanctioned to RRBs for financing marketing of crops, for financing *Bonafide* Commercial or trade transactions, production and marketing activities of artisans (other than handloom weavers) and village / cottage / tiny sector industries, for financing persons belonging to the weaker sections (as defined by the RBI vide its Master Direction FIDD.CO.Plan.2/04.09.01/2016-17 dated 07.07.2016) and engaged in trade / business / service activities including distribution of inputs for agriculture and allied activities. Composite term loans provided for these purposes (which are otherwise eligible under the Automatic Refinance Scheme of NABARD) are not eligible for refinance under ST (Others) credit limits.

**3. Other Eligible Purposes**

- i. ST crop loans exceeding Rs 3 lakh per farmer
- ii. ST gold loans for agriculture and allied activities
- iii. ST Loans for agriculture allied activities.
- iv. ST Loans for working capital requirements of professionals and Self employed
- v. ST Loans for working capital requirements of Annual Maintenance for SRTOs
- vi. ST Loans > Rs.50000 against gold for non agri purposes/bonafide trading etc (Purely for loans other than consumption purposes)
- vii. ST loans for Micro, Small and Medium Enterprises.
- viii. ST Loans for working capital requirement of Social infrastructure projects

**4. Eligibility norms**

**4.1 Audit**

The Audit of RRBs for the year 2018-19 should have been completed and the relative audit reports along with financial statements should have been submitted to the concerned Regional Office of NABARD, which will form the basis for finalizing the limit in the first quarter of the FY 2020-21 However, if audit of 2019-20 is completed, the same will be taken into consideration for fixing the limit in first quarter. Further, the audit of RRBs as on 31.03.2020 should be completed and the report submitted by 30.06.2020. Sanction/Drawals of refinance on or after 01.07.2020 will be permitted only to such RRBs, which have completed the audit and submitted the relevant audit report to the concerned RO of NABARD.

## 4.2 NPA norm

The eligibility, among other things, will be based on the net NPA position of RRBs. Net NPAs will be reckoned for the Bank as a whole and not at the level of RRB branches. The Banks with Net NPAs upto 12% of net loans and advances outstanding will be eligible for refinance. However, with a view to increasing the credit flow in the Eastern Region, North Eastern Region, Jammu & Kashmir, Himachal Pradesh and Uttarakhand, the net NPA norms may be relaxed to 15% in these States.

## 4.3 Compliance with CRAR norms

Only such RRBs having CRAR of 9% and above will be eligible.

4.4 Eligibility criteria during the first quarter i.e. 1 April 2020 to 30 June 2020 will be based on their audited financial position as on 31.03.2019 or 31.03.2020 (if audited position as on 31.03.2020 is available). From 1st July 2020 to 31st March 2020, eligibility criteria for Sanction/Drawal will be based on their audited financial position as on 31.03.2020. Sanction/Drawals on or after 01.07.2020 will be allowed only to such RRBs, which have completed the audit and submitted a satisfactory audit report to the concerned RO of NABARD, unless otherwise permitted as special case.

4.5 CRAR and NPA position as indicated in the statutory audit report will form the basis for eligibility. However, in the event of any variation between the audit report and the Inspection Report of NABARD, the latter will be reckoned for determining the eligibility. In case of any reason beyond the control of the Bank, the bank is unable to fulfil the eligibility criteria, NABARD may consider a lower eligibility norms, with adequate comforts/ security.

## 5. Quantum of refinance

NABARD will sanction consolidated credit limits to RRBs based on their realistic lending program for eligible purposes. (Marketing of crops / other approved purposes other than SAO). Banks would assess their realistic lending program as per the guidelines prescribed for each activity. The RLP may be reckoned as loans issued during previous year under all purposes put together with a reasonable increase (average increase during last 3 years). In case there is no disbursement during previous years, banks would assess their RLP based on their projections/ plan for ST(Others) activities during the financial year. Drawal may be allowed for a period of 12 months irrespective of the purpose.

5.1 The quantum of refinance for sanction will be as under:

### General Region

Net NPAs of RRB	Eligible limit [As a percentage of Realistic Lending Programme (RLP)]
Up to 6%	90%
Above 6% and up to 12%	85%
Above 12%	Not eligible

**5.2** RRBs in North Eastern Region, Jammu & Kashmir, Sikkim, Andaman & Nicobar Islands, Himachal Pradesh and Uttarakhand will be eligible for an additional credit limit with relaxation in net NPAs, as under:

<b>Net NPAs of RRB</b>	<b>Eligible limit [ As a Percentage of Realistic Lending Programme (RLP)]</b>
Up to 10%	95 %
Above 10% and up to 15%	90%
Above 15%	Not eligible

**5.3** RRBs in Eastern Region viz. Bihar, West Bengal, Jharkhand, Odisha, Jharkhand, Chhattisgarh States and 28 districts of Eastern Uttar Pradesh (under BGREI Scheme of Govt. of India) will be eligible for an additional credit limit, as under:

<b>Net NPAs of RRB</b>	<b>Eligible limit [As a percentage of Realistic Lending Programme (RLP)]</b>
Up to 6%	95%
Above 6% and up to 15%	90%
Above 15%	Not eligible

**5.4** The refinance under this line of credit will be reckoned as owned funds of the bank and will be eligible for Interest Subvention for disbursement of KCC Animal Husbandry and Fisheries WC loan of upto Rs 2 lakh and an overall limit of Rs 3 lakh ST loan under KCC as per Interest Subvention Scheme guidelines.

## **6. Merger of RRBs**

In case of merged Banks, the financial position of the new / merged RRBs as on the date of notification / merger based on special audit or the aggregate audit position as on 31.03.2019 of the erstwhile RRBs will form the basis for sanction of limit to such new RRB for the year 2020-21. Further, if the statutory audit position as on 31.03.2020 is available, the same will be considered for sanction of credit limit to the banks.

## **7. Credit limits for financing ST - Marketing of crops, animal husbandry, fisheries sector and certain approved purposes (others)**

RRBs may indicate their credit limit requirements for marketing of crops, and for financing production and marketing activities of artisans (other than handloom weavers) and village / cottage / tiny sector industries, for financing Bonafide Commercial or trade transactions, for financing persons belonging to the weaker sections (as defined by the RBI vide its Master Direction FIDD.CO.Plan.2/04.09.01/2016-17 dated 07.07.2016) and engaged in trade / business / service activities including distribution of inputs for agriculture and allied activities separately in the consolidated credit limit applications and maintain

separate books of account and Demand Collection Balance (DCB) registers in respect of loans provided under the above programs.

## **8. Operative Period/Drawable amount**

The operative period of the credit limit will be 01.04.2020 to 31.03.2021. The credit limit(s) sanctioned is / are in the nature of cash credit accommodation and the RRBs may draw and repay as many times as required, provided the outstanding in the account(s) do not exceed the sanctioned credit limit(s). The outstanding balance(s) in the account(s) is / are repayable on demand. Each drawal on the credit limit would be treated as a separate loan and would normally be repayable within a period of 12 months from the date of drawal. Banks would be allowed refinance against eligible loans issued during the previous 12 months (as per NODC statement) provided refinance has not been availed against such loans.

## **9. Interest Rate on Refinance**

### **9.1 Interest Rate**

The interest rates on refinance will be as decided by NABARD from time to time. Interest is payable at quarterly rests on the first of each quarter i.e. on 01 July, 01 October, 01 January and 01 April every year, as hitherto or on repayment of entire principal amount.

### **9.2 Penal interest in case of default**

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.

## **10. Operational discipline**

**10.1** 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.

### **10.2 NODC**

a. RRBs can make drawals against sanctioned limits on the basis of aggregate NODC i.e. for all the purposes taken together. Separate NODC has to be maintained by the banks under each purpose. RRBs are required to furnish to the concerned RO of NABARD, monthly NODC statements indicating the purposes in the format prescribed vide annexure to circular No. NB.PCD (OPR) / 662(A) / A.137(Spl.) / 1999 -2000 dated 26.05.1999 (as modified from time to time) so as to reach ROs by 20<sup>th</sup> of the succeeding month physically or through digital platform.

b. Drawals by RRBs will be subject to the condition that the outstanding borrowings including the current drawal permitted do not exceed the NODC available as on the last Friday of the preceding month. In addition, at the time of each drawal, a

certificate in the prescribed format regarding the availability of NODC will have to be furnished.

### **10.3 Additional interest on NODC deficit**

In case of deficit in NODC, RRBs will have to make good the deficit in NODC. In case the StCB 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.

### **10.4 Segregation of principal and interest in the loans outstanding**

As hitherto, RRBs may continue to exclude the interest component (including overdue interest) from the outstanding amount and report principal loans separately, both in their applications for credit limits and 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 monthly NODC statements.

### **10.5 Clearance of default**

RRBs which fail to honour their commitments to NABARD in repayment of 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.

## **11. Right to inspection**

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

## **12. 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 RRB 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**

### **Assessment norms for eligible activities for provision of refinance assistance from NABARD under ST (Others) - RRBs**

#### **(A) Marketing of crops**

##### **1. Objective**

- 1.1 Affording reasonable opportunities for a remunerative price to the growers for their produce by enabling them to hold on to their produce for the time being.
- 1.2 Facilitating recovery of production loans out of the loans provided for marketing of crops against pledge of agricultural produce and / or from purchase price payable for agricultural produce.

##### **2. Scope**

- 2.1 Advances against pledge of agricultural produce belonging to farmers kept in own / hired godowns, private godowns / cold storage units / warehouses, cold storage units or warehouses of Central / State Warehousing Corporations and Agricultural Produce Marketing Committees. Advances issued against pledge of NWR/ e- NWR receipts are also eligible.
- 2.2 Crops include food grain crops, cash crops, plantation and horticultural crops.
- 2.3 PDS and procurement schemes of Central / State Governments will be outside the purview of the Scheme.
- 2.4 The Scheme is applicable only to the bonafide cultivator farmers. Traders, businessmen, commission agents etc. are not eligible to be covered under the Scheme.

##### **3. Eligible borrowers**

All farmers engaged in Seasonal Agricultural Operations including horticultural and plantation crops, irrespective of whether or not they have availed production credit from the banks.

##### **4. Quantum of credit (Realistic Lending Program)**

- 4.1 Loan shall not exceed 75% of value of actual produce pledged subject to a ceiling of ₹ 10.00 lakh per farmer.
- 4.2 The value of actual produce pledged may be determined on the basis of prevailing market price or the minimum procurement price announced by the Government, whichever is less.
- 4.3 Banks will have to recover the outstanding production credit, if any, from the loan granted for marketing of crops.

##### **5. Margin**

Usual margin of 25% on the pledge loans to individual farmers.



## **6. Refinance assistance to banks**

- 6.1 Refinance assistance will be available under Sec. 21(1)(i) read with Sec. 21(4) of the NABARD Act, 1981 against promissory notes of RRB subject to the Bank furnishing a declaration in writing, setting out the purpose for which they have made loans and advances (and such other particulars as may be required by NABARD).
- 6.2 Advances to farmers against pledge of agricultural produce are not to be treated as cover for borrowings made for financing Seasonal Agricultural Operations (SAO) and vice versa, since separate credit limits are sanctioned for SAO and marketing of crops to banks by NABARD.

## **7. Other terms and conditions**

- 7.1 Banks shall insist on the following from the borrowers:
- that the produce pledged is adequately insured against the risk of fire, theft, etc.
  - that the produce is easily identifiable and accessible;
  - undertake such measures which will ensure proper storage, custody, safety as well as quality of the produce pledged.
- 7.2 Sanction of loans for marketing of crops against pledge of agricultural produce will be subject to compliance with the Selective Credit Control Directives of the RBI, if any.
- 7.3 In order to ensure effective end-use of the credit, banks would have to undertake necessary precautions like sanction of loans for marketing of crops against pledge of agricultural produce after harvest, during the marketing season and such loans are generally liquidated during the marketing season of crops for which they have been sanctioned.
- 7.4 Banks shall ensure that the goods pledged to them, are stored in the proper and safe godowns / cold storages / warehouses. The produce pledged to the Bank should be in its effective custody.
- 7.5 Banks shall release the entire / proportionate share of produce pledged to the farmers promptly, after the full / partial repayment of loans for marketing of crops.
- 7.6 Banks should maintain at monthly intervals, statement of stock pledged and all such statements should be kept on record with the banks and the same are available for verification by NABARD as and when required.
- 7.7 Banks will have to put in place system for effective supervision and inspection, which will ensure the safety and quality of produce pledged. The verification of the produce pledged may be done by the Bank staff periodically, as may be
- 7.8 Loans extended by Banks against pledge of NWR/e-NWR receipts issued by warehouses accredited by WDRA will also be eligible for refinance.