



Ref No.NB.DoR-Policy(Weavers)/ 417 /A-7(P)/2018-19

Circular No. 112/DoR -38/2018

16 May 2018

The Chairman
All Regional Rural Banks

The Chairman/Chairman-cum-Managing Director
All Sponsor Bank of RRBs

Dear Sir

Provision of Short term credit limits to RRBs under Section 21(1)(iv)&(v) read with Section 21(4) of NABARD Act,1981 for financing working capital and marketing requirements of Individual weavers / Handloom Weaver Groups (HWGs) / Master Weavers (MWs), weaver members of defunct/non working weaver societies, Mutually aided Cooperative Societies, Societies outside the Cooperative folds and Producer Group Companies by NABARD– Policy for the year 2018-19

Please refer to our Policy Circular No. 75/DoR-25/2014 dated 23 April 2014. The same policy continued during subsequent years also. The policy has been reviewed in 2017-18 and it continued with some changes in eligibility criteria and quantum of refinance vide our circular no. 201/DoR-49/2017 dated 25 July 2017.

2.It has been decided to broadly continue the same policy during 2018-19 also with change in net NPA norm of eligibility criteria. The eligibility criteria and quantum of refinance pertaining to this policy for current financial year is given in Annexure

3. NABARD's refinance to Regional Rural Banks (RRBs) will be at an interest rate of 8.65 % p.a. minimum or such other rate as decided by NABARD from time to time. However, the period for reckoning on various parameters of terms and conditions indicated in the aforementioned circular dated 23 April 2014 will undergo changes accordingly.

4. Kindly acknowledge receipt of the same.

Yours faithfully

(G.R.Chintala)
Chief General Manager

Encl : As above

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

विभाग नाम

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Annexure-RRBs

Eligibility Criteria for RRBs

(A) Audit

Audit of RRBs should have been completed for the year 2016-17 and the relative audit reports together with financial statements received by NABARD. Wherever, audit for 2016-17 is completed and report available, the same may be submitted together with financial statements. Further the audit of the RRBs as on 31.03.2018 should be completed by 30.06.2018.

(B) CRAR

Compliance of CRAR should be 9 % or more as on 31.03.2017. RRBs with CRAR less than 9% as on 31.03.2017 but more than 9% as on 31.03.2018 would also be eligible.

(C) NPA norms

RRBs having net NPAs upto 6% will be eligible for refinance. However, with a view to increasing the credit flow in the North Eastern Region, Jammu & Kashmir, Himachal Pradesh and Uttarakhand, the net NPA norms may be relaxed by additional 5% in these States.

Quantum of Refinance

RRBs fulfilling above criteria will be entitled to get refinance upto Normal Eligibility Limit as per the norms (as per para. 4 of the weavers' circulars dated 23 April 2014)