



Ref. No. NB.DoR-Policy(Weavers)/419 /A-7(P)/2018-19

Circular No. 113/DoR- 39 /2018

16 May 2018

The Managing Director  
All State Co-operative Banks

Dear Sir

**Provision of refinance to State Cooperative Banks for financing the Working Capital requirements of State Handloom Development Corporations (SHDCs) - Policy for the year 2018-19**


Please refer to our Circular No. 76/DoR-23/2014 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. 202/DoR-50/2017 dated 25 July 2017.

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

3. NABARD's refinance to State Cooperative Banks 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-StCB to SHDC**

### **Eligibility Criteria for StCBs/CCBs:**

#### **(A) Audit**

Audit of StCB / CCBs for the year 2016-17 should have been completed and the relative audit reports along with financial statements should have been received by the concerned RO of NABARD. Further, the audit of State Cooperative Banks as on 31.03.2018 should be completed by 30.09.2018.

#### **(B) CRAR norms**

All licensed StCBs (Scheduled / Non Scheduled) and CCBs complying fulfilling CRAR conditions mentioned below would be eligible for refinance under ST(Weavers)

1. StCBs / CCBs having CRAR of 9% and above only (as on 31.03.2017), will be eligible (in case of PWCS).
2. In case of StCBs with CRAR of 9 % and above but individual CCBs with less than 9% no credit limit will be available on behalf of such CCBs (in case of PWCS).
3. StCB with CRAR less than 9% would not be eligible for fresh refinance.

#### **Limits to non-scheduled StCBs**

Non-scheduled StCBs which fulfill the CRAR criteria as provided above, will be eligible for sanction of credit limits against Government guarantee under Sec. 21(3)(a) of NABARD Act, 1981 or pledge of Govt. / approved securities under Sec. 21(2)(i) of Act ibid and / or pledge of FDRs of Scheduled Banks under Sec. 33 of Act ibid.

#### **(C) NPA Norms**

Net NPAs of the StCB not to exceed 10% as on 31.03.2017. However, with a view to increase the credit flow in the North Eastern Region, Jammu a Kashmir, Sikkim, Andaman and Nicobar Islands, Himachal Pradesh and Uttarakhand; the ceiling of net NPA norm criterion in these States will be 15% as on 31.03.2017. The StCBs having net NPA percentage above the prescribed rate will not be eligible for sanction of ST(Weavers) limit.

#### **Quantum of Refinance**

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