



Government Task Force to look into issues of Farmers Indebtedness

The Government of India has constituted a Task Force to look into the issues of a large number of farmers, who had taken loans from private money lenders, not being covered under the loan waiver scheme. The Chairman, NABARD will be the Chairman of the Task Force while Executive Director, NABARD will be Convener and Member Secretary.

The Terms of Reference of the Task Force are as follows –

- Overview of the existing legislation in the states for regulating loans from private money lenders in the country.
- Review of existing policy measures for addressing the issue of indebtedness arising out of loans from private money lenders and status of its implementation.
- To suggest measures for covering all categories of farmers more particularly small and marginal farmers, tenant farmers, share croppers and oral lessees with the institutional credit fold to meet their credit requirements in order to reduce their dependence on informal sources.
- To examine and suggest measures for improving effectiveness of Kisan Credit Card (KCC) scheme including revised operational guidelines for distribution and sanction of KCC credit limits.
- To suggest measures for providing relief to farmers indebted to private money lenders.

The Task Force will submit its report by 31 March 2010.

(Gol/Ministry of Agriculture/Dept. of Agriculture and Cooperation Ref. F.No.01/11/2009-Credit-I dated 06/10/2009)

Financing of Joint Liability Groups (JLGs) of Small Farmers (SF) /Marginal Farmers(MF)/ Tenant Farmers/ Oral lessees and Share Croppers

The operational guidelines have been revised under which, NABARD would provide some incentives, to banks by way of promotional grants for forming, nurturing and financing JLGs, on an annual basis for the first three years.

Banks may, at their discretion, use the services of suitable agencies for undertaking the above interventions which are in the nature of activities under the Business Facilitators model. NABARD would also extend need-based promotional support training, exposure visits, experiencesharing, etc for banks' staff.

(Ref.No. NB.MCID/ 865 /Innov.JLG/2009-10 dated 23 October 2009 Circular No./ 169 /MCID- 05 /2009)

Promotional grant assistance to Urban Cooperative Banks as SHPI

It has been decided that any Urban Cooperative Bank willing to promote SHGs in rural areas can act as SHPI.

(NB.MCID/ 792 /PG-11/2009-10 dated 06.10.2009.Circular No. 164/ MCID - 04 / 2009)

Budgetary Allocation for ongoing promotional Programmes under NFS

With effect from 01 April 2009, RIF may be utilised only for funding innovative proposals. Accordingly, a separate budgetary allocation of Rs. 30 Crore has been provided for funding the other ongoing programmes under NFS for the financial year 2009-10.

(Ref. NB. DPD.NFS. 1283 /RIF 714(3)/2009-10 dated Circular No. 170 / DPD- NFS - 02 / 2009)

Grant Assistance to Self Help Promoting Institutions (SHPIs) for Promotion and credit linkage of SHGs - Revision of existing guidelines

The promotional grant assistance to NGOs, RRBs, DCCBs and FCs has been revised as under :

| Sr. No. | SHPI | Category of districts based on identification made by ROs | Maximum grant assistance per SHG (Amount in Rs.) |
|----------------|--|--|---|
| 1 | NGO | Normal | Rs. 4,500 for 15 to 20 member SHGs |
| | | Hilly districts in Himalayan region | Rs.5,000 for 5 to 10 member SHGs |
| | | Tough districts in all States | Rs.6,000 for 15 to 20 member SHGs |
| 2 | RRBs/DCCBs/UCBs | All districts in all States | Rs.2,500 for 15 to 20 member SHGs |
| 3 | Farmers' Clubs, Village Watershed Development Committees / Village Wadi Development Committees | All districts in all States | Rs.1,100 for 15 to 20 member SHGs |

2. Over and above the Promotional Grant Assistance described above, Regional Offices can now sanction additional "Promotional Grant Assistance for hand -holding" to the same SHPI in respect of SHGs :

- i. Which were promoted by the said SHPI under the original project sanctioned to it;
- ii. which were unable to acquire book-writing and other necessary skills to function independently within the three year period of the original project and
- iii. for which the SHPI has not given a certification to the effect that the SHGs are maintaining books of accounts and the same have been audited by the SHPI.

(Ref.No. NB.mCID/889 / Promotional Grant (Policy)/ 2009-10 dated 30 October 2009. Circular No. 173 /MCID - 06 / 2009)

Tribal Development Fund - Selection of Project Implementing Agencies (PIAs)

It has been decided that the selection of Project Implementing Agencies be now delegated to Regional Offices. Hence the selection of the PIAs may be taken up by the Regional Offices and the same need not be referred to PSC for approval/ratification.

(Ref.No.NB.DPD.FS./ 1623/TDF-2/2009-10 dated 21 October 2009. Circular No. 168 /DPD-FS -3/2009)

Financing of crop loan at 7% p.a. - Interest Subvention for 2009-10

Govt. of India's instructions for interest subvention for the year 2009-10 are as under:

a) Interest subvention of 2% per annum is available to Cooperative Banks and Regional rural banks (RRBs) on their own funds used for short term crop loans upto Rs.3,00,000/- per farmer provided such loans are issued not exceeding @7% per annum.

b) An additional interest subvention @1% would be given to those prompt paying farmers who repay their short term crop loans within one year of disbursement of such loans. Thus, the prompt paying farmers would now get short term crop loans @ 6% per annum during the year 2009-10. This benefit would not accrue to those farmers who repay after one year of availing such loans.

c) Interest subvention would be available to farmers from the date of disbursement till the date of repayment subject to maximum period of one year.

d) The rate of interest on our ST(SAO) refinance to Cooperative Banks and RRBs for 2009-10 will continue to remain @ 4% p.a. and 4.5% p.a. respectively.

(Ref. Nos. NB.PCD(Policy)/1327& 1329 /Interest subvention-2009-10/2009-10 dated 30 October 2009. Circular Nos. 174 &175 / PCD - 14& 15 /2009)

NREGS Renamed

W.e.f. 2nd October 2009 (Gandhi Jayanti) NREGS is renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme.

Master Circular on Appointment of Chairmen of Regional Rural Banks (RRBs) under Section 11 of the RRBs Act, 1976

The Govt. of India have revised guidelines for appointment of RRB Chairman are as under :

1. The Sponsor Bank shall appoint an individual to be the Chairman of the Regional Rural Bank for a period not exceeding five years.

2. The officer considered for the post of Chairman should :

a. have at least three years and six months service left, so as to have a minimum tenure of three years before being repatriated to the Sponsor Bank at least six months before the date of retirement. (Relaxation in this requirement will be considered by NABARD only in exceptional cases, on specific request of the sponsor bank with all supporting data /information).

b. have earned good reports continuously for the three years preceding the selection.

c. have adequate exposure in general and rural banking, personnel administration and industrial relations, and possess leadership qualities.

d. preferably be conversant with the local language.

e. not have any criminal / vigilance / departmental / income tax case pending against him.

The proposal should have approval of Management Committee/ Board of Directors of the Sponsor Bank.

(For full details please refer the Master Circular (Appendix II)- Ref No./ NB.IDD. RRCBD/BMBL/ 1449 /314/ 2009-10 dated 29 October 2009 -Circular No./ 172 /IDD - 14 /2009) and this Master Circular supersedes all the Circulars issued earlier on this subject (Appendix I).

NABCONS becomes Africa's new Development Partner – Opens Nairobi Office

NABCONS launched its maiden international office for African Region at Nairobi, Kenya on 2nd October 2009. The formal launch function was held in Nairobi and was presided over by Mr. Joseph Nyagah, MP and Minister for Cooperatives Development and Marketing, Government of Kenya. Nabcons CEO Shri Madan Mohan, GM Shri V. Mohan Doss and Shri S.A. Pande, local business head were present on the occasion.

Right to Information Act, 2005

NABARD is a public authority under the provisions of the RTI Act 2005. Some of the changes which have been effected in order to streamline the implementation of the Act in the bank are as under -

1. The Chief General Manager / the Officer-in-Charge will be the Central Public Information Officer (CPIO) at Regional Offices / Training establishments /Accounting Units. In the absence of the Chief General Manager, the Officer-in-Charge will be the alternate CPIO.
2. The Regional Offices will attend to the following items of work under RTI: All queries relating to the Regional Offices, client institutions, other institutions/authorities and outside persons within the State / jurisdiction of the Regional Office and all requests received from staff of the Regional Offices, retired officers and staff settled in the State.
3. Appellate Authority : The First Appellate Authority for all appeals under the Act will henceforth, be the Executive Director (Shri Amaresh Kumar) for the entire bank and all appeals will have to be addressed to him. The appeals in the name of the Executive Director will be received at the Regional Offices.
4. RTI queries are required to be replied to within 30 days from the date of receipt.

Website of the CIC (cic.gov.in and rti.gov.in) may be referred to get updates from time to time.

(NB HO Secy/2105/CPIO/RTI/62-C / 2009-10 dated 01 October 2009. Office Circular No 162 / Secy -01 /2009)

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