



Relief Measures to Borrowers affected by Drought- Investment Credit Extended by SCARDBs

SCARDBs have been advised to take the following broad measures to give relief to farmers -

1. (a) Borrowers may be given the facility of postponing/rescheduling of current demand by extending the period of loan. In other words, in areas affected by natural calamities, the recovery of loan instalments representing only the current demand due from the concerned borrower may be allowed to be postponed by one year. Care should be taken to ensure that the repayment period for the loan, after postponement of current demand, does not exceed the economic life of the asset. In no case an overdue instalment be postponed. The facility should be extended only to those borrowers who have actually suffered loss.

(b) No compound interest or penal interest is to be charged. Penal interest, if any, already charged, may be refunded.

2. While granting postponement of loans and re-schedulement of term loans, conditions regarding annewari declaration of not less than 50%, submission of annewari certificates in the prescribed format and remission/suspension of land revenue/Government dues and such other terms and conditions as are maintained in our circulars issued from time to time may be complied with.

(a) To initiate action on priority basis in supporting activities such as deepening of wells, installation of tube/bore wells and pump sets to tap additional ground water compensating for deficient rainfall.

b) Dry land farming activities may be given prominence.

c) Financing of water saving devices and supporting water conservation measures.

d) Providing a safety net to farmers through promotion of animal husbandry sector and other allied activities.

(Ref.No.NB.ICD/931/PPS-20/2009-10 dated 02 September 2009. Circular No.146/ICD-33 /2009)

Relief measures to farmers affected by Natural calamities – Conversion of ST(SAO) loans into Medium Term loans –Refinance Policy for the year 2009-10

The eligibility norms for RRBs and SCBs/ DCCBs as stipulated for sanction of ST(SAO) limits for the year 2009-10 will also be applicable for sanction of conversion of ST(SAO) loans into medium-term loans and rephasing / reschedulement of existing MT (Conversion) Loans.

The rate of interest on refinance assistance from NABARD to RRBs and SCB/ DCCBs for MT[Conversion/ Rephasement/ Reschedulement] will be 5.50% per annum or such other rate as may be prescribed by NABARD from time to time.

All other conditions relating to declaration of Annewari / submission of annewari certificate / land revenue, remission by the State Government, crops to be covered under conversion / re-schedulement etc. will remain unchanged.

In the event of default in repayment of principal and payment of interest, the RRBs and SCBs/ DCCBs will be liable to pay to NABARD interest at 9.5% p.a. on amount of default, for the period for which the default persists.

The penal interest rates are subject to revision from time to time.

(Ref.No.NB.PCD(Policy)/ 1020 /A.10/ 2009-10 dated 31 August 2009 Circular No. 141 A / PCD - 12 / 2009 and No.NB.PCD (Policy)/ 1018 /A.10/2009-10 dated 31 August 2009 Circular No. 141 / PCD - 11 / 2009)

Provision of Short term credit limits to RRBs under Section 21(1)(i) /(iv)/(v) read with Section 21(4) of NABARD Act,1981 for financing Marketing of crops, Pisciculture and certain approved purposes other than SAO - Policy for the year 2009-10

The limit sanctioned for 2009-10 will be inclusive of the amount outstanding against the sanction for the year 2008-09 or any outstanding against the limit prior to 2008-09. We also advise that the rate of interest is subject to revision from time to time and the present rate of interest at 8% p.a. would be applicable w.e.f. 01 April 2009 on the outstanding balances, if any, of the previous years limit as well as the drawals that may be availed of by the Banks on the above limit for the current year 2009-10.

(Ref No.NB.PCD(Policy)/ 1153 / 334(P) / 2009-10 dated 23 September 2009 Circular No.155 / PCD - 13 /2009)

CISS for Rural Godowns – Eligibility of more than one godown in different locations

The operational guidelines for Rural Godowns' stipulate that subsidy under the scheme shall be restricted to a maximum capacity of 10000 tonnes. In this regard, the Department of Marketing and Inspection, GoI, had advised that 'one promoter is eligible for subsidy claim for more than one godown in different locations subject to the condition that the subsidy claim should not exceed 10,000 MT capacity for each location' which is further clarified as under :

(i) If one applicant is making several godowns in different locations, each godown may be considered as a separate project and for each such godown the eligible subsidy may be given upto a capacity creation of 10000 MT, even if the bank has sanctioned all such godowns through one common letter.

(ii) However, if more than one godowns are located in the same premises, then, it may be examined as to whether such godowns are proposed to be built on the land located in different gatta/survey nos and whether they separately have all the required amenities and space. Only if they have such separate specifications, they may be considered as projects in different locations, for the purpose of subsidy. Otherwise, they may be considered as a single project only and overall subsidy for such project may be limited to 10000 MT.

(Ref. No.NB.ICD/ 891 / RG-4/2009-10 26 August 2009 Circular No. 136 / ICD-32 / 2009)

Inclusion of Centage Charges as an Eligible item for RIDF Funding

It has been decided to include centage charges as part of the project cost at rates prescribed by the respective Government and where the State Government has laid down the policy in this regard.

Centage charges would be allowed only when the project execution is carried out by the State owned agencies and corporations.

(Ref.NB. SPD/ 373 /RIDF XV (General)/2009-10 dated 01 September 2009. Circular No. 143/ SPD - 02/2009)

Nabcons opens Zonal Office

Nabcons opened its zonal office at New Delhi with effect from 25 September 2009. Shri T.K.Hazarika, DGM and Smt. Rekha Chandra, AGM have been posted to this zonal office.

Nabcons Zonal Cells

Three zonal cells of Nabcons have been set up, one each at Andhra Pradesh, West Bengal and Arunachal Pradesh. The officers posted are: Dr M S Rao (AGM at Hyderabad) to handle Andhra Pradesh, Shri S K Nanda (AGM at Kolkatta) to look after WB, Tripura, Mizoram, Nagaland and Sikkim ROs while Shri A K Pasrija, DGM at Itanagar will look after Arunachal Pradesh, Assam, Manipur and Meghalaya.

This is in addition to the zonal office already opened at New Delhi.

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