



Pilot project for Financial Inclusion through Farmers' Club (FC) acting as Business Facilitator (BF) of RRB

RBI has permitted banks to engage Farmers' Club (FC) as intermediaries to function as a Business Facilitator (BF) to undertake, among others, the following activities :

- a) identification of borrowers and fitment of activities;
- b) collection and preliminary processing of loan applications including verification of
- c) primary information/data;
- d) creating awareness about savings and other products and education and advice on
- e) managing money and debt counselling;
- f) processing and submission of applications to banks;
- g) post-sanction monitoring; and
- h) follow-up for recovery.

As the functions of the FC are akin to that of Business Facilitator (BF). RRBs may consider appointing FCs as BF. The support for such initiatives will be extended from FIF. The support will be for pilot project in one district per RRB.

(Ref No. NB.FID./ 937 / FI- 01 / 2009-10 dated 04 January 2010.Circular No. 06 / FID - 05 / 2010)

Financing of Joint Liability Groups (JLGs) : Payment of incentive to NGOs & Other JLG promoting Institutions

In view of the difficulties in routing promotional grant through banks for JLG Promoting Institutions it is clarified that :

- 1) The First instalment of grant @ Rs.1000/- can be released directly to NGOs & Other JLG promoting Institutions after Bank' certification with regard to sanction of loan to JLGs. The certificate should indicate the particulars of the JLGs and the details of loan sanctioned.

- 2) The Second and Third instalment of grant @ Rs.500/- each can also be released directly to NGOs & Other JLG promoting Institutions based on Bank' Certification, duly indicating the satisfactory repayment of loan instalments, on due dates.

(Ref.no. NB.MCID/ 1259 /Innov. JLG/2009-10 dated 11 January 2010.Circular No. 13 /MCID - 02 /2010)

Editorial Board - S. K. Mitra, Amaresh Kumar, P.L. Behera, Dr. Prakash Bakshi and V. Ramakrishna Rao

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Mumbai-400051