



### **Dairy and Poultry Venture Capital Funds - Dairy Entrepreneurship Development Scheme (DEDS)**

It has been decided by Department of Animal Husbandry, Dairying and Fisheries, GoI to change the mode of implementation from Interest Free Loan (IFL) to capital subsidy, revise the unit costs, include some new components and also change the name to "Dairy Entrepreneurship Development Scheme (DEDS)"

2. The revised scheme has come into operation with effect from 1 September 2010. Budget provision for the scheme during 2010-11 is `32.40 crore { including `4.18 crore for NE region and releases made under erstwhile Dairy Venture Capital Fund Scheme (DVCF)}.

3. Proposals sanctioned and disbursed by the banks on or after 1 September 2010 will be covered under the revised scheme, i.e. DEDS only. Proposals will be considered on first come first serve basis subject to availability of funds.

4. Claims in respect of which IFL is already sanctioned and released by NABARD under DVCF scheme will not be reopened.

5. The Department of Animal Husbandry, Dairying and Fisheries (DAHD&F), Ministry of Agriculture, Government of India, is the focal department for operating the scheme. The sanction and release of subsidy is subject to availability of funds and adherence of the instructions issued by DAHD&F, GoI and NABARD from time to time.

*(For more details please refer Circular No. NB.TSD.1660 / VCF-4 / 2010-11 dated 21 September 2010. Circular No. 186/TSD - 03 / 2010)*

### **Role of the Directors on the Board of Directors of SCBs / CCBs - Code of Conduct (Do's and Don'ts)**

- 1) In the post implementation of the GoI Revival Package for Short Term Cooperative Credit Structures (STCCS) and 'Agricultural Debt Waiver & Debt Relief Scheme 2008, the Cooperative Banks need to further strengthen their Board of Directors in order to discharge their duties effectively. In view of this the Code of Conduct (Do's & Don'ts) for the Board of Directors has been reviewed.
- 2) **Constitution of Board of Directors - Eligibility of Directors** : The Fit and Proper Criteria as prescribed by RBI should be followed in the constitution of Board of Directors of the Bank. Since the Directors are elected from amongst the members (except co-opted and nominated Directors), the persons who are not eligible for admission even as members cannot act as promoters or become Directors of the bank. In particular,

persons engaged in money lending, financing and investment activities, either in individual capacity or as proprietor/ partner/ employee/ Director of any concern as also those convicted of any criminal offenses including moral turpitude are ineligible in terms of clause b (ii) of the model Bye-law No.9 and/or the provisions contained in the Cooperative Societies Act (concerned). The Board of Directors (BODs) is primarily concerned with the formulation of policies keeping in view the guidelines issued by RBI, NABARD and State/Central Government. The Board should also exercise overall supervision and control over the functioning of the bank, leaving day-to-day administration to the Chief Executive Officer (CEO) of the bank.

- 3) **Professionalism in the Board of Directors:** The Directors of Cooperative Banks must be knowledgeable and persons of high integrity. They must function in a cohesive manner and provide leadership for the smooth and efficient management of the affairs of the bank. This calls for a certain degree of professionalism in the Board of Directors. To ensure professionalism in the Board, the banks should adhere to the criteria prescribed by RBI in this regard under "Fit and proper criteria". The banks should also have a suitable provision in their Bye-laws to ensure this.
- 4) **Role of Board of Directors :** Board of Directors of the Cooperative Bank should ensure that proper loan policies are adopted and followed. It should be ensured that all circulars and other material relating to policies issued by RBI/NABARD/GoI/State Government are seen by every member of the Board and also placed before the Board for suitable action. Do's and Dont's issued by us vide our above referred circular have been reviewed and an illustrative Code of Conduct which includes the Do' and Don' for guidance of the Directors of Cooperative Banks is indicated in the Annexure of this circular. *In order to ensure adherence to the code of conduct we expect that, once the standards are formulated, the same should be signed by the Directors in witness of RCS and NABARD.* The list is illustrative and not exhaustive and is not to be regarded as a substitute to the specified duties, responsibilities or rights of the Board of Directors as enunciated in the Cooperative Law and / or Bye-laws of the respective banks.

*(For more details please refer Circular No. NB.IDD. COOP.ST / 1111 / V.20 / 2010-11 dated 21 September 2010.Circular No. 187 / IDD - 09 /2010)*

### **Delegation of sanctioning powers to ROs under Retired Executive Medical Scheme (REMS)**

With the introduction of Retired Executive Medical Scheme (REMS) in NABARD in 1998, retired Chairman, Managing Director, Executive Directors and their spouses are eligible for part reimbursement of the expenditure of the OPD treatment. To avail the facility all such retired executives have to join the REMS by making one time subscription of Rs.5000/- after which they can avail the OPD facility within India from the registered practitioner/specialist of their choice. The settlement of these claims at present is being made at Head Office. It has been decided to delegate power to sanction such claims to the CGM/OIC of the ROs.

Such of the claims, where the eligible amount exceeds the above limit, will continue to be settled at HO.

*(Ref. No. NB GAD/800 /REMS/ 2010-11 dated 03 September 2010.Circular No. 173/GAD-2/2010)*

## FINANCIAL INCLUSION

### A road map to provide banking services through a banking outlet in every village having a population of over 2,000, by March 2012 – Involvement of DDMs

It has been decided to declare the year 2012 as the year of Financial Inclusion with an objective to achieve the total financial inclusion by 2012. GoI and RBI attach considerable importance to the financial inclusion for which road map needs to be drawn to achieve the same. The road map should include among others, plan for financial literacy, opening of outlets including BC outlets, issue of KCC/GCC/SCC to all eligible borrowers, identification of BCs/BFs. For this purpose each DDM has to prepare a road map for his district indicating the steps to be taken for covering all the unbanked areas by providing financial services by March 2012. Hilly and tribal areas and hamlets having around 1000 population are also equally important as regards Financial Inclusion is concerned. These hamlets should be taken into consideration while preparing the Financial Inclusion plan.

A senior officer from Financial Inclusion Department, Head Office will be deputed to discuss related issues with the DDMs during their bimonthly structured meeting (BSM).

*(DO.No.NB.FID/814/FI – 01/2010 – 11 dated 09 September 2010. Circular No. 180 / FID - 15 / 2010)*

### Modalities of Financial Support from FIF and FITF – Increase in Extent of Support to Eligible Financial Institutions

It has been decided to amend the agency-wise extent of support and the pattern of assistance on the following lines :

Institution	Extent of support to be extended (as a Percentage of Project outlay)	Region
Commercial Banks	(i) 100%  (ii) 60%	North - Eastern Region and Sikkim, Jammu & Kashmir, Uttarakhand, Jharkhand, Himachal Pradesh, Chhattisgarh and Andaman & Nicobar Islands.  256 districts specified as per report of Committee on Financial Inclusion and 10 disturbed districts {Khammam (Andhra Pradesh); Bokaro, East Singhbhum, Latehar, West Singhbhum (Jharkhand) ; Deogarh, Gajapati, Malkangiri, Rayagada, Sambalpur (Orissa)}; Other than those covered under (i) above and Remaining Regions of the country.
Cooperatives and RRBs	100%	North – Eastern Region and Sikkim, Jammu & Kashmir, Uttarakhand, Jharkhand, Himachal Pradesh, Chhattisgarh and Andaman & Nicobar Islands.
RRBs	80%	Remaining Regions of the country.
Cooperatives	90%	Remaining Regions of the country.

2. The revised rates for extent of support will be applicable to the proposals received on or after 16 September 2010.

(Ref. No. NB. FID / 1030 / FI - 01 / 2010 - 11 30 dated September 2010. Circular No. 190 / FID - 16 / 2010)

### **Automatic Refinance Facility (ARF) to Commercial Banks - Repayment period**

It has now been decided to extend the facility of 5 year repayment period to commercial banks under Non-farm sector also. The revised procedure will be applicable in respect of all pending refinance drawal applications as also for the proposals received, hereafter.

(Ref.No.NB.ICD/ 1659 /PPS- 162/2010-11 dated 27 September 2010. Circular No. 188/ICD- 39 /2010)

### **Scheme for writing original books in Hindi on subjects relating to Agriculture and Rural development**

It has decided to make the above scheme more attractive.

- 1) **Eligibility** : All serving staff members of NABARD and retired staff members will be eligible to participate in the scheme, subject to the approval by the Book Approval Committee.
- 2) **Incentive** : The writer employee will be eligible for an incentive of `10,000/-. The amount would be payable by the Bank in two instalments. The first instalment would be 80% (i.e., `8000/-) payable after approval of the synopsis by the Book Approval Committee. Before publication, the manuscript should be sent to Rajbhasha Prabhag for linguistic scrutiny. The remaining 20% i.e., `2000/- would be payable after the book is published and two copies thereof are submitted to the Rajbhasha Prabhag. After receipt of two copies of the book, one copy would be sent for review to an expert of the subject to be decided by the Bank. On the basis of review by the expert, the Book Approval Committee, in order to encourage publication of books useful and meaningful from the Bank's point of view, may grant an additional amount which will be decided on the basis of number of pages, value and quality of the book. This additional amount of incentive may range between a minimum of `10,000/- and a maximum of `40,000/-. The total amount of incentive shall in no case, be more than `50,000/-.
- 3) If the author does not submit the manuscript after the approval of the synopsis, within six months or such extended period as the Bank may allow, the author shall have to refund the entire amount paid to him by the Bank.
- 4) **Certain Salient Features of the Scheme are :**
  - The author will get the book published preferably through a publisher.
  - The author would be solely responsible for the material published.
  - Distribution/ Marketing of the published book will be the sole responsibility of the author/ publisher of the book.
  - The book should be originally written in Hindi and should not be based on translation.
  - Only standard terminology i.e., the terminology approved by Government of India or NABARD / RBI should be used in the book.
  - The synopsis to be submitted to the Book Approval Committee should be neatly typed in double space on one side only.
  - It is desirable that the book should have at least 150 pages and its size, typesetting etc. should be as per standard books.

(Ref No. NB.HO.Rajbhasha / 323 / 58(8) / 2010-11dated 15 September 2010.Circular No. 184 /Rajbhasha - 01/2010)

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

Edited and published by **B. Jayaraman** for National Bank for Agriculture and Rural Development,  
Bandra-Kurla Complex, Mumbai-400051