**Provision of Additional Short-Term (ST) refinance by NABARD to Regional Rural Banks for financing Seasonal Agricultural Operations (SAO) - Policy for F. Y. 2021-22**

Please refer to NB.DoR/25/A-1 (Gen)/2020-21 dated 15 April 2020 (Circular No. 102/DoR-30/2020) and subsequent amendments communicating policy for sanction of additional Short-Term (ST) refinance to Regional Rural Banks (RRBs) for financing Additional Seasonal Agricultural Operations for the FY 2020-21. The policy guidelines are being continued at present for the FY 2021-22 and the same is given in Annexure I. The total limit sanctioned under Additional Short-Term refinance will be upto 50% of the RLP including outstanding under normal ST (SAO) or as per para ‘4’ of Annexure-I.

2. RRBs can draw upto the eligible limit, including amount drawn under ST RRB fund, of GLC or as the case may be, under this line of credit.

3. You may submit an application for sanction of Additional ST (SAO) credit
limit, in the prescribed proforma to NABARD RO in your State.

4. Please acknowledge receipt of this circular to our Regional Office.

भवदीय

(एल आर रामचंद्रन)
मुख्य महाप्रबंधक

संलग्न : यथोक्त
Annuity ANNEXURE I

Provision of Additional Short-term (ST) refinance by NABARD to Regional Rural Banks (RRBs) for financing Seasonal Agricultural Operations - Policy for F. Y. 2021-22

1. Additional ST (SAO) provision

Operative period of Additional ST (SAO) limit

The operative period of Additional ST(SAO) limit for F. Y. 2021-22 will be 01.04.2021 to 31.03.2022. Additional ST (SAO) refinance will be provided to the RRBs only in respect of crop loans disbursed during the operative period.

2. Sanction of limit

a. The Additional ST(SAO) limit will be sanctioned to RRBs under Sec. 21(1) (i) read with Sec. 21(4) of the NABARD Act, 1981 against DPN executed by RRBs.

b. RRB has to declare in writing, at the time of each drawal that the drawal preferred and the refinance already availed are against the loans provided by RRBs and are covered by adequate non-overdue loans. Banks are required to submit NODC statement to NABARD regularly either in physical form or through digitized platform.
3. पात्रता मानदंड Eligibility norms

3.1 लेखा परीक्षा Audit

The Audit of RRBs for the year 2019-20 should have been completed and the relative audit reports along with financial statements should have been submitted to the concerned Regional Office of NABARD for considering the loan application in the first quarter of the year. Further, the audit of RRBs for 2020-21 should be completed and the report submitted by 30.06.2021. Sanction/Drawals on or after 01.07.2021 will be permitted only to such RRBs, which have completed the audit and submitted the relevant audit report to the concerned RO of NABARD and subject to satisfactory position regarding the eligibility norms.

3.2 नाबार्ि द्वारा आरआरबी की आंतरिक जोखिम रेटिंग Internal Risk Rating of RRBs by NABARD

3.2.1 विशेष रूप से जहरतमंद कृषि क्षेत्र को अधिक ऋण देने की प्रोत्साहित करने की भावना को ध्यान में रखते हुए, यह निर्णय लिया गया है कि आरआरबी के लिए सीआरएआर, शुद्ध एनपीए और शुद्ध लाभ के प्रारंभिक मानदंड को छोड़ दिया जाए और उन सभी आरआरबी को अन्य रूपों में पुनर्विक्ति प्रदान किया जाए जिनकी आंतरिक जोखिम रेटिंग श्रेणी NDB1 से NDB7 है।

In keeping with the spirit to encourage more lending especially to the needy agricultural sector, it has been decided to waive the preliminary criteria of CRAR, Net NPA and Net Profit for RRBs and extend Short Term refinance to all RRBs whose internal Risk Rating Category is NBD1 to NBD7.

3.2.2 सभी आरआरबी की जोखिम रेटिंग नाबार्ि द्वारा जोखिम प्रबंधन विभाग (आरएमर्षी) द्वारा जारी विश्वासनिर्देशों के आधार पर की जाएगी और एनडीबी1 से एनडीबी7 की जोखिम रेटिंग प्राप्त करने वाले आरआरबी अंतरिक्ष एसटी (एसएओ) के तहत पुनर्विक्ति के लिए पात्र होंगे।

Risk rating of all RRBs will be done by NABARD based on the guidelines issued by RMD and RRBs obtaining Risk rating of NDB 1 to NDB 7 will be eligible for refinance under Additional ST(SAO).
3.3 Risk rating will be assessed based on the financial as indicated in the statutory audit report. However, in the event of any variation between the audit report and the Inspection Report of NABARD, the latter will be reckoned for risk rating. In case of any reason beyond the control of the Bank, the bank is unable to fulfil the eligibility criteria, NABARD may consider a lower eligibility norms, with adequate comforts/security.

3.4 Eligibility criteria during the first quarter ie. 1 April 2021 to 30 June 2021 will be based on the audited financial position of the bank as on 31.03.2020 or 31.03.2021 (if available). From 1st July 2021 to 31st March 2022, eligibility criteria will be based on audited financial position as on 31.03.2021. Sanction/Drawals on or after 01.07.2021 will be allowed only to such RRBs, which have completed the audit and submitted a satisfactory audit report to the concerned RO of NABARD, unless otherwise permitted as special case.

4. Quantum of refinance

4.1 The quantum of refinance for sanction will be as under:
4.2 North Eastern Region, Jammu & Kashmir, Sikkim, Andaman & Nicobar Islands, Himachal Pradesh and Uttarakhand, will be eligible for an additional credit limit of 25% as under:

<table>
<thead>
<tr>
<th>नाबार्ि द्वारा क्षेत्रीय ग्रामीण बैंकों की जोक्खिि रेटिंग</th>
<th>पात्र सीमा Eligible limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Rating of RRB by NABARD</td>
<td>[वास्तविक ऋण कार्यक्रम (आरएलपी) के प्रतिशत के रूप में] As a percentage of Realistic Lending Programme (RLP)]</td>
</tr>
<tr>
<td>एनबीर्िी1 NBD1 – एनबीर्िी4 NDB4</td>
<td>50%</td>
</tr>
<tr>
<td>एनबीर्िी5 NBD5 – एनबीर्िी7 NDB7</td>
<td>45%</td>
</tr>
<tr>
<td>एनबीर्िी8 NBD8 – एनबीर्िी9 NDB9</td>
<td>पात्र नहीं Not eligible</td>
</tr>
</tbody>
</table>

4.3 Bihar, West Bengal, Jharkhand, Odisha, Chhattisgarh States and 28 districts of Eastern Uttar Pradesh (under BGREI Scheme of Govt. of India) will be eligible for an additional credit limit of 5%, as under:

<table>
<thead>
<tr>
<th>नाबार्ि द्वारा क्षेत्रीय ग्रामीण बैंकों की जोक्खिि रेटिंग</th>
<th>पात्र सीमा Eligible limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Rating of RRB by NABARD</td>
<td>[वास्तविक ऋण कार्यक्रम (आरएलपी) के प्रतिशत के रूप में] As a percentage of Realistic Lending Programme (RLP)]</td>
</tr>
<tr>
<td>एनबीर्िी1 NBD1 – एनबीर्िी4 NDB4</td>
<td>75%</td>
</tr>
<tr>
<td>एनबीर्िी5 NBD5 – एनबीर्िी7 NDB7</td>
<td>70%</td>
</tr>
<tr>
<td>एनबीर्िी8 NBD8 – एनबीर्िी9 NDB9</td>
<td>पात्र नहीं Not eligible</td>
</tr>
<tr>
<td>नाबार्ड द्वारा क्षेत्रीय ग्रामीण बैंकों की जोखिम रेटिंग</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Risk Rating of RRB by NABARD</strong></td>
<td></td>
</tr>
<tr>
<td>पात्र सीमा Eligible limit</td>
<td></td>
</tr>
<tr>
<td>[बास्त्विक क्रांति कार्यक्रम (आरएलपी) के प्रतिशत के रूप में]</td>
<td></td>
</tr>
<tr>
<td>As a percentage of Realistic Lending Programme (RLP)]</td>
<td></td>
</tr>
</tbody>
</table>

| एनबीडी1 NBD1 – एनबीडी4 NDB4 | 55% |
| एनबीडी5 NBD5 – एनबीडी7 NDB7 | 50% |
| एनबीडी8 NBD8 – एनबीडी9 NDB9 | पात्र नहीं Not eligible |

4.3 वर्ष 2021-22 के लिए आरएलपी पिछले तीन वर्षों के दौरान संवितरित फसल क्रण में आमतूत वृद्धि दर के आधार पर निकाला जा सकता है (पिछले चार वर्षों के संवितरित फसल क्रण आकड़ों को ध्वन में रखते हुए). हालांकि, जमींदारी स्तर की वास्तविकताओं और अन्य तत्वों को ध्वन में रखते हुए, यदि कोई ही, नाबार्ड ऐसा आरएलपी स्वीकार कर सकता है जो आरआरबी द्वारा निर्धारित आरएलपी से कम या अधिक हो सकता है।

The RLP for the year 2021-22 may be arrived at on the basis of average growth rate in crop loans disbursed during previous three years (taking into account the crop loans disbursed data for last four years). However, keeping in view the ground level realities and other facts, if any, NABARD may accept RLP which may be lower or higher than the RLP worked out by the RRB.

4.4 आरआरबी को जीएलसी के 50% (एसटीआरआरबी मानक के तहत आहरित राशि पटाका) तक या इस क्रण व्यवस्था के अन्तर्गत मामले के आधार पर आहरण की अनुमति दी जा सकती है।

The RRB may be allowed drawals upto 50% (net of the amount drawn under STRRB fund) of GLC or as the case may be under this line of credit.

4.5 यह सीमा केवल किसान स्तर पर ₹3 लाख तक के लिए जारी केसीसी क्रण के लिए उपलब्ध होगी।

The limit will be available only for KCC crop loans issued upto ₹3 lakh at farmer level.

4.6 इस क्रण व्यवस्था के अंतर्गत पुनर्वित्त को बैंक के स्वामित्व वाली निधि के रूप में माना जाएगा जो भारत सरकार के मौजूदा व्याज सहायता योजना के दिशानिर्देशों के अनुसार व्याज सहायता के लिए पात्र है।

The refinance under this line of credit will be reckoned as owned funds of the bank which is eligible for Interest subvention as per extant Interest Subvention Scheme guidelines of GoI.
5. **Merger of RRBs**

In case of merged Banks, the financial position of the new / merged RRBs as on the date of notification / merger based on special audit or the aggregate audit position as on 31.03.2020 of the erstwhile RRBs will form the basis for sanction of limit to such new RRB for the year 2021-22. Further, if the statutory audit position as on 31.03.2021 is available, the same will be considered for sanction of credit limit to the banks.

6. **Rate of interest on refinance**

6.1 **Interest Rate**

The interest rates on refinance will be as decided by NABARD from time to time. Interest is payable at half-yearly rests on 01 October and 01 April, as hitherto. In the event of bank repaying entire principal amount, the interest will be payable along with principal amount.

6.2 **Penal interest in case of default**

RRBs which fail to honour their commitments to NABARD in repayment of principal, payment of interest and / or other dues by the prescribed due dates, will not be eligible for any type of refinance facility from NABARD. Resumption of refinance may be considered, only after the bank clears the default. In the event of default, penal interest rate of 2% p.a over and above the interest rate at which refinance was disbursed, will be charged on the defaulted amount and for the period for which the default persists. The penal interest rates are subject to revision from time to time.
The amount drawn against the limit are repayable on demand. However, each drawal on the credit limit would be treated as a separate loan and would normally be repayable in a period of 12 months from the date of drawal. Repayments (partial or full) before the expiry of 12 months may be accepted by NABARD with minimum notice of 15 working days or with interest payment of 15 days along with the principal. The notice period may, however, be waived in case the repayment is made 30 days after the date of drawal.

8. Operational discipline

8.1 Additional ST (SAO) limit will be restricted to applicable percentage of refinance of the loan issued during the year 2021-22.

Drawal of refinance by RRBs under Additional ST (SAO) limit will be restricted to applicable percentage of refinance of the loan issued during the year 2021-22.

8.2 Excess Drawal

NABARD will take a serious view in case of availing of drawals beyond permissible quantum of refinance on account of reporting of incorrect data about crop loan disbursement or of NODC. In such cases, NABARD may call back the excess refinance availed by bank within 3 days along with the penal interest of 1% p.a.

8.3 NODC

NABARD will take a serious view in case of availing of drawals beyond permissible quantum of refinance on account of reporting of incorrect data about crop loan disbursement or of NODC. In such cases, NABARD may call back the excess refinance availed by bank within 3 days along with the penal interest of 1% p.a.
Drawals by RRBs on the credit limits will be permitted subject to the availability of aggregate NODC (including that for normal limit). For this purpose, RRBs are required to furnish to the concerned RO of NABARD, monthly NODC statement so as to reach latest by 20th of the succeeding month, physically or through digital platform.

At the time of each drawal, a certificate in the prescribed format, regarding the availability of aggregate NODC, as on the date of drawal will have to be furnished by the bank. Moreover, it may be ensured by the bank that on any day, total of normal ST (SAO) outstanding and the Additional ST (SAO) outstanding should not exceed the aggregate NODC available on that date.

8.4 **Penal interest on NODC deficit**

RRBs should clear the deficit in NODC, if any, immediately, so as to ensure availability of adequate non-overdue cover for borrowings from NABARD. In case the RRB fails to make good the deficit within one month from the date of occurrence of such deficit, additional interest @ 1% p.a. will be charged on the deficit in NODC for the duration of deficit i.e. till the date on which the amount of deficit is regularized.

8.5 **Segregation of principal and interest in the loans outstanding**

RRBs may exclude the interest component (overdue / non-overdue interest) from the outstanding amount and report the principal loan amount only, both in their
applications for credit limit and drawal application, for arriving at the eligibility for refinance support from NABARD. Besides, only the principal portion of loans (issued, recovered, outstanding and overdues) should be reported in the monthly NODC statements.

9. चूक की निकासी Clearance of default

मूलधन के पुनर्भुगतान, व्याज के भुगतान और/ या किसी अन्य देय राशि के भुगतान में नावार्ड के प्रति अपनी प्रतिबद्धताओं को पूरा करने में विफल रहने वाले क्षेत्रीय ग्रामीण बैंक, नावार्ड से किसी भी पुनर्वित्त सुबिधा के लिए पात्र नहीं होंगे, जब तक कि संबंधित चूक की दूर नहीं की जाती.

RRBs which fail to honour their commitments to NABARD in repayment of principal, payment of interest and / or any other dues by the prescribed due dates, will not be eligible for any refinance facility from NABARD till the clearance of default in question.

10. निरीक्षण का अधिकार Right to inspection

नावार्ड आरआरबी के खातों की पुस्तकों का निरीक्षण करने/ करवाने का अधिकार मुक्तित रखता है. NABARD reserves the right to inspect / get inspected the books of accounts of the RRB,

11. विशेष लेखा परीक्षा करवाने का अधिकार Right to cause special audit

नावार्ड के पास स्वयं या अन्य एजेंसियों के माध्यम से आरआरबी के खातों और अन्य प्रावधानिक सामग्री की विशेष लेखा परीक्षा कराने का अधिकार यह सुनिश्चित करने के लिए होगा कि बैंक द्वारा खातों और अन्य प्रावधानिक सामग्री की नियम और विनियमों के अनुसार बनाए रखा जाता है और पुनर्वित्त के नियमों और शर्तों का पालन किया जाता है.

NABARD will have the right to cause special audit of the books of accounts and other relevant material of the RRB either by itself or through other agencies to ensure that the same are maintained as per the rules and regulations in force and the terms and conditions of refinance are adhered to by the bank.

12. अन्य Others

एसटी (एसएओ) के तहत पुनर्वित्त प्रदान करने के लिए लागू अन्य सभी नियम और शर्तें अतिरिक्त एसटी (एसएओ) पुनर्वित्त पर भी लागू होंगी.

All other terms and conditions applicable for providing refinance under ST(SAO) will be applicable to Additional ST (SAO) refinance too.

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