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

Please refer to NB.DoR.ST Policy/27/A-1(Gen)/2020-21 dated 15 April 2020 (Circular No.103/DoR-31/2020) on the captioned subject, communicating policy for sanction of Additional Short-Term (ST) refinance to State Cooperative Banks for financing Seasonal Agricultural Operations (SAO) for the FY 2020-21. The policy guidelines are being continued at present for the FY2021-22 and the same is given in Annexure I. The total limit sanctioned under Additional Short-Term refinance would be upto 60% of RLP of eligible CCBs in a 3 tier structure and the StCB in case of a 2 tier structure including outstanding under normal ST (SAO) or as per para ‘4’ of Annexure-I.

2. The StCBs can draw upto 60%(including the amount drawn under STCRC 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 on behalf of all the eligible DCCBs in 3 tier structure/StCB in 2 tier structure, in the prescribed proforma to NABARD RO.
<table>
<thead>
<tr>
<th>हिंदी</th>
<th>English</th>
</tr>
</thead>
<tbody>
<tr>
<td>उस राज्य के नाबालिग के क्षेत्रीय कार्यालय को आवेदन प्रस्तुत कर सकते हैं।</td>
<td>4. Please acknowledge receipt of this circular to our Regional Office.</td>
</tr>
<tr>
<td>कृपया इस परिपत्र की पावली हमारे क्षेत्रीय कार्यालय को भेजिए।</td>
<td></td>
</tr>
</tbody>
</table>

भवदीय

(एल आर रामचंद्रन)
मुख्यमहाप्रबंधक

संलग्न : यथोक्त
Annexure I

Provision of Additional Short-Term refinance by NABARD to State Cooperative Banks for financing Seasonal Agricultural Operations - Policy for F. Y. 2021-22

1. **Additional ST (SAO) limit**

   **Operative period of Additional ST (SAO) limit**

   Additional ST (SAO) limit will be 01.04.2021 to 31.03.2022. Additional ST (SAO) refinance will be provided to the StCB in respect of crop loans disbursed only during the operative period.

2. **Sanction of consolidated limit**

   A consolidated limit under Additional ST (SAO) will be sanctioned to

   i. 3 tier structure in respect of eligible DCCBs in 3 tier structure.

   ii. 2 tier structure or in case of weak DCCBs (which are not in a position to finance PACS)

   The limit will be sanctioned to StCB under Sec. 21(1) (i) read with Sec. 21(4) of the NABARD Act, 1981 against DPN executed by StCB.
StCB 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 StCB to eligible DCCBs in 3 tier structure/StCB branches in 2 tier structure for financing SAO and are covered by adequate non-overdue loans outstanding at DCCB/StCB branch level against PACS. Banks are required to submit NODC statement to NABARD regularly either in physical form or through digitized platform.

TPNs executed by DCCBs in favour of StCB will continue to be endorsed in favour of NABARD and StCB will keep the endorsed TPNs with them as agent of NABARD.

Eligibility norms for StCB / CCBs

3.1 Lekha Pariksha Audit

The Audit of StCB / DCCBs 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 half of the year. The audit of DCCBs/StCB for 2020-21 should be completed and the report submitted by 30.09.2021. Sanction and Drawals on or after 01.10.2021 will be permitted only to such StCBs against their branches or DCCBs, which have completed the audit for the year 2020-21 and submitted the relevant audit report to the concerned RO of NABARD and subject to satisfactory position regarding the eligibility norms.

The Audit of StCB / DCCBs 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 half of the year. The audit of DCCBs/StCB for 2020-21 should be completed and the report submitted by 30.09.2021. Sanction and Drawals on or after 01.10.2021 will be permitted only to such StCBs against their branches or DCCBs, which have completed the audit for the year 2020-21 and submitted the relevant audit report to the concerned RO of NABARD and subject to satisfactory position regarding the eligibility norms.
3.2 Compliance with licensing and CRAR norms

All licensed StCBs (Scheduled / Non Scheduled) and licensed DCCBs fulfilling CRAR conditions as stipulated by extant RBI guidelines which are mentioned below will be eligible for refinance under Additional ST(SAO).

3.3 Limits to scheduled StCBs and affiliated CCBs

3.3.1 StCBs / DCCBs having CRAR of 9% and above only will be eligible.

3.3.2 In case of StCBs with CRAR of 9% and above but individual DCCBs with less than 9%, no credit limit will be available on behalf of such DCCBs.

3.3.3 In case of StCB with CRAR less than 9% and DCCBs with CRAR greater than 9%, credit limit will be sanctioned directly to the DCCBs against Government Guarantee or against pledge of Government approved securities/ FDRs of scheduled banks. In case of providing direct refinance to DCCBs, guidelines issued vide our circular No.172 dated 09.09.2011 may be followed.

3.4 Gaur-Arunasuchit Aastamiti's for the sake of presentation

Up to the end of the year the same margin of the unsecured loan limits under the Government guarantee scheme, the bank's priorities in priority sector and non-priority sector that were available in 1981 under the clause 21 (3) (e) and the bank's / unsecured priority sector that were available in 1949 under the clause 5 (e) may be followed.
Limits to non-scheduled StCBs

Non-scheduled StCBs which fulfill the CRAR criteria as provided above, will be eligible for sanction of credit limits against Government guarantee under Sec. 21(3)(a) of NABARD Act, 1981 or pledge of Govt. / approved securities (as defined in section 5(a) of BR Act, 1949) under Sec. 21(2)(i) of Act ibid and / or pledge of FDRs of Scheduled Banks under Sec. 33 of Act ibid.

3.5 अनजिक आतिमों के लिए मानदंड NPA norm

पात्रता, अन्य बातों के साथ साथ, 31.03.2020 की स्थिति में एसटीसीबी की शुद्ध एनपीए स्थिति पर आधारित होगी. जिन बैंकों का निवेश एनपीए, निवेश रणनीति और वकाया अतिप्रेरण के 12% से अधिक नहीं होगा, वे पुनर्निर्धारित के लिए पात्र होंगे. पूर्वोत्तर क्षेत्र, जम्मू और कश्मीर, सिक्किम, हिमाचल प्रदेश, उत्तराखंड और अंडमान और निकोबार द्वीप में एसटीसीबी के लिए शुद्ध एनपीए मानदंड को शुद्ध रणनीति और वकाया अतिप्रेरण के 15% तक उभारा गया है.

The eligibility, among other things, will be based on the net NPA position of StCBs as on 31.03.2020. The Banks with Net NPAs not exceeding 12% of net loans and advances outstanding will be eligible for refinance. Net NPA criteria for StCBs in the North Eastern Region, Jammu & Kashmir, Sikkim, Himachal Pradesh, Uttarakhand and Andaman & Nicobar Islands has been relaxed to 15% of net loans and advances outstanding.

3.6 01 अप्रैल 2021 से 30 सितंबर 2021 के दौरान पात्रता मानदंडों का निर्धारण 31.03.2020 या 31.03.2021 (यदि 31.03.2021 को लेखा परीक्षित स्थिति उपलब्ध है) के अनुसार उनकी लेखा परीक्षित विभागीय स्थिति के अनुसार किया जाएगा. 01 अगस्त 2021 से 31 मार्च 2022 तक के लिए पात्रता मानदंडों का निर्धारण 31.03.2021 की उनकी लेखा परीक्षित विभागीय स्थिति के अनुसार किया जाएगा. 01.10.2021 को या उसके बाद पुनर्निर्धारण की उन्मूलन और आहरण की अनुमति के बाद उन्हें एसटीसीबी / डीसीसीबी को दी जाएगी, जिन्होंने लेखा परीक्षा पूरी कर ली है और नाबार्त के संबंधित क्षेत्रीय कार्यालय को संचालक निरीक्षण लेखा परीक्षा रिपोर्ट प्रस्तुत की है.

Eligibility criteria during 1 April 2021 to 30 September 2021 will be based on their audited financial position as on 31.03.2020 or 31.03.2021 (if audited position as on 31.03.2021 is available). From 1st October 2021 to 31st March 2022, eligibility criteria will be based on their audited financial position as on 31.03.2021. Sanction and Drawals of refinance on or after 01.10.2021 will be permitted only to such StCBs/ DCCBs, which have completed the audit and submitted a satisfactory audit report to
the concerned RO of NABARD.

3.7 **Sustainability and NPA Position**

In the statutory audit report, the ratio of NPA to net worth of banks will form the basis for eligibility. However, in the event of any variation between the audit report and the Inspection Report of NABARD, the latter will be reckoned for determining the eligibility. In case of any reason beyond the control of the bank, the bank is unable to fulfill the eligibility criteria, NABARD may consider a lower eligibility norms, with adequate comforts/security.

3.8 **Eligibility Limit**

The net NPA position at StCB level and not at the level of StCB branches will be reckoned for the purpose of eligibility of StCB. In case of providing direct refinance to DCCBs, net NPA position at DCCB level and not at the level of DCCB branches will be reckoned for the purpose of eligibility.

4. **Quantum of Refinance**

4.1. **Eligibility Limit**

The quantum of refinance for sanction will be as under:

<table>
<thead>
<tr>
<th>Net NPAs of StCB</th>
<th>Eligible Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net NPAs of StCB</td>
<td>As a percentage of Realistic Lending Programme (RLP) of eligible CCBs/StCB (in two tier/weak DCCBs)</td>
</tr>
<tr>
<td>6% तक</td>
<td>60%</td>
</tr>
<tr>
<td>Up to 6%</td>
<td></td>
</tr>
<tr>
<td>6% से ऊपर और 10% तक</td>
<td>55%</td>
</tr>
<tr>
<td>Above 6% &amp; up to 10%</td>
<td>50%</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----</td>
</tr>
<tr>
<td>10% से ऊपर और 12% तक</td>
<td></td>
</tr>
<tr>
<td>Above 10% &amp; up to 12%</td>
<td></td>
</tr>
<tr>
<td>12% से ऊपर</td>
<td>पात्र नहीं Not eligible</td>
</tr>
<tr>
<td>Above 12%</td>
<td></td>
</tr>
</tbody>
</table>

### 4.2.  
پُہٰلی کے طور پر، یہ مضمون کے بعد، میکسیم، مہاراشٹر، مغربی ہندوستان، ہندوکشور و ڈہ ہندوکشور گروپ میں اسٹیٹسیک یون در اپنے میں فروڑ کے ساتھ 20% کے اور میکسیم پنڈرہ کے لئے نیشانعسائی پاک ہوںگے:

StCBs in the North Eastern Region, Jammu & Kashmir, Sikkim, Himachal Pradesh, Uttarakhand and Andaman & Nicobar Islands, will be eligible for additional refinance of 20% with relaxation in net NPAs, as under:

<table>
<thead>
<tr>
<th>एसटीसीबी का निवेश एनपीई</th>
<th>पात्र सीमा</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net NPAs of StCB</td>
<td>[पात्र जिमई बैंकों / राज्य सहकारी बैंकों (द्वितीय / कमजोर जिमई बैंकों) के वास्तविक कुण कार्यक्रम (आरएलपी) के प्रतिशत के रूप में] Eligible limit</td>
</tr>
<tr>
<td></td>
<td>[As a percentage of Realistic Lending Programme (RLP) of eligible CCBs/StCB (in two tier/weak DCCBs)]</td>
</tr>
</tbody>
</table>

| 10% तक | 80% |
| Up to 10% |     |
| 10% से ऊपर और 15% तक | 75% |
| Above 10% & up to 15% |     |
| 15% से ऊपर | पात्र नहीं Not eligible |
| Above 15% |     |

### 4.3.  
پُہٰلی کے طور پر، یہ مضمون کے بعد، میکسیم، مہاراشٹر، مغربی ہندوستان، ہندوکشور و ڈہ ہندوکشور گروپ میں اسٹیٹسیک یون در اپنے میں فروڑ کے ساتھ 20% کے اور میکسیم پنڈرہ کے لئے نیشانعسائی پاک ہوںگے:

StCBs in Eastern Region viz. Bihar, Orissa, West Bengal, Jharkhand, Chhattisgarh States and 28 districts in Eastern Uttar Pradesh (under BGREI scheme of Govt. of India) will be eligible for additional refinance of 5% over and above the applicable normal quantum of refinance, as under:
<table>
<thead>
<tr>
<th>एसटीसीबी का निवेश एनपीए</th>
<th>पात्र सीमा</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net NPAs of StCB</td>
<td>[पात्र जिमस बैंकों / राज्य सहकारी बैंकों (द्वितीय / कमजोर जिमस बैंकों) के वास्तविक ऋण कार्यक्रम (आरएलपी) के प्रतिशत के रूप में]</td>
</tr>
<tr>
<td>Eligible limit</td>
<td>[As a percentage of Realistic Lending Programme (RLP) of eligible CCBs/StCB (in two tier/weak DCCBs)]</td>
</tr>
<tr>
<td>6% तक</td>
<td>65%</td>
</tr>
<tr>
<td>Up to 6%</td>
<td></td>
</tr>
<tr>
<td>6% से ऊपर और 10% तक</td>
<td>60%</td>
</tr>
<tr>
<td>Above 6% &amp; up to 10%</td>
<td></td>
</tr>
<tr>
<td>10% से ऊपर और 15% तक</td>
<td>55%</td>
</tr>
<tr>
<td>Above 10% &amp; up to 15%</td>
<td></td>
</tr>
<tr>
<td>15% से ऊपर</td>
<td>पात्र नहीं</td>
</tr>
<tr>
<td>Above 15%</td>
<td>Not eligible</td>
</tr>
</tbody>
</table>

4.4 वर्ष 2021-22 के लिए आरएलपी पिछले तीन वर्षों के दौरान संवित्रित फसल ऋण में औसत वृद्धि दर (पिछले चार वर्षों में संवित्रित फसल ऋणों के आंकड़ों की ध्यान में रखते हुए) के आधार पर निर्धारित की जा सकता है। हालांकि, जमीनी स्तर की वास्तविकताओं और अन्य तथ्यों को ध्यान में रखते हुए, यदि कोई हो, नाबार्ड ऐसा आरएलपी स्वीकार कर सकता है जो एसटीसीबी 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 StCB.

4.5. इस ऋण व्यवस्था के अंतर्गत एसटीसीबी 60% जीएलसी तक आहरित कर सकते हैं, जिसमें एसटीसीआरसी निष्ठा के अंतर्गत आहरित राशि शामिल है या जैसा भी मामला हो।

The StCBs can draw up to 60% GLC including the amount drawn under STCRC fund or as the case may be, under this line of credit.

4.6. यह सीमा किसी के स्तर पर जारी केवल ₹3 लाख तक के फसल ऋण के लिए उपलब्ध होगी।

The limit will be available only for crop loans issued up to ₹3 lakh at farmer level.
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. **Rate of interest on Refinance**

5.1. **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 the entire principal amount, the interest will be payable along with principal amount.

5.2. **Penal interest in case of default**

StCBs 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.
6. **Notice of Repayment**

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 of 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.

7. **Operational discipline**

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

7.2. Excess drawal will be restricted to applicable percentage of refinance of the loan issued during the year 2021-22. NABARD will take a serious view in case of availment of drawals beyond permissible quantum of refinance on account of reporting of incorrect data about loan disbursement or of NODC by calling back the excess refinance availed by the bank within 3 days along with the penal interest of 1% p.a.

7.3. **NODC**

NABARD will take a serious view in case of availment of drawals beyond permissible quantum of refinance on account of reporting of incorrect data about loan disbursement or of NODC by calling back the excess refinance availed by the bank within 3 days along with the penal interest of 1% p.a.
को अपने महीनें की 20 तारीख तक प्रत्यक्ष रूप से या डिजिटल प्लेटफॉर्म के माध्यम से मासिक एनओरीसी विबरण डीसीसीबी-वार स्थिति दर्शाते हए प्रस्तुत करना होगा।

Drawals on the sanctioned limit will be permitted by NABARD to StCB on the basis of aggregate NODC (including that for normal limit) pertaining to the eligible DCCBs, which have outstanding borrowings from StCB as hitherto. The banks will however be required to monitor NODC and no additional interest may be charged if overall NODC is available. The StCB will have to submit monthly NODC statement indicating DCCB-wise position by 20th of the succeeding month physically or through digital platform.

प्रत्येक आहरण के समय, बैंक द्वारा आहरण की तिथि को कुल एनओरीसी की उपलब्धता के संबंध में निर्धारित प्रारूप में एक प्रमाण पत्र प्रस्तुत करना होगा। इसके अलावा, बैंक द्वारा यह सुनिश्चित किया जा ए कि किसी भी दिन, कुल सामान्य एसटी (एसएओ) बकाया और अतिरिक्त एसटी (एसएओ) बकाया उस तारीख का उपलब्ध कुल एनओरीसी से अधिक नहीं होना चाहिए।

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.

7.4. एनओरीसी की कमी पर दंडात्मक व्याज Penal interest on NODC deficit

एनओरीसी में कमी के मामले में, एसटीसीबी को एनओरीसी में कमी को पूरा करना होगा। यदि एसटीसीबी इस तरह की कमी के घटित होने की तारीख से एक महीने के भीतर कमी को पूरा करने में विफल रहता है, तो 1% प्रति वर्ष की दर से अतिरिक्त व्याज एनओरीसी में कमी की राशि पर, कमी की अवधि के लिए यानी उस तारीख तक प्रभारित किया जाएगा जब तक कमी की राशि को निर्धारित नहीं किया जाता है।

In case of deficit in NODC, StCBs will have to make good the deficit in NODC. In case the StCB 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.

7.5 बकाया ऋणों में मूलधन और व्याज का पृथक्करण Segregation of principal and interest in the loans outstanding

एसटीसीबी को बकाया राशि से व्याज घटक (अतिरिक्त/गैर-अतिरिक्त व्याज) को अलग करके रखना चाहिए सकता है और नाबार्ड से पुनर्वित्त सहायता के लिए पात्रता निर्धारण के लिए, क्रण सीमा और आहरण आवेदन दोनों में केवल मूलधन क्रण राशि का उल्लेख करना चाहिए। इसके अलावा, मासिक एनओरीसी विवरण में क्रण के केवल मूलधन (जारी, वसूल, बकाया और अतिरिक्त) की सूचना दी जानी चाहिए।
StCB 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.

8. दियों दीयी द्वारा एसटीसीबी के प्रति चूक Defaults by DCCBs to StCB
यदि इस क्रूय व्यवस्था के अधीन दीयी दीयी नलाकार 3 महीनों से अधिक की अवधि के लिए एसटीसीबी को प्रति चूक करता है, तो संचित एसटीसीबी को उस दीयी दीयी की सीमा का परिचालित करने की अनुमति तब तक नहीं दी जाएगी, जब तक कि चूक का नियमन न किया जाए.

In case a DCCB is in default to the StCB under this line of credit continuously for a period exceeding 3 months, the StCB concerned will not be allowed to operate on the limit in respect of the DCCB concerned till the default is regularized.

9. चूक की राशि की अदायगी Clearance of default
मूलधन की चुकौती, ब्याज के भुगतान और/ या किसी अन्य देय राशि के भुगतान में नाबार्ि के प्रति अपनी प्रतिवेदन होगी की पूरा करने में विफल रहने वाले राज्य सहकारी बैंक, नाबार्ि ने किसी भी पुनर्वित सुविधा के लिए पात्र नहीं होंगे, जब तक कि संचित चूक दूर नहीं की जाती.

StCBs 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. Right to inspection
नाबार्ि सहकारी बैंकों (राज्य सहकारी बैंक /पात्र मध्यवर्ती सहकारी बैंकों) के बाहर-खातों का निरीक्षण करने/ करवाने का अधिकार सुरक्षित रखता है.

NABARD reserves the right to inspect / get inspected the books of accounts of the bank (StCB / eligible CCBs).

11. विशेष लेखा परीक्षा करवाने का अधिकार Right to cause special audit
नाबार्ि के पास स्वयं या अन्य एजेंसियों के माध्यम से सहकारी बैंकों के खातों और अन्य प्रासंगिक सामग्री की विशेष लेखा परीक्षा करवाने का अधिकार यह सुनिश्चित करने के लिए होगा कि बैंक द्वारा खातों और अन्य प्रासंगिक सामग्री को लापू नियमों और विनियमों के अनुसार बनाए रखा जाता है और पुनर्वित 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 Cooperative Banks (StCB/ eligible DCCBs) 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. **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.