SANCTION OF IRDP LOANS
BY COMMERCIAL BANKS -
PROCEDURE AND GUIDELINES
CHAPTER III

SANCTION OF IRDP LOANS BY COMMERCIAL BANKS
PROCEDURE AND GUIDELINES

INTRODUCTION

The commercial banks while sanctioning loans to the beneficiaries under the IRDP schemes, generally follow certain procedures and guidelines as directed by the Reserve Bank of India (RBI), NABARD and the Ministry of Agriculture (Department of Rural Development). The Department of Rural Development finalise the schemes for which the commercial banks may sanction loans for the beneficiaries. These schemes are communicated to the different States, where the Directorate of Panchayat and Rural Development are made responsible for introducing and implementing the schemes under different blocks and goan panchayats. All the schemes which are introduced by the Department of Rural Development, Govt. of India are not meant for implementation in all the States. Out of the 90 (ninty) schemes approved by the Ministry of Rural Development only 63 (sixty three) schemes have been introduced in Assam. Even within the States also all ninty schemes may not be viable or introduced in the different blocks of the districts, say IRDP schemes which is suitable for hill districts may not be suitable for the plain districts. The suitable schemes for the different districts are generally determined by the Directorate of Panchayat and Rural Development. While directing the different States Government to
implement the schemes, the Central Government also fixed the number of total beneficiaries to be covered by the schemes. Accordingly the Directorate of Panchayat and Rural Development proceeds with the task of selecting the beneficiaries on the basis of guidelines provided by the Ministry of Agriculture.

However on the procedure of selecting of beneficiaries has been discussed in an earlier chapter, we shall not deliberate on that procedure here. But it may be mentioned here that the lead bank of the area is an important member of the selection committee constituted for the selection of beneficiaries. After the selection of the beneficiary the lead bankers responsibility increases, because the banks from that stage onwards become involved in the process of receiving applications for loans, scrutinise of loan applications, sanction and disbursement of loans and follow-up measures to be taken.

In the following pages we shall concentrate on the various procedural aspects of receiving, scrutiny and sanctioning of IRDP loans to the beneficiaries by the commercial banks.¹ This will be discussed under the following sub-headings.

I. Documentation

A beneficiary after selection will have to fill up the following forms in order to satisfy the norms fixed by the banks. It may be mentioned here that these norms or guidelines are generally drawn up by the RBI and NABARD.

(i) Application-cum-appraisal form for IRDP loans.
(ii) Agreement-cum-hypothecation of assets alongwith undertaking for paying higher rate of interest (wherever necessary)
(iii) Stamped receipt of the amount.
(iv) Pronote.
(v) Nomination form for Group Life Insurance Scheme.

With a view to reduce the number of forms, the agreement-cum-hypothecation of assets and undertaking for paying higher rate of interest, wherever necessary, may be combined into one.

II. Transmission of Application to the Banks

While forwarding the application forms of the beneficiaries by the bank office, care should be taken to see that the applications do not go to the banks in a bunch. They should be processed and sent to the banks regularly. Bunching of applications, particularly at the year end, should be avoided. All application forms must be serially numbered before issue by
DRDAs. A register should be kept at the Block Office to keep record of the preparation and movement of these applications. This record should also include details of the schemes proposed and the amount applied for. After the sanction is received from the bank, it should be passed in the register along with the amount finally sanctioned. To the extent possible the number of applications going to the banks should be considered with projection regarding quarterly targets in the annual plan.

III. **Register of receipt and disposal of applications**

Date and other particulars of receipt and disposal of applications should be recorded in a register. Whenever applications are rejected or returned for completion, the reasons thereof, should also be recorded in the register.

IV. **Scrutiny and disposal of applications by the banks**

The next step will be to scrutinise the loan applications. The bank managers have the responsibility of processing the loan applications sponsored by the BDOs without delay. The RBI has enjoined upon all the banks that these applications must be disposed of within a fortnight. It should be done even if it entails a modification of the Annual Action Plans of the banks. While sanctioning projects, the bank managers should ensure that the project and the unit costs, terms of the loan and repayment schedules are in accordance with
the guidelines laid down by the NABARD and RBI. Part financing and under financing should not be resorted to under any circumstances.

To avoid under financing of IRDP projects and purchase of sub-standard assets and consequent low incremental income, Unit Cost Committees for the farm sector have been constituted in the various Regional Offices of NABARD.

V. Fixation of Unit Cost

The unit cost of investment under various activities are to be reviewed every half year by the State Level Committee on unit cost set up for this purpose and updated wherever found necessary. The Regional Office of NABARD have delegated powers to revise unit cost where the cost escalation is within 20% of the unit cost approved earlier. After the unit costs are approved these are communicated to the State Government, Banks and DRDAs. The State Governments should associate themselves with the Regional Committee on unit cost. The District Consultative Committees may discuss this subject in advance and give their suggestions to the NABARD Regional Office as well as State Governments for placing the same before the committees on unit cost.
In regard to the loans for various purpose falling under ISB sector of IRDP the responsibility of fixing the unit cost and other techno-economic parameters has been left to the financing banks/DRDA/District Level Consultative Committee set up under the Lead Bank Scheme. The DRDA can also recommend the unit cost for different items under ISB sector in the District for ratification by the DLCC. With a view to achieve a degree of uniformity, project profiles may be prepared for major activities in each district, indicating therein unit cost, repayment period, moratorium period etc.

NABARD has clarified that unit cost approved by them are average unit cost and not the maximum ones. The cost of each item of investment needs to be determined by the financing bank in each individual case with reference to the realistic cost estimates at the time of appraisal of individual loan proposals. Variation of upto 15% at the Branch level are acceptable for purpose of refinance by NABARD.  

VI. Processing and Disposal of Applications

The loan applications are to be processed by the bank and arrangements for immediate sanction has to be made. Joint inspection may be conducted alongwith the block officials wherever possible. If some villages are situated at such a

distance from the branch which makes supervision difficult, the block authorities may be required to make the block jeep available for facilitating visits and supervision. This should be settled by discussion at the level of BDO or DRDS (Block Development Officer or District Rural Development Society).

VII. Sanction and Disbursement of Loans

Rural and semi-urban branches should in consultation with the district co-ordinator fix two specific days in a month for disbursement of loans and they should give wide publicity to the days so chosen so that the borrowers are not put to inconvenience. Branches should sanction the loan for the net amount only (capital outlay of the project minus subsidy). The subsidy will be at the disposal of the financing bank in proportion to and with specific reference to the loans sanctioned or likely to be sanctioned by them as per the allocations. The subsidy and the loan amount may be released simultaneously.

VIII. Rejection of Applications

Some applications may have to be rejected during scrutiny. Reasons for rejections may be one or more of the following:

(i) The applications are incomplete. They may lack essential details such as details of land holding, other assets owned, borrowing from others, occupation,
arrangements made for acquisition of assets to be financed.

(ii) The borrower is ineligible. The ineligibility will be mainly on the ground that he is a defaulter in respect of some loan taken from a commercial bank or rural regional bank or a Co-operative Society/Institution. It is also possible that on the basis of information available with the bank, the borrower may not be satisfying the income criteria prescribed for IRDP lending.

(iii) The scheme may not be suitable to the particular borrower, for instance in case where the borrower has no experience/training in the activity proposed for him.

(iv) The scheme may not be satisfactory.

(v) If the applications are for schemes whose general viability has already been agreed upon at the meeting of the Standing Committee as visualised above it is probable that not many of the applications of the prospective beneficiaries would be rejected by the banks on ground of non-viability. There could, however,
be cases where because of the peculiar locational difficulties of a particular village or such other specific reasons, a scheme which may have been considered to be generally suitable at the meeting of the Standing Committee may be found in fact non viable in an individual case. Such instance, however, can be expected to be comparatively rare. 3

Whatever the reason for rejection, it should be recorded in the application form itself under one or more general heads indicated above and relevant applications should be returned to the sponsoring authorities for their information and record. The incomplete applications, of course, could be completed by the BDO and returned to the banks for further action.

IX. Submission of Statement by the Bank

The DRDAs are required to submit monthly progress reports to the Deptt. of Rural Development. For this purpose, they have been trying to obtain information from the banks. It has now been decided that for the sake of uniformity, the bank managers shall furnish to BDO a monthly statement in the format given in the annexure within 15 days from the end of the month to which the statement relates. The BDOs will in turn forward the

same to DRDA. To enable the BDO and DRDA to check the disposal of individual applications, apart from the name of the borrower, the statement should also contain the identify number allotted to him by the BDO.

Every bank should nominate a suitable officer in the district to be the liaison officer or coordinate for all its branches in the district in its dealing with DRDA in regard to IRDP. His duty will be essentially one of liaison.

It is also our intention that the programme of lending should not be hampered for want of suitable discretionary powers at the branch level. As the advances under IRDP would be normally for small amounts, banks should not have any difficulty in this regard. There should, therefore, be clear instructions to the branches that the schemes allotted under IRDP to them are disposed of at branch level. No further reference to a higher authority should ordinarily be necessary.

X. REPORTING SYSTEM

Furnishing of data pertaining to the development of credit under IRD programme is very important from the point of view of monitoring the progress made by the bank periodically.
With a view to monitor the implementation of IRD programme, the regional offices now have IRDP cells. These cells would review and advise the branches about implementation of the programme. The list of statements to be submitted is shown in Appendix-III.I. The role of district co-ordinator and regional offices in the matter of further transmission of data also indicated therein.

**XI. Rate of Interest**

We have so far discussed the commercial banks' procedural aspects of scrutinising and sanctioning of loan. The banks are required to charge rate of interest on the loan, fix quantity of loan and securities as provided by the NABARD and RBI guidelines.

All IRDP loans except those granted under the DRI schemes attract at present an interest rate of 10 percent per annum irrespective of whether refinance from NABARD is obtained or not (NABARD rate of interest for non-farm lending by financing bank will be 6-50 percent and it should not exceed 10.25 percent to the ultimate beneficiaries).

The RBI has announced the following interest rate structure on 22nd September, 1990.  

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Size of Loan                                Rate of Interest (Simple)
                                           Percent per annum

Upto and inclusive of Rs. 7,500.00 - 10.00 percent
Over Rs. 7,500.00 and upto Rs. 15,000.00 - 11.50 percent
Over Rs. 15,000.00 and upto Rs. 25,000.00 - 12.00 percent
Over Rs. 25,000.00 and upto Rs. 50,000.00 - 14.00 percent
Over Rs. 50,000.00 and upto Rs. 2,00,000.00 - 15.00 percent
Over Rs. 2,00,000.00 and above. - 16.00 (minimum)

The participating credit institutions get automatic refinance from NABARD for the loans given under IRDP.

XII. Margin

The IRDP loanees are eligible for subsidy whose quantum is sufficient enough to cover the stipulated margin requirements, if any, no separate margin need be insisted upon [non-tribal individual Rs. 3,000.00 (DPAP areas) and Rs. 4,000.00 (non DPAP) maximum subsidy available as 33 percent of investment including Rs. 1,000.00 working capital and for tribal participant Rs. 5,000.00 and 50 percent].

XIII. Quantum of Loan

Quantum of loan is decided upon taking into account the viable size of the project, cost of the project, the quantum of subsidy component, unit cost of investment. However, under the
industries service and business (ISB) component, the quantum of loan should not be in excess of ₹.10,000.00 (which will be a composite loan) to be eligible for drawal of reference from NABARD (National Agricultural Bank and Rural Development). NABARD norms as to unit size and unit cost should be adopted wherever applicable.

XIV. Security

While sanctioning finance, commercial banks has to satisfy itself the nature and type of security. It is an accepted principle of financial management that financial institution must secure itself against the possible loss arising from the non-recovery of loan advanced.

IRDP borrowers are not required to furnish any security for investment of loans upto ₹.5,000.00. They are only required to hypothecate the assets created by the loan in cases where movable assets are created. The norms for security are given in Appendix-III.2.

XV. Repayment Period

The period of repayment must be fixed in a realistic manner having regard to all the relevant factors such as the income generation, life of the assets. Considering the nature of activity and the economic status of the beneficiaries, the period
of repayment of loans should be sufficiently long and should not be generally less than three years. Suitable initial repayment moratorium, if necessary, may be considered.

The norms fixed by NABARD for repayment of loans should be followed. While fixing the repayment programme, the subsidy component should not be taken into account and repayment schedule should cover only the net subsidy amount of loan granted by the bank.

XVI. IRDP Pass Books

Loan pass books should be issued to all IRDP beneficiaries containing details such as the date of sanction of loan, the amount of loan sanctioned, subsidy received, rate of interest, amount due under each instalment. Sufficient number of pass books must be held in stock.

XVII. Purchase Committee

For purchase of assets like cattle, poultry, birds, sheep units, piggery units, agricultural machinery and equipments, a purchase committee should be set up comprising apart from the beneficiary, a representative from each of the Agency, the financial institution and the concerned department. This committee is expected to make purchases in bulk wherever possible at reasonable rates and of standard quality and to the
satisfaction of the beneficiary. It is for this purpose all the parties concerned, namely, the bank, agency and the beneficiary are represented on this committee. The DRDA is required to take adequate steps for supply of good quality physical assets envisaged under the programme to the beneficiaries.

As far as possible, all other assets should be purchased through the committee and the middlemen should be totally avoided. Borrowers may be allowed free choice of assets that they desire to acquire, as also the service from which they would acquire such assets, so long as it is done from any of the standard manufacturers/suppliers.

XVIII. Physical Verification of Assets Financed

As the success of the programme lies in income-generating capacity of the financial assets, it is necessary that the assets financed under the scheme should be verified at regular intervals. This verification could also be done jointly with the assistance of the sponsoring agency. The verification should be attempted not on a sample basis but should be exhaustive, namely, each and every beneficiary assisted should be contacted regularly and the availability of his income-generating asset/pursuance of the activity should be verified.
XIX. **Follow-up and Recovery**

End use of funds provided should be ensured. The benefits of the programme should not be allowed to be mis-utilised. IRDP loans need frequent and regular follow-up, particularly in view of existence of relatively longer gestation and repayment periods and also in view of the fact that the beneficiary is often given a new kind of asset to which he is unused. Such a follow-up gives the banker a feed-back on problems being faced by the beneficiary so that the banker can help him, to sort them out.

Recovery of bank's dues must be ensured. The beneficiary must be reminded by way of personal contacts, postal reminders, about the repayments. Assistance of the village level worker, block officials/DRDA may also be sought for follow up and recovery.

**Cases of Misutilisation**

The success of the programme lies in proper implementation and utilisation of funds. Misutilisation of funds should be taken serious note of and stringent action should be taken against erring persons by the branches in consultation with their regional office. At the same time steps must be taken to inform the cases of misuse to the DRDA/Block authorities. Such
cases may also be taken with the DCC/Standing Committee (No Systematic Evaluation of IRDP implementation).

**Supplementary Dose of Assistance**

IRDP now incorporates a provision for a supplementary dose of assistance to certain eligible categories of beneficiaries, who are below the poverty line after the preliminary dose of assistance so that they will be enabled to raise their income above the poverty line.

The assisted families are to be surveyed to know the impact of the assistance given already and on the basis of the data so arrived at, the assisted families will be categorised as:

- (a) those who can be considered for a supplementary dose of assistance, and
- (b) those who are not eligible for further assistance.

(a) **Categories which can be considered**

Families which can be considered for supplementary dose of assistance will be:

(i) Those who have maintained their assets acquired under the programme in good condition and are not defaulters to the bank are still below the poverty line. A further
scrutiny may be made to decide whether supplementary assistance (subsidy and loan) will enable them to raise above the poverty line.

(ii) In the cases, in which the beneficiaries who did not receive adequate working capital, the beneficiaries will be deemed as eligible for adequate working capital, and keeping in view the norms laid down by RBI/NABARD, this would be sanctioned as a term loan.

(iii) In the cases, in which minimum size/number of units of asset as prescribed by NABARD was not given, the beneficiaries will be eligible for supplementary assistance provided taking into account the eligibility on the basis of the norms laid down by NABARD as regards viability of investment. The supplementary assistance, however, is to be given only if viability of the additional input together with the previously financed asset is demonstrated and necessary facilities for maintenance of asset on a day-to-day basis and assured arrangements for marketing of produce are available.

(iv) Cases where assets acquired by the beneficiaries were destroyed by the natural calamity or death of animal
(in the case of loan for dairy/animal husbandry) on accident by fire and the rescheduling of the outstanding loan and repayment of asset with the help of supplementary assistance will enable the family to cross the poverty line.

In recommending supplementary assistance in cases which satisfy the eligibility criteria, it must be ensured that adequate infrastructural facilities and backward and forward linkages such as availability of raw-materials, marketing facilities are available so that the investment does not become infructuous. The terms of sanction of the original loan might need modification to rehabilitate the existing unit and to be ensured that the balance outstanding in the existing loan together with the proposed second loan would be within the repaying capacity of the beneficiary.

The second asset need not be repitative of the first one. The second asset may be selected keeping in view the objective of helping the family to cross the poverty line. The family will be the unit. Any member of the family may be selected for supplementary assistance. While selecting the members, the need for covering as many women beneficiaries as possible must be kept in view.
In order to determine the eligibility of the beneficiaries for supplementary assistance, it will be necessary to undertake a case by case analysis. A committee comprising the BDO, Bank Manager and DRDA official and Chaired by the Sub-Divisional Officer will examine such cases with reference to the data thrown up by the survey, determine the causes of unsatisfactory progress, if any, in each case whether the family should be given further assistance and if so, with what kind of complementary support.

The committee should keep in view the following points:

(a) Supplementary assistance should be adequate to assist the family to cross the poverty line.

(b) In cases where supplementary assistance is to be given, the banks would have to consider resheduling of previous loan to make the family eligible for a second loan.

(c) The subsidy for supplementary assistance together with the earlier subsidy, namely, ₹3,000/-; ₹4,000/-; ₹5,000/- as the case may be per family.
(d) Special attention should be given to evolve integrated viable schemes with necessary support facilities in marketing to ensure that with the credit made available, a family is above to cross the poverty line.

**Number of Instalments for repayment of loans**

Loans under IRDP are treated as medium term loans. The repayment period of the loan should at least be 3 years. Instructions to this effect have been issued to all financial institutions by Government of India, RBI and NABARD. However, it has been observed that in actual practice some banks do not adhere to these guidelines and instances where the period of repayment prescribed by banks is less than 3 years will continue to come to notice. The tight repayment schedule is one of the main reasons for non-viability of the projects. It is therefore, necessary that the repayment schedule should be so drawn by the banks as to provide relief during the gestation period of the project. On 23rd February, 1988, RBI has instructed all the scheduled commercial banks that the period of repayment of IRDP loans should not be less than three years.\(^5\) Some of the bank branches have fixed repayment period uniformly at three years irrespective of the quarter of loan type of activity income generation capacity of the IRDP borrowers even though such cases warranted higher repayment period. In this connection, RBI advise that it is not the intention that the bank branches should fix

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the repayment period invariably at three years in all the cases. The repayment period of loans should be fixed in a realistic manner having regard to a relevant factors such as the type of activity, quarter of loan, income generating capacity of the assets, life of assets, repaying capacity of the borrowers and also taking into account NABARD norms regarding gestation, repayment period for similar activities.

It must be appreciated that the beneficiaries under IRDP have to repay the loan from the incremental income generated out of the productive assets acquired with the help of bank finance and Government subsidy. Some of the banks have been found to have fixed the number of Instalments of repayment of loan in relation to the total amount including the subsidy receivable from Government which resulted in the instalment being high and disproportionnate to the income generated. Since the borrowers find it difficult to pay the excessively high instalments there is a tendency to default.

This leads to the increase in the incidence of overdues. It should, therefore, be ensured that repayment instalment are arrived at on the net loan amount excluding subsidy and should not be more than 50% of the incremental net income expected from the asset/project.
Recovery of IRDP loans

Since recovery of loans is great importance for recycling of banks' funds, the State Govts. have been advised to render all possible assistance to Bank Officials in recovering the dues from IRDP beneficiaries. The DRDAs may organise Credit-cum-Recovery camps periodically where the beneficiaries may be impressed upon to repay their dues promptly.

On 23rd February, 1988, RBI has instructed all the scheduled commercial banks that the period of repayment of IRDP loans should not be less than three years. Some of the bank branches have fixed repayment period uniformly at three years irrespective of the quantum of loan, type of activity, income generating capacity of the IRDP borrowers, even though such cases warranted higher repayment period. In this connection, RBI advise that it is not the intention that the bank branches should fix the repayment period invariably at three years in all the cases. The repayment period of loans should be fixed in a realistic manner having regard to all relevant factors such as the type of activity, quantum of loan, income generating capacity of the assets, life of assets, repaying capacity of the borrowers and also taking into account NABARD norms regarding gestation, repayment period for similar activities.
Marking of assets

The assets should be marked to check the misutilisation or transfer of the assets. This is also necessary in the eventually of filing insurance claim and physical verification of assets etc.

Insurance cover for various assets

Insurance cover at present is available for livestock assets given under the programme. The General Insurance Corporation has agreed to provide this cover on the terms and conditions as reflected in the specimen Master Policy and Long Term Master Policy Agreement.

i) Livestock Insurance

The coverage and premium rates are given in the Master Policy Agreement.

ii) Scope of Cover

The livestock policy provides indemnity in the event of death of animal/bird due to accident inclusive of fire, lighting, riot and strike, flood, cyclone, earthquake, famine or due to any fortuitous cause of disease contracted or occurring during the period of insurance subject to certain exclusions.
iii) **Sum Insured**

The price fixed by the purchase committee shall be treated as the sum insured for the settlement of claims. For permanent total disablement (PTD) claims 75% of the sum insured shall be payable.

iv) **Claim Procedure**

The claim procedure have been simplified to secure expenditure disposal of claims. The requirement of post-mortem certificates has been dispensed with. The Bank/DRDA shall forward a certificate of death given jointly by any two of the following within 30 days from the date of occurrence:

a) Sarpanch/Upsarpanch of Village.
b) President or any other officer of the co-operative credit society.
c) Official of Milk Collection Centre of Government Veterinary Surgeon/Veterinary Assistant.
d) Supervisor/Inspector of Co-operative Central Bank.
e) Authorised nominee of DRDA.
f) Secretary of Panchayat.
g) Village Revenue Officer.
h) Village Accountant.
i) Head Master of Primary School.

The format of revised claim form circulated by GIC.
v) **Adjustment of Insurance Claim Money**

The procedure for adjustment of insurance claim of animals with IRDP is as follows.

a) Where the borrower has been regular in payment of interest/repayment of instalments and is willing to receive a replacement animal, the claim proceeds may be utilised to purchase a new animal.

b) Where the beneficiary was a wilful defaulter and has additional dues to the Bank by way of interest, the claim proceeds would be adjusted to the bank loan liability and the balance may be paid to the DRDA. However, if the default was not wilful, replacement animal may be provided out of claim proceeds.

c) Where the beneficiary has been regular in payment of loan and interest but is unwilling to take a replacement animal, he may be offered assistance for some other activity and claim proceeds utilised for financing the same. If he is unwilling to take any other activity the claim money may be utilised by giving to the bank an amount equal to the balance outstanding in the loan account. The DRDA will also get subsidy amount proportionate to the loan outstanding and balance, if any, may be given to the beneficiary.
Here, the beneficiary is entitled to share the claim proceeds to the extent of loan repaid by him because he has utilised the asset properly and has paid the banks' dues until the death of animal and has fulfilled the programmes objective to that extent.

vi) **Other Facilities**

The General Insurance Corporation of India have informed that if an IRDP beneficiary has other milch animals where no loan or subsidy is involved such milch animals could also be insured at the concessional rates of premium i.e. 2.25% per annum or 1.69% for three years. It has also intimated that IRDP beneficiaries who have closed their loan account can insure the animals acquired by them through loan account can insure the animals acquired by them through loan and subsidy at the concessional rates of premium for a further period of three years after closing the loan account if animals do not exceed the insurable age limit.

**Expenditure on Premium**

The expenditure on the premium is to be shared between the Government, bank and the beneficiary in the following proportions:
The expenditure to be borne by the Government is shared equally between the States and the Centre. It should be met out of IRDP funds but should not be included in the individual subsidy ceiling applicable to the beneficiary.

**Group Life Insurance Scheme**

A group life insurance scheme for IRDP beneficiaries aged not less than 18 years and not more than 60 years has been introduced w.e.f. 1-4-1988. This scheme will apply to those assisted under IRDP from 1-4-1988 and insurance cover will commence from the date on which the asset is disbursed to the beneficiary and will be operative till date on which beneficiary complete the age of 60 years or a period of 5 years from the date of commencement of cover, whichever is earlier. A sum of ₹3,000/- shall become payable by LIC to the nominee of the deceased in case of natural death. In the event of death due to accident a sum of ₹6,000/- shall become payable by LIC.
## APPENDIX - III.1

### REPORTING SYSTEM - REPORTS, RETURNS ON IRDP TO BE SUBMITTED

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>NAME OF THE RETURNS</th>
<th>SUBJECT</th>
<th>SUBMITTED BY THE</th>
<th>SUBMITTED TO THE</th>
<th>COPY TO BE SENT</th>
<th>FREQUENCY</th>
<th>DUE DATE</th>
<th>FURTHER TRANSMISSION</th>
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<tbody>
<tr>
<td>1</td>
<td>Monthly Return on IRDP to be submitted to the BDO (Block Development Officer)</td>
<td>Data regarding applications received/processed/ pending/ subsidy availed, etc.</td>
<td>Branch</td>
<td>BDO</td>
<td>a) District Co-ordinator</td>
<td>Monthly</td>
<td>7th of succeeding month</td>
<td>District Co-ordinator/ Regional Office should review the progress and take steps for reducing pendency.</td>
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<td>2</td>
<td>Monthly Progress Report on IRDP</td>
<td>Position of applications received, progress during the month etc.</td>
<td>Branch</td>
<td>District Co-ordinator</td>
<td>Regional Office</td>
<td>Monthly</td>
<td>7th of succeeding month</td>
<td>District Co-ordinator to submit consolidated data to Standing Committee/ District Consultative Committee and Regional Office. Regional Office to send consolidated statements from branches and District Co-ordinators to Convenors of State Level Bankers Committee, Regional Office of Reserve Bank of India and Central Planning and Monitoring Studies, Head Office within 25 days from the close of the month.</td>
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<td>3.</td>
<td>Quarterly Progress Report on advances granted under IRDP</td>
<td>a) Progress Report on financing under IRDP (purposewise)</td>
<td>Branch</td>
<td>Regional Office</td>
<td>Zonal Office</td>
<td>Quarterly</td>
<td>Within 10 days from the close of the quarter</td>
<td>Regional Office to send consolidated data to Central Planning and Monitoring Studies, Head Office within 25 days from the close of the quarter</td>
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<td>b) Details of activitywise assistance to scheduled caste and tribe beneficiaries under IRDP</td>
<td>Branch</td>
<td>Regional Office</td>
<td>Zonal Office</td>
<td>Quarterly</td>
<td>Within 10 days from the close of the quarter</td>
<td>Regional Office to send consolidated data to Central Planning and Monitoring Studies, Head Office within 25 days from the close of the quarter</td>
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<td>c) Details of activitywise assistance under IRDP Schemes</td>
<td>Branch</td>
<td>Regional Office</td>
<td>Zonal Office</td>
<td>Quarterly</td>
<td>Within 10 days from the close of the quarter</td>
<td>Regional Office to send consolidated data to Central Planning and Monitoring Studies, Head Office within 25 days from the close of the quarter</td>
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<td>d) Quarterly progress report on IRDP for the quarter closed</td>
<td>Branch</td>
<td>Regional Office</td>
<td>Zonal Office</td>
<td>Quarterly</td>
<td>Within 10 days from the close of the quarter</td>
<td>Regional Office to send consolidated data to Central Planning and Monitoring Studies, Head Office within 25 days from the close of the quarter</td>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>Particulars of loans disbursed under IRDP.</td>
<td>Details of loan sanctioned/ disbursed during the reporting quarter.</td>
<td>Branch</td>
<td>Regional Office</td>
<td>-</td>
<td>Quarterly</td>
<td>Within 7 days from the close of the quarter</td>
<td>Consolidated statements from Regional Office to be sent to National Agricultural Bank and Rural Development under a copy to Agricultural Rural Development Section (DRDS), Head Office within 15 days.</td>
</tr>
<tr>
<td>5.</td>
<td>1) National Agricultural Bank and Rural Development (NABARD)-IA</td>
<td>Financial progress under NABARD Schemes</td>
<td>Branch</td>
<td>Regional Office</td>
<td>-</td>
<td>Quarterly</td>
<td>Within 7 days from the close of the quarter</td>
<td>Regional Office to send consolidated statements to Agricultural Rural Development Section, Head Office within 15 days from the date of close of the period to which the statement relates.</td>
</tr>
<tr>
<td></td>
<td>11) NABARD-IIA</td>
<td>Physical progress under NABARD Schemes</td>
<td>Branch</td>
<td>Regional Office</td>
<td>-</td>
<td>March and September</td>
<td>Within 7 days</td>
<td>Same as above (I) A.</td>
</tr>
<tr>
<td></td>
<td>111) NABARD-III A</td>
<td>Demand Collection and Balance position.</td>
<td>Branch</td>
<td>Regional Office</td>
<td>-</td>
<td>Annual (Last Friday of June)</td>
<td>Within 7 days</td>
<td>Same as above (I) A.</td>
</tr>
</tbody>
</table>

**NOTE:** Manual for IRDP and allied programmes of TRYSEM & DWCRA.
Department of Rural Development, Ministry of Agriculture, Govt. of India, New Delhi, April, 1991.
## APPENDIX - III.2

**SECURITY NORMS RELATING TO BANKS ADVANCES UNDER IRDP**

<table>
<thead>
<tr>
<th>TYPE OF CREDIT FACILITY</th>
<th>LOAN AMOUNT</th>
<th>SECURITY TO BE FURNISHED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Agricultural Advances:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) Investment Loan -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Where movable assets created</td>
<td>a) Upto the cost of economic unit or (where applicable) or ₹5,000/- whichever is lower.</td>
<td>Hypothecation of assets.</td>
</tr>
<tr>
<td>b) Others (namely, for amounts over those under (a) above.</td>
<td>b) Mortgage of land (at bank's discretion) or third party guarantee.</td>
<td></td>
</tr>
<tr>
<td>2) Where movable assets are not created (dug well development of land)</td>
<td>₹1,000/- and over.</td>
<td>Mortgage of land (at bank's discretion).</td>
</tr>
<tr>
<td>3) Crop loan</td>
<td>a) Upto ₹1,000/-</td>
<td>Demand promissory note/loan agreement only/Hypothecation of crops.</td>
</tr>
<tr>
<td></td>
<td>b) ₹1,000/- to ₹5,000/-</td>
<td>Hypothecation of crops.</td>
</tr>
<tr>
<td></td>
<td>c) Over ₹5,000/-</td>
<td>Mortgage of land (Bank's discretion) or third party guarantee.</td>
</tr>
</tbody>
</table>

contd............
<table>
<thead>
<tr>
<th>TYPE OF CREDIT FACILITY</th>
<th>LOAN AMOUNT</th>
<th>SECURITY TO BE FURNISHED</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISB Component</td>
<td>Credit limit upto and inclusive of ₹.25,000/-</td>
<td>Pledge/Hypothecation Mortgage of assets created out of the loan.</td>
</tr>
<tr>
<td>Others</td>
<td>- do -</td>
<td>- do -</td>
</tr>
</tbody>
</table>

Where there are genuine difficulties in mortgage of land, Bank may take third party guarantee or such other security as considered appropriate for the purpose.

Security Norms for Supplementary Assistance: Supplementary doses of assistance need not be combined with the first dose for the purpose of applicability of the existing security norms if:

a) The Loanee is a different member of the family i.e. not the same as the borrower for the first dose of assistance or

b) The activity to be assisted under the supplementary dose is different, even if loanee is the same beneficiary.