

Ref. No. NB.HO.IDD/ 985/ CDF-102 / 2018-19

Circular No- 276/IDD-09 /2018

05 November 2018

1. **The Chief General Manager**  
National Bank for Agriculture and  
Rural Development  
All Regional Offices (except NER including Sikkim, JK and AN)
2. **The Director/Joint Director**  
Bankers Institute of Rural Development  
Lucknow/Mangaluru/ Bolpur
3. **The Principal**  
National Bank Staff College, Lucknow

Dear Sir/ Madam

**Comprehensive Infrastructure Support to PACS etc. under Cooperative Development Fund (CDF) - Except NER(including Sikkim), JK and A&N**

Please refer to Annexure-I of our Circular No.197 dated 24 July 2018 conveying the guidelines on infrastructure facilities to PACS/LAMPS/FSS. As part of the review of operational guidelines for Cooperative Development Fund (CDF) the Management Committee in its meeting held on 10 May 2018 decided to introduce a comprehensive package of assistance under CDF for the development of Primary Agriculture Credit Society (PACS). The basic objective of the scheme is to give flexibility to ROs in finalising the items to be provided to PACS based on annual infrastructure plan prepared by ROs in consultation with cooperative banks and Govt agencies. Accordingly, a separate scheme of assistance has been formulated exclusively for infrastructure support, to PACS, the details of which are **enclosed in the Annexure.**

2. This instruction supersedes the instruction given in Annexure I of the HO circular No. 197 dated 24 July 2018 on CDF on infrastructure facilities to PACS/ LAMPS/ FSS and will be effective from the date of the circular.

3. Kindly acknowledge receipt.

Yours faithfully



(Sarita Arora)  
Chief General Manager

**Encl:** as above

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

संस्थागत विकास विभाग

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Institutional Development Department

**Comprehensive Infrastructure Support to PACS etc. under Cooperative Development Fund (CDF) - Except NER(including Sikkim), JK and A&N**

**1. Introduction**

In order to ensure basic infrastructure facility in Primary Agricultural Credit Societies (PACS), assistance under CDF is provided to help PACS to mobilise deposits, increase in business portfolio, computerize their operation, improve their work environment which will boost confidence and trust among the members/non-members etc. Accordingly, Management Committee has taken a decision to prepare state specific infrastructure plans by Regional Offices which can be covered under CDF assistance.

**2. Eligibility** – The Comprehensive infrastructure support scheme is applicable to PACS all over the country except NE Region (including Sikkim), JK and A&N for which separate guidelines have been issued.

**3. Objective-** The objective of the scheme is to give flexibility to Regional Offices (ROs) in finalizing the items to be provided to PACS based on annual infrastructure plan prepared by ROs in consultation with cooperative banks and govt agencies.

**4. Eligibility Criteria:**

PACS identified for assistance should have a potential to demonstrate and willingness to absorb the new package of products so that at the end of a given time the PACS will be a model for others. Accordingly, it is advised that only the PACS who are complying with at least 1 criteria each under the following 3 parameters will be eligible for assistance.

<b>Parameters</b>	<b>Criteria</b>
<b>Financial</b>	i. Loan recovery of 50% and above ii. In profit for the last 3 years and audit is up-to-date iii. No accumulated losses iv. Implemented common accounting system
<b>Governance</b>	i. Elected Board ii. Full time secretary iii. Borrowing member 40% or more iv. Audit classification – “A” / “B”
<b>Business Development</b>	i. PACS already covered under PDC, MSC, DMA ii. PACS promoting SHG/JLG/FC iii. At least 25% of loan portfolio is Term Loan

5. **Mode of assistance-** Grant

6. **Quantum of assistance under CDF-** ₹15.00 lakh per state per year and up to a maximum of ₹3 lakh per PACS. The ratio of assistance will be 80:20

7. **No of PACS**

Depending on the requirement of number of items and cost of the same, more PACS can be covered for assistance within an overall financial limit so that the support will enable PACS to diversify its business portfolio and enhance its viability with efficient delivery of services.

8. **Eligible items for assistance**

(a) ROs may prepare an annual infrastructure plan for PACS in the state in consultation with StCB/RCS. The infrastructure assistance plan should be goal oriented, hence should be prepared on the basis of felt need. Each item proposed to be supported under the plan should have direct link with certain output indicators and the same should be clearly mapped in the plan. Where ever possible, any cost reduction or income enhancement arising out of infrastructure support should be estimated with a view to correlate with cost of infrastructure for a cost return analysis. The support under the plan should also be used as an incentive for better performance of PACS.

Some of the items which can be considered for infrastructure assistance may be as under (except items like purchase of vehicle, civil construction etc):

- i) Reception / Cash Counter;
- ii) Safe;
- iii) File cabinets;
- iv) Office furniture defined to 4 set of Chairs and Tables;
- v) Solar panel for providing alternate electricity for meeting all the needs of power requirement of PACS. PACS will avail subsidy and the assistance in such cases will be net of subsidy

or

- Inverter capable of supporting 01 computer, 01 printer, 01 fan and 02 tube lights.
- vi) POS machine for swiping Rupay Kisan Card, etc. for fertilizer and other business;
  - vii) Automatic billing machine;
  - viii) Fire extinguishers for PACS having fair price shop/ godown and fertilizer business;
  - ix) Data management software;



- x) Soil Testing Labs
- xi) Note Counting machine & counterfeit currency identification machine;
- xii) Gold weighing & purity checking machine;
- xiii) Locker for customer; (provided such facilities are provided by societies with permission of RCS)
- xiv) Hand held devices;
- xv) CCTV camera

**The above list of items is illustrative and not exhaustive. Regional Offices may at their discretion and based on the annual infrastructure plan include any other items which will facilitate enhanced operational efficiency and improvement in the business of PACS.**

**(b)** In case of loan provided by NABKISAN Finance Ltd and NABSAMRUDHI Finance Ltd to PACS for promotion of Multi Service Centre (MSC), a grant assistance up to 10% of the loan amount can be provided to those PACS under the scheme and such assistance will be over and above the annual limit of ₹15.00 lakh per state per year under the scheme.

**9. Other terms and conditions:**

- i. Only new assets to be purchased and second hand items are not allowed.
- ii. All necessary statutory and departmental procedures must be followed while acquiring capital items.
- iii. Selection of PACS may preferably be done with a cluster approach, if potential exists, in order to have a visible impact of CDF assistance on the working of PACS.
- iv. Expenditure already incurred or assistance already extended to PACS by StCB/DCCB or any other agency for providing infrastructure facilities to PACS will not be eligible for reimbursement for the same item from CDF.
- v. Concerned DCCB/StCB shall ensure that assets created are maintained by the societies in good and usable condition.
- vi. NABARD shall have right to inspect the infrastructure items purchased out of CDF assistance.
- vii. All other terms and conditions as indicated in CDF circular No.197 dated 24.07.2018.

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