

Annexure 2.3

A. Statutory Powers vested with NABARD as per provisions of RRB Act, 1976

S No	Relevant Section of Act ibid	Stipulation in the Act	Action at NABARD level
1	4(1)	RRB shall have its head office at such place as Central Government may after consultation with NABARD and Sponsor Bank specify by notification	Application for change of place of Head Office are scrutinized and recommended to Gol for approval and notification
2	5	Increase or decrease of authorized capital of RRB can be done by Gol in consultation with NABARD	In the context of amalgamation of RRBs, such proposals involving more than 5 RRBs, increase of authorized capital vis-à-vis subscribed capital are recommended by NABARD.
3	6(3)	Increase or decrease of subscribed capital to be approved by Gol in consultation with NABARD	In case of subscribed capital of amalgamated RRB which invariably goes up from the existing level is also recommended by NABARD under the above Section.
4	9(1)(i)	Composition of Board of Directors of RRBs	Guidelines for nomination of NABARD officials in RRB Board are formulated by us and officers are identified by respective Regional Office after vigilance clearance.
4	11	Sponsor Bank shall appoint /terminate Chairman of RRB in consultation with NABARD	<ul style="list-style-type: none"> ❖ Devising norms for appointment of Chairman ❖ Scrutiny, approval or otherwise of the proposal ❖ Approval to premature withdrawal of Chairman ❖ Extension of tenure of Chairman
5	23 A	Central Government may after consultation with NABARD amalgamate two or more number of RRBs to form a single unit.	All amalgamation proposals are scrutinized and recommended or otherwise to Gol.
6	29	Gol in consultation with NABARD by notification makes Rules.	Any Rules, viz., Recruitment, Promotion, Board Meeting Rules etc are recommended by NABARD to Gol for approval and notification.
7	30	Board of RRB in consultation with NABARD/Sponsor Bank/Gol makes Regulations	Preparation of Model Staff Regulations, adoption, Notification and subsequently any modifications are recommended by NABARD.

B. Statement showing provisions in NABARD Act, 1981 as regards RRBs

Sl No.	Section no.	Provisions
1	Preamble	An Act to establish a development bank to be known as the National Bank for Agriculture and Rural Development for providing and regulating credit and other facilities for the promotion and development of agriculture small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.
2	21(1)	<u>Provision of short term credit to RRBs</u>
3	22	Conversion facilities to RRBs
4	23	Rescheduling of loans to RRBs
5	24	Provision of Investment credit - medium term
6	25	Provision of long term credit
7	30A.	Rediscounting of bills of exchange and promissory notes presented by regional rural bank
8	35.1	NABARD shall have free access to all such records of a borrower seeking to avail of any credit or other facilities from the National Bank
9	38(i).	The National Bank shall co-ordinate its operations and the operations of various institutions engaged in the field of rural credit and maintain expert staff to study all problems relating to agriculture and rural development and be available for consultation to the Central Government, the Reserve Bank, the State Governments and the other institutions engaged in the field of rural development ;
10	38(ii)	The National Bank may act as the agent for the Central Government or a State Government or the Reserve Bank in the transaction of any business in respect of loans and advances granted
11	38(iii)	The National bank may provide facilities for training, for dissemination of information and the promotion of research
12	38(iv)	The National Bank may provide technical, legal, financial, marketing and administrative assistance to any person engaged in agriculture and rural development activities
13	38(vi)	The National Bank may perform the functions entrusted to or required of the National Bank by any other law for the time being in force

Provisions of BR Act, 1949- Powers vested with NABARD vis-a vis RRBs

Sl No.	Section no.	Provisions
	23(4)(A)	Any RRB requiring permission of RBI for opening of new and transfer of existing places of business shall forward its application to the RBI through the National Bank which shall give its comments on the merits of the application and send it to the RBI.
	24(3)	Every RRB shall also furnish a copy of the return ensuring compliance of SLR provisions, to National Bank.
	25(2)	Every RRB shall also furnish a copy of the return on the assets maintained by it in India to National Bank
	26	Every RRB shall also furnish a copy of the return on the unclaimed deposits to National Bank
	27(3)	Every RRB shall submit a copy of the return on the assets and liabilities as at the close of business on the last Friday of every month, which it submits to the RBI, also to the National Bank and the powers exercisable by the RBI under subsection (2) viz., to call for information relating to the business or affairs of the banking company, may also be exercisable by the National Bank in relation to RRBs.
	28	The Reserve Bank or the National Bank, or both, if they consider it in the public interest so to do, may publish any information obtained by them under this Act in ,such consolidated form as they think fit."
	31	A regional rural bank shall furnish balance sheet and auditor's report also to the National Bank..
	35(6)	Inspection - the powers exercisable by RBI in relation to RRBs may be exercised by the National Bank in relation to the RRBs.....

A. Work being attended to by NABARD (by way of Secretarial Support)
As per Gol directives

S No	Stipulation in the Act	Action at NABARD level
1	Approval for notified area of RRBs by Gol by way of notification	Proposals for extension of area of operation (notified area) are examined and recommended to Gol for notification.
2	1. Implementation of NIT Award 2. Revision of pay and allowances of staff/officers of RRBs 3. All other allowances 4. Loans and Advances 5. Staff related issues	<p>☒ As per the direction of Government of India, every issue relating to these items are attended to by NABARD</p> <p>☒ Gol acts on such issues based on the recommendations of NABARD</p> <p>☒ All related clarifications required by Sponsor Banks/RRBs are provided by NABARD.</p>
3	Inter-se seniority after amalgamation	As notified by Gol, these are finalized by NABARD in consultation with Sponsor Banks.
4	i. Appointment of staff/officers and terms thereto ii Promotion related terms	All work relating to these issues are attended to by NABARD and recommended to Gol for approval. Subsequently necessary circulars are also issued by NABARD.
5	Redeployment of staff among the RRBs of same Sponsor Banks as well as RRBs of different Sponsor Banks	Schemes were drawn by NABARD at the instance of Gol and provided guidance, clarification for the smooth implementation of the Scheme.
6	Court Cases	<p>⇒ NABARD extends secretarial support to Government of India in most cases</p> <p>⇒ Provides necessary guidance to sponsor banks on request</p> <p>⇒ There are about 2700 court cases pertaining to RRBs pending with various High Courts/ Supreme Court</p> <p>⇒ Besides defending NABARD's own position, guidance is provided to Gol, Sponsor Banks.</p> <p>⇒ Arrangements for defending Gol by way of preparation of replies/para wise comments / finalisation of arrangements /advocates, etc</p>
7	Appointment of Auditors for RRBs	<p>➤ NABARD undertakes the entire exercise of identifying suitable audit firms for appointment as auditors in RRBs</p> <p>Terms and conditions of such appointed auditors are also recommended by NABARD for approval.</p>

8	Coordinate operations and operations of various institutions engaged in the field of rural credit	➤ Helps frame guidelines in respect of policy issues and staff related issues of RRBs. Acts as the nodal agency for RRBs by taking up the issues of RRBs with Gol and the decision of Gol transmitted to Sponsor Banks/RRBs
9	Capacity Building Efforts	Provides training facilities to RRB officers in its training establishments and in establishments funded by NABARD
10	Maintenance of Database	NABARD maintains database in respect of RRBs. Prepares key statistics on RRBs. A review on the performance of RRBs is sent to Gol/ RBI annually.

B. As per the advice of RBI

S No	Particulars
1	<p>Branch Licensing</p> <ul style="list-style-type: none"> ✚ Opening /closing /relocation of branches- processing and recommending to RBI ✚ Extension of area of operations - processing & recommending to Gol ✚ Applications for conduct of insurance business as Corporate Agents - processing of application and recommending to RBI. ✚ GM of NABARD is also a member of Standing Advisory Committee to approve the list of Audit Firms for undertaking Statutory as well as Branch Audit of nationalized Commercial Banks, Financial Institutions and RRBs. RBI is the convenor of this Committee.

C. Miscellaneous- As provided in various Rules related to RRBs

1.	Appointment and Promotion rules- Relaxation, conduct of promotion process, ensuring reservation in promotion and recruitment and providing necessary clarification thereto.
2.	Special Leave due to accident while on duty - Powers to sanction
3.	Inter-se seniority as notified by Gol - Discussions held / being held for finalization