



Ref. No. NB.DOR / 789 / PPS -9 / 2019-20

11 June 2019

Circular No. 165 / DOR - 46 / 2019

The Managing Directors
All SCARDBs

Madam/Dear Sir,


Refinance Policy for Schematic Lending for F. Y. 2019-20 – Structured Repayment Schedule

As you are aware, refinance to SCARDBs is extended under LTRCF with a repayment period of 5 years, without any moratorium, while refinance under ARF-Normal is extended for a period maximum up to 15 years with moratorium, depending on the purpose for which refinance is availed. Since SCARDBs have to repay the refinance availed under LTRCF to NABARD in five years against some of the assets financed with repayment period beyond 5 years leading to mismatch in cash flows, it has been decided to make available a new structured refinance product to the SCARDBs which would have a repayment period of 9 years without any moratorium.

2. Under the new product, refinance will be extended at concessional rate as applicable to LTRCF during the initial 5 years and at normal rate of interest, along with applicable risk premium as prevalent at the time of sanction, during the remaining 4 years. The new structured refinance product will start during this year and will be available only after the receipt of LTRCF allocation from RBI.

3. However, existing refinance under ARF-Normal & LTRCF (for five years) will be released as per extant policy guidelines.

Yours faithfully,


(G R Chintala)
Chief General Manager

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

पुनर्वित्त विभाग

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