Covid-19 pandemic has brought an unprecedented sequence of events in the last one year and NABARD has taken several measures to reduce disruptions and maintain unhindered flow of credit to financial institutions and thereby helping unreached segment of society to meet their credit needs. As you are aware, RBI has come forward to support in augmenting the liquidity position of the financial institutions and has made an allocation of Rs.25,000 crore under SLF-2 vide their letter dated 07 April 2021 for refinancing RRBs, State Cooperative Banks, SCARDBs, SFBs and NBFC-mFls.

2. Accordingly, refinance under Special Liquidity Facility-2 (SLF-2) will be extended to NBFC-mFls based on the policy guidelines issued vide our circular No.66/DOR-17/2021 dated 12 April 2021.

3. Since the SLF-2 from RBI is for a period of one year from the date of first drawl by NABARD and has to be repaid back within that time, the repayment period for this
facility shall be in the form of a term loan of 18 months duration by augmenting with our own funds. NBFC-mFIs have to repay the proportionate amount of the balance period in one lump sum at the end of such period for the borrowing under LT refinance and the remaining amount of refinance has to be repaid in one or more instalments as per repayment schedule stipulated in the sanction letter.

4. Interest rate under this facility shall be as per ALCO rates as decided from time to time. The current rate for the funds available under SLF-2 facility is 'Repo Rate + 300 bps' with applicable risk premium. The balance amount of refinance provided from NABARD's own resources will be charged at a rate as applicable to normal lending.

5. The refinance proposals may be submitted through Regional Offices of NABARD where the Corporate / Head Office of NBFC-mFI is located.

6. The Circular is also available on NABARD website www.nabard.org under the tab information Centre.

7. Please acknowledge receipt.

7. प्राप्ति सूचना दें.