08 August 2022

The Chairman
Scheduled Commercial Banks

Dear Sir,

Provision of Short Term Refinance to Scheduled Commercial Banks for Financing the working capital requirements of State Handloom Development Corporation (SHDCs) – Policy for the year 2022-23


2. It has been decided to broadly continue the same policy for the year 2022-23. The eligibility criteria prescribed for the year 2022-23 are:

(i) Complying with minimum CRAR norm of 11.50% (as per Basel III) as on 31.03.2021.

(ii) Net NPAs not exceeding 6% of net loans and advances outstanding as on 31.03.2021. The NPA position will be reckoned for the Bank as a whole.

National Bank for Agriculture and Rural Development

Department of Refinance
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(iv) In case of improvement or deterioration in the above parameters as on 31.03.2022, the same will be reckoned for eligibility of refinance.

3. Interest rate on NABARD’s refinance under this line of credit is at present 6.80% p.a., payable at quarterly rests on the first day of each quarter i.e. on 01 July, 01 October, 01 January and 01 April every year, or on repayment of the entire principal amount. It is, however, subject to revision by NABARD from time to time. The various parameters, terms and conditions and quantum of refinance as indicated in our Circular No.77/DoR-25/2014 dated 23 April 2014 may also undergo changes accordingly.

4. All other terms and conditions detailed in Circular No.77/DoR-27/2014 dated 23 April 2014 will remain unchanged.

5. Kindly acknowledge receipt of the same.