

RBI/2008-09/226  
RPCD.PLFS . No. BC. 45 /05.04.02/2008-09

October 15, 2008

The Chairmen/Chief Executives of  
all Scheduled Banks / NABARD

Dear Sirs,

**Temporary liquidity support for financing agricultural operations**

With a view to ensuring adequate financing of agricultural operations by banks, the Reserve Bank has decided to provide temporary liquidity support to NABARD and scheduled banks to the extent of Rs.25,000 crore against their outstanding agricultural advances. The limits will be related to the quantum of debt waived by banks under the Agricultural Debt Waiver and Debt Relief Scheme, 2008. Liquidity support availed by banks will be provided under Section 17 (3-B) of RBI Act 1934 to scheduled banks and Section 17 (4-E) of RBI Act 1934 to NABARD, at the rate of 9 per cent per annum, and will have to be repaid within a period of three weeks from the date of this circular but not later than 3<sup>rd</sup> November 2008. This liquidity support is expected to provide Rs. 17,500 crore to co-operative banks and RRBs and Rs.7,500 crore to commercial banks.

2. Accordingly, scheduled commercial banks and scheduled UCBs desirous of availing of the support are required to approach the Regional Director, Deposit Accounts Department, Reserve Bank of India, Mumbai for the purpose. Non scheduled UCBs may approach RBI through the respective State Cooperative banks. RRBs and co-operatives may access the facility through NABARD.

Yours faithfully

**(G.Srinivasan)**  
Chief General Manager – in – Charge