

RESERVE BANK OF INDIA

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RBI/2016-17/148 DCM (Plg) No.1345/10.27.00/2016-17

November 22, 2016

The Chairman / Managing Director/Chief Executive Officer, Public Sector Banks / Private Sector Banks / Foreign Banks / Regional Rural Banks / Urban Co-operative Banks / State Co-operative Banks

Dear Sir,

Making cash available for Rabi Crop Season – Advisory to banks

As you all are aware the Rabi crop season has already commenced and it is imperative that farmers are adequately supported financially to ensure unhindered farming operations.

2. It is estimated that about ₹ 35,000/- crore would be required by the DCCBs for sanction and disbursement of crop loans to the farmers at the rate of ₹ 10,000/- crore per week. NABARD would be utilizing its own cash credit limits up to about ₹ 23,000 crore to enable the DCCBs to disburse the required crop loans to PACS and farmers.

3. As many of these loans will be disbursed in cash to facilitate farming related expenses, we advise in this regard that banks with currency chests should ensure adequate cash supply to the DCCBs and RRBs. Adequate cash supply should also be ensured for rural branches of all commercial banks (including RRBs). Further, bank branches located in APMCs may also be given adequate cash to facilitate smooth procurement.

Yours faithfully,

(P Vijaya Kumar) Chief General Manager

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