

## COVID CIRCULAR

RBI

CIRCULAR DATE | 21 APRIL 2020

### **APPLICABLE TO**

The Chairman/Managing Director & CEOs All Public & Private Sector Scheduled Commercial Banks

### **SUBJECT OF THE CIRCULAR**

#### **Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Crop Loans during the years 2018-19 and 2019-20: Extended Period on account of Covid-19**

In the wake of the nationwide lockdown due to outbreak of Covid -19 pandemic and the resultant restrictions imposed on movement of people, many farmers are not able to travel to bank branches for payment of their short term crop loan dues. Accordingly, to ensure that farmers do not have to pay penal interest and at the same time continue getting the benefits of interest subvention scheme, Government has decided to continue the availability of 2% IS and 3% PRI to farmers for the extended period of repayment upto 31.05.2020 or date of repayment, whichever is earlier, for short term crop loans upto Rs.3 lakh per farmer which have become due between March 01, 2020 and May 31, 2020. Banks are therefore advised to extend the benefit of IS of 2% and PRI of 3% for short term crop loans upto Rs.3 lakh to farmers whose accounts have become due or shall become due between March 1, 2020 and May 31, 2020.

### **FURTHER EXTENSION**

"All lending institutions to extend moratorium by another three months, i.e., upto August 31, 2020. In order to ensure that farmers do not pay higher interest during the extended moratorium period, the Government has decided to continue the availability of 2% IS and 3% PRI to farmers for the extended period of repayment upto August 31, 2020 or date of repayment, whichever is earlier. This benefit will be applicable to all short term loans for

Agriculture and Animal Husbandry, Dairy and Fisheries (AHDF) upto Rs3 lakh per farmer  
(upto Rs2 lakh for AHDF farmers).

**(June 4, 2020)"**