

T. K. Singh
By mail / Fax

F.No. 3/34/2016-AC
Government of India
Ministry of Finance
Department of Financial services

3rd Floor, Jeevan Deep Building Parliament Street,
New Delhi-110001

Dated: 22nd April 2020

To

1. The Chairman/Managing Director & CEOs of all PSBs
2. The Chairman, NABARD

Subject: Interest Subvention 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

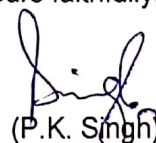
Sir,

Please refer to this Department's letter of even number dated 31st March 2020 addressed to RBI and NABARD with copy endorsed to you requesting for issue of suitable instructions to the Scheduled Commercial Banks and Regional Rural Banks & Cooperative Banks, on the above cited subject.

2. In this regard, RBI vide their letter 21st April 2020 have since advised the banks to extend the benefit of Interest Subvention 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 1st March 2020 and 31st May 2020. A copy of the said letter of RBI is enclosed for ready reference.

3. It is, therefore, requested that all the banks branches may be suitably advised to take appropriate action in compliance with the instructions issued by RBI in the matter.

Yours faithfully,


(P.K. Singh)

Under Secretary to the Govt of India
Phone No. 011-23748762
e-mail: acsec-bkg@nic.in

Encls : As above

Copy to:

1. Dr. Ashish Kumar Bhutani, Joint Secretary, Department of Agriculture, Cooperation and Farmers' Welfare, Krishi Bhawan, New Delhi.



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2019-20/224

FIDD.CO.FSD.BC.No.24/05.02.001/2019-20

April 21, 2020

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

Madam/Dear Sir,

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

Please refer to our circular FIDD.CO.FSD.BC.No.15/05.02.001/2018-19 dated March 7, 2019 regarding Interest Subvention Scheme for Short Term Crop Loans during the years 2018-19 and 2019-20.

2. 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. As per RBI circular dated March 27, 2020 regarding Covid 19-Regulatory Package, moratorium has been granted for three months on payment of installments falling due between March 1, 2020 and May 31, 2020 in respect of all term loans including short term crop loans.

3. 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 ₹3 lakh per farmer which have become due between March 01, 2020 and May 31, 2020.

4. Banks are therefore advised to extend the benefit of IS of 2% and PRI of 3% for short term crop loans upto ₹ 3 lakh to farmers whose accounts have become due or shall become due between March 1, 2020 and May 31, 2020.

5. All other terms and conditions remained unchanged.

Yours faithfully,

(Sonali Sen Gupta)
Chief General Manager