

# Govt gives benefits to farmers on crop loan repayments due to Covid-19 lockdown

## Extends benefit of 2% Interest Subvention (IS) to Banks and 3% Prompt Repayment Incentive (PRI) to all farmers upto 31st May, 2020 for all crop loans upto Rs.3 lakh given by banks due between 1st March and 31st May

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In the wake of lockdown due to ongoing Covid-19 pandemic, the Government has extended the benefit of 2% Interest Subvention (IS) to Banks and 3% Prompt Repayment Incentive (PRI) to all farmers upto 31<sup>st</sup> May, 2020 for all crop loans upto Rs.3 lakh given by banks which have become due or are becoming due between 1<sup>st</sup> March, 2020 and 31<sup>st</sup> May, 2020.

Due to 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. Moreover, due to restrictions on movement of people and difficulty in timely sale and receipt of payment of their produce, farmers may be facing difficulties in repayment of their short term crop loans falling due during this period.

To address this problem being faced by farmers, extension of Interest Subvention (IS) and Prompt Repayment Incentive (PRI) benefit upto 31<sup>st</sup> May, 2020 on the short term crop loans upto Rs.3 lakh which are due upto 31<sup>st</sup> May, 2020, shall help the farmers to repay such loans upto the extended period at 4% p.a. interest without attracting any penalty.

Government is providing concessional crop loans to farmers through banks with 2% p.a. interest subvention to banks and 3% additional benefit on timely repayment to farmers thus providing loans upto Rs.3 lakh at 4% p.a. interest on timely repayment.

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