

RBI EXTENDS LIQUIDITY WINDOW FOR HEALTHCARE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

The Reserve Bank of India (RBI) on Thursday proposed to extend the term-liquidity facility of Rs. 50,000 crore offered to emergency health services by three months till June 30.

Last year in May, RBI had announced an on-tap liquidity window of Rs. 50,000 crore, at the repo rate with tenors of up to three years, to boost provision of immediate liquidity for ramping up COVID-19-related healthcare infrastructure and services in the country.

Banks were incentivised for quick delivery of credit under the scheme through extension of priority-sector classification to such lending up to March 31, 2022.

“In view of the response to the scheme, it is now proposed to extend this window up to June 30, 2022 from March 31, 2022 as announced earlier,” the RBI said in a statement on development and regulatory policies on Thursday.

Under the scheme, banks were expected to create a COVID-19 loan book.

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