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Banks receive liquidity facility of Rs 50k Cr for emergency health services

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This lending facility will be available up to March 31, 2022



The RBI Governor Shaktikanta Das has announced a series of measures to support the nation’s fight against the second wave of COVID-19 infections.

“Alleviating any constraint from the financing side for all stakeholders – government, hospitals and dispensaries, pharmacies, vaccine/medicine manufacturers/importers, medical oxygen manufacturers/suppliers, private operators engaged in the critical healthcare supply chain, and above all the common man who may be facing a sudden spike in health expenditure – requires a comprehensive targeted policy response. Small businesses and financial entities at the grassroot level are bearing the biggest brunt of the second wave of infections" said Das.

The measures form the first part of a calibrated and comprehensive strategy against the pandemic, said the Governor.

Term Liquidity Facility of Rs. 50,000 crore is being given with tenure of up to 3 years, at repo rate, to ease access to emergency health services, for ramping up COVID-related health infrastructure & services.

Banks can give fresh lending support to a variety of stakeholders under this facility. This lending facility will be available up to March 31, 2022. Banks will be provided incentives to provide credit under this facility.

RBI will closely monitor the impact of the second wave of COVID-19 on macroeconomic and financial conditions, he said. “We will work closely with the Government to alleviate extreme travails being undergone by citizens”, he stated in course of his address.