

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 209

TO BE ANSWERED ON THE 19TH JULY 2021/ ASHADHA 28, 1943 (SAKA)

Liquidity Window to Banks

209. SHRI TALARI RANGAIAH:
SHRI ADALA PRABHAKARA REDDY:
SHRI MAGUNTA SREENIVASULU REDDY:
SHRI CHANDRA SEKHAR BELLANA:
SHRI LAVU SRI KRISHNA DEVARAYALU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has provided an On-tap liquidity window of Rs 50,000 crore to banks recently for improving COVID related health infrastructure in the country;
- (b) if so, the details thereof including break-up of the amounts sanctioned by banks under this programme for (i) vaccine manufacturers, (ii) importers of vaccine and COVID-19 related drugs, (iii) suppliers of oxygen and ventilators, and (iv) logistics firms till date;
- (c) whether the banks aim to provide loans to patients for COVID treatment; and
- (d) if so, the details thereof including the amount sanctioned for the purpose till date?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) to (d): The Reserve Bank of India (RBI) has informed that as per its Press Release dated 7.5.2021, banks are expected to create a COVID loan book, either by deploying their own resources or by using an on-tap term liquidity facility window of Rs. 50,000 crore available to banks from RBI till March 2022, for fresh lending to vaccine manufactures, importers or suppliers of vaccine and priority medical devices, hospitals or dispensaries, pathology labs and diagnostic centres, manufactures and suppliers of oxygen and ventilators, importers of vaccines and COVID-related drugs, COVID-related logistics firms and patients for their treatment.

As per RBI, banks have created COVID loan book, including for providing loans to patients, to the tune of Rs. 2,887 crore till 10.7.2021, from their own resources. This RBI scheme incentivises the activities covered under the COVID loan book by treating such towards fulfilment of the bank's priority sector lending requirement and by allowing them access to RBI's special reverse repo facility.
