



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

RBI/2020-21/61

DOR.No.BP.BC.26/21.04.048/2020-21

October 26, 2020

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks)
All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks
All All-India Financial Institutions
All Non-Banking Financial Companies (including Housing Finance Companies)

Madam/Dear Sir,

Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)

The Government of India has announced the *Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)* (the '**Scheme**') on October 23, 2020, which mandates *ex-gratia* payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions. The details of the Scheme are available at:

<https://financialservices.gov.in/sites/default/files/Scheme%20Letter.pdf>.

2. All lending institutions are advised to be guided by the provisions of the Scheme and take necessary action within the stipulated timeline.

Yours faithfully,

(Prakash Baliarsingh)
Chief General Manager