

More than dozen PSBs announce COVID-19 emergency credit line

NEW DELHI, March 26: More than a dozen public sector banks have announced COVID-19 emergency credit line to deal with the hardships faced by various sectors of the economy.

Though public sector banks (PSBs) were quick to respond with steps to deal with the hardships faced by various sectors of the economy, private sector banks such as ICICI Bank, HDFC Bank and Axis Bank are yet to come out with any relief measures for their customers.

As many as 15 PSBs, out of the total 18 government-owned banks, till this evening announced schemes to mitigate hardships faced by various segments. Taking the lead, the country's largest lender SBI last week announced an emergency credit line to meet any liquidity mismatch for its borrowers.

The additional liquidity facility COVID-19 Emergency Credit Line will provide funds up to Rs 200 crore and will be available till June 30, SBI said in a circular issued today.

Following suit were Punjab National Bank, Bank of Baroda, Canara Bank, Union Bank of India and Bank of India.

Besides, Indian Bank, Bank of Maharashtra, Syndicate Bank, Indian Overseas Bank, UCO Bank and Andhra Bank have also introduced relief schemes till date for meeting liquidity requirements under COVID-19 emergency.

"In wake of #CORONA virus outbreak, #OBC supports all its existing borrowers by launching COVID-19 emergency credit facility which would help them meet temporary liquidity mismatch in operating cycle," Oriental Bank of Commerce said in a tweet today.

Another public sector lender United Bank of India also launched a special scheme 'UBI COVID-19 Emergency Credit Facility' for its existing MSME, agriculture and other business segment borrowers.

PSBs have announced schemes for existing MSME borrowers with some banks additionally extending schemes to other segments including agriculture, self-help groups, organised sector employees, a senior public sector bank official said.

The quantum of loan is in the form of additional line of credit ranging from 10 per cent or higher of existing working capital limits, the official said, adding that the banks have kept provision for creation of charge on existing securities for this additional facility without seeking any fresh requirement of prime or collateral security.

The loan schemes have a moratorium period of up to 6 months.

Even state-owned financial institution SIDBI announced a concessional interest rate of 5 per cent for MSMEs under the SIDBI Assistance to Facilitate Emergency Response against corona virus. — PTT