

FAQs on “COVID-19 Emergency Credit Line and Working Capital Reassessment for Corporate Borrowers”

Q.1 Whether new borrower can avail this facility?

No, this facility is available only for existing customers whose account is under standard /SMA-0 and SMA-1 as on date of sanction of this facility.

Q.2 Is there any criteria for internal credit rating?

Facility may be sanctioned irrespective of internal rating

Q.3 What will be the maximum loan that can be sought?

Limit shall be maximum 10% of the existing Fund Based Working Capital Limits (FBWC).

Q.4 What will be the margin for this facility?

Nil

Q.5 Does bank charge any Process Fee for this facility?

No processing fee will be charged.

Q.6 Upto what time this facility will be available?

Scheme will be in force upto 30.06.2020.

Q.7 For what purposes this facility shall be available?

Borrower can avail this facility to meet the statutory dues, payment of salary to staff, electricity bills, rent of office etc. and to meet all temporary liquidity mismatch in operating cycle arising out of adverse impact to COVID-19).

Q.8 If borrower want to avail other relief measures like re-calculation of drawing power or reassessment of credit facilities etc? What he has to do?

For this, borrower have to go with specific request mentioning the type of hardship faced and the effects on sales realisation, receivable realisation and on working capital cycle. Suitable approval/ decision shall be provided after assessment of the same as per Bank's guidelines. Bank may also ask additional information as shall be required to arrive at a decision.

Q.9 What if a borrower have availed credit facilities under Multiple Banking or Consortium banking Arrangement?

In case borrower have availed facilities under Multiple Banking or Consortium Banking Arrangement, he should have applied similar relief to other lenders. The reassessment of limits will need to be harmonized with the assessment of the Lead Bank of the Consortium.

Q.10 Will all these measures of RBI be treated as “restructuring”? What about the provisions applicable?

The measures stipulated by RBI under the March 27, 2020 circular on COVID 19 Regulatory Package will not be treated as “Restructuring” and hence will not result in asset classification downgrade.