

## COVID Emergency Support Scheme 2020 (CESS-2020)

### FREQUENTLY ASKED QUESTIONS (FAQ)

**1. Entire India is currently under Lockdown on account of COVID- 19. How is Bank of India proposing to address COVID 19 ? What is CESS 2020?**

**Reply:** The rapid outbreak of the “COVID - 19”, a disease caused by Novel - Coronavirus has led to an alarming health crisis as well as a significant commercial impact. As a definite fallout of the pandemic, the business worldwide is adversely affected/disrupted.

As a Premier Nationalised Bank, we understand the difficulty being faced by our borrowers and the greater hardships they would have to face in the wake of the pandemic in their business. Lockdown/disruption of activity in units due to shortage of labour/raw materials, inability to dispatch finished goods, logistic issues, increasing period of receivables etc. may lead to elongated working capital cycles, and hence working capital crunch.

We have hence introduced “**COVID Emergency Support Scheme 2020 (CESS-2020)**” to help our borrowers tide our the situation.

**2. What type of borrowers are eligible under CESS 2020 ?**

**Reply:** All Standard borrowers whether Agriculture, MSME or C&IC sector, enjoying working capital facilities from our bank satisfying the eligibility criteria

For all those salaried customers drawing salary through our Bank and existing standard housing loan and personal loan customers, separate scheme “COVID 19 Personal Loan (CPL)” is also introduced.

**3. What are details/eligibility under CESS 2020?**

**Reply :** Brief details are as under:

- The facility can be availed by all standard borrowers as on the date of sanction availing working capital limits from us to meet the temporary liquidity mismatch caused by the effects of the pandemic N-COVID – 19
- The facility can be repaid over a period of 24 months with 6 months initial moratorium. Interest to be serviced as and when applied
- Amount of assistance is up to 20% of the WCL limits last sanctioned, subject to maximum assistance not to exceed Rs 200.00 crore per borrower.
- **Margin-** Margin for proposed Demand Loan is Nil. However, the proposed limits should be covered by the market value of the stocks and receivables as per the Stock statement. Existing margin for existing facilities to continue for calculation of drawing power in the account. Drawings to be allowed based on available DP

- **Pricing under the scheme: 1 Year MCLR.** In case of MSME accounts – **At RBLR** ( 1 Year MCLR for accounts not yet linked to RBLR) - MCLR and RBLR to remain floating. This pricing is not as applicable to your existing credit facilities..
- **Security:** Extension of charge on existing securities to continue.

#### **4. Till when can a borrower avail the limit?**

A borrower can approach the branch as per his requirements. However, the loan should be availed by 30.06.2020.

#### **5. Is there any time frame for creation/extension /perfection of securities?.**

**Reply:** Demand Loan to be secured by way of extension of charge on the Primary /Collateral Security. In deserving cases, a timeline of up to 3 months may be permitted for creation/extension of charge over securities on case to case basis.

#### **6. Purpose of scheme is to meet the temporary liquidity mismatch caused by the effects of the pandemic N-COVID – 19. How to ensure this?**

**Reply:** The facilities to be made available at the specific request of the borrower stating that the business has been adversely affected by N-COVID 19.

Following are some basic indicators for assessing liquidity constraints in the account:

- a. Lockdown/disruption of activity in units due to shortage of labour/raw materials
  - b. Low/negligible Actual sales in March 2020, leading to revised projections,
  - c. unable to dispatch finished goods
  - d. Logistic issues,
  - e. Increasing period of receivables
- The above list is indicative and not exhaustive.

#### **7. In view of existing lockdown, borrowers are unable to visit branches?**

**Reply-** Customer should observe the Government directions and ensure minimum possible movement during the official lock down period, however they can approach their branches through email/telephone and seek a soft copy of the application format. The format as well as other information may be provided by branches via E Mail. Branches shall meanwhile initiate the process and the final formalities may be completed, once the lockdown is over or borrower is able to complete the desired formalities. It is advisable to respond to the branch call immediately, in case of any further information or clarification sought by them..

8. **Is it mandatory to submit a request :**

**Reply** – Yes, we must receive your request with required information..