



COVID-19 Loans by Indian Bank

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Why in News

Recently, **Indian Bank** which is a **public sector lender**, has announced special emergency loans for various categories of customers such as individuals, corporates, **Medium, Small and Micro Enterprises** (MSMEs) and **self-help groups** (SHGs), retail borrowers and pensioners in the wake of the **pandemic COVID-19**.

It is expected that these credit lines will meet the immediate liquidity requirements of businesses and other sections of the society.

Key Points

- **Ind-Covid Emergency Credit Line:**
 - It will provide **additional funding of up to 10% of the working capital limits** (fund-based and non fund-based) with a maximum limit of ₹100 crore.
 - **Large corporates and medium enterprises** that are in the standard category would be eligible for this loan.
 - The **loans** would only carry a fixed interest rate of one-year MCLR (**marginal cost of funds based lending rate**). All other charges are waived.
- **Ind-MSE Covid Emergency Loan:**

It will provide an **additional funding of 10% of fund-based working capital limits** subject to a maximum of ₹50 lakh to all MSMEs.
- **SHG-Covid-Sahaya Loan:**
 - Under this, each member can avail a **soft loan of ₹5,000 and ₹1 lakh per SHG**.
 - The loan is **for 36 months** with a six months moratorium.

- **Ind-Covid Emergency Salary Loan:**
 - It will be given **to salaried employees** up to an **amount equivalent to 20 times the latest monthly gross salary** subject to a maximum of ₹2 lakh.
 - This is to meet urgent medical and other expenditure.
 - The loan will be given at a **concessional rate of interest** and all charges are waived.
- **Ind-Covid Emergency Pension Loan:**
 - It is **provided up to 15 times of monthly pension** subject to a maximum of ₹2 lakh, with a **60 month repayment tenor**.
 - Interest is charged at concessional rates interest and all other charges are waived.

Indian Bank

- It is an Indian **state-owned public sector lender**.
- It was established on **15th August 1907** as part of the **Swadeshi movement**.
- It is **headquartered in Chennai**.

Marginal Cost of Funds based Lending Rate

It is the minimum interest rate, below which a bank is not permitted to lend, though RBI can give authorization for the same in exceptional cases. It depends on factors such as fixed deposit rates, source of funds and savings rate.

Swadeshi Movement

- It started in **1905** was **one of the most successful movements** of the Pre-Gandhian era.
- **Causes:** Punjab land alienation Act of 1900, Passing of Indian university commission Act 1904, Partition of Bengal in 1905, economic exploitation, etc.
- **Methods and instruments:** It initially adopted **passive resistance** but the movement gained momentum and a more **active form of resistance**.
- **Impact:** It led to significant decline in the foreign imports during 1905-1908, building of self-reliance and gave the strength to masses to disobey the British. However, it set **undertones for communal disharmony and extreme nationalism**.

Source: TH