

Corporate & Institutional and Commercial Banking – COVID-19 Regulatory Package

RBI vide its circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 has permitted banks to provide certain relief measures to their customers on account of COVID-19 pandemic.

Rescheduling of Payments for term loans including short term loans and funded exposure under trade facilities:

- The Bank may grant a moratorium of up to three months on payment of instalments of term loans falling due between 1 March 2020 and 31 May 2020.
- Instalments of term loans will include (i) principal and/or interest components; (ii) bullet repayments and (iii) Equated Monthly Instalments.
- Upon the grant of the moratorium, the repayment schedule will be shifted by up to three months after the moratorium period i.e. residual tenor for a 12 months loan can go up to 15 months.
- Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period at monthly interval and shall be recovered after the completion of the moratorium period.

Rescheduling of Payments for working capital facilities in the form of CC/OD

- The Bank may defer the recovery of interest applied in respect of working capital facilities during the period from 1 March 2020 to 31 May 2020.
- The accumulated accrued interest shall be recovered immediately after the completion of this period i.e 30 June 2020.

Easing of working capital finance

- The Bank may, depending on the merit of the request, consider recalculation of drawing power by reducing margins and/or reassessment of working capital cycle.
- The Bank may consider amongst other things following criteria, for easing working capital finance:
 - logistic issues in import / export of goods due to lock down (In-country / other countries),
 - problem in receiving remittance from buyers,
 - delay in certification of work done at site,
 - inventory held but cannot be processed due to lock down etc.

To avail benefit of relief measures, please approach your Relationship Team justifying impact of COVID- 19 on your business.