

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 and RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 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 trade loans):

- The Bank may grant additional moratorium of upto 3 months on instalments of term loans where deferment was earlier granted for repayments falling due between March 1, 2020 to May 31, 2020, at the request of the Borrower.
- Instalments of term loans falling due between June 1 2020 to August 31 2020, can be deferred for 3 months at the request of the Borrower.
- 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 six months after the moratorium period i.e. residual tenor for a 12 months loan can go up to 18 months.
- Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period at monthly interval and shall be a) recovered after the completion of the moratorium period or b) capitalised and amortised over the remaining loan tenor and recovered along with the principal repayments.

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 overdraft working capital facilities during the period from 1 March 2020 to 31 August 2020.
- The accumulated accrued interest shall be (a) recovered immediately after the completion of this period i.e. 30 September 2020 or (b) converted into a Funded Interest term loan (FITL) which shall be repayable not later than 31 March 2021.

Easing of working capital finance

- The Bank may, depending on the merit of the request, consider recalculation of drawing power by reducing margins or allowing higher receivable tenor and/or provide additional working capital limits by reassessing the overall 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 any of the above relief measures, please approach your Relationship Team justifying impact of COVID- 19 on your business.