

## **Note to the Board – COVID 19 – Regulatory Package (updated as of Aug '20)**

### **A. Background**

RBI has on 27<sup>th</sup> March 2020, vide its circular, allowed all Financial Institutions (Including NBFC's) to grant a moratorium on payment of instalments falling due between 1<sup>st</sup> March and up to August 31, 2020. Interest would continue to accrue on the outstanding portion of the term loan / credit limit-based facilities during the moratorium period. Therefore, the repayment schedule & the residual tenor, would need to be changed

### **B. Objective**

To offer to our Eligible customers an additional reschedulement option (called **COVID 19 scheme**), in line with the recent norms as prescribed by RBI under the COVID-19 – Regulatory Package.

**Note** - existing reschedulement options under the earlier approved Customer Outreach scheme will continue as is, in context of RBI Dispensation scheme for onetime restructuring of MSME Loans (vide circulars dated Jan 1, 2019, Feb 11, 2020 & further extended vide circular dated 6th Aug 2020).

### **C. Eligibility Criteria**

- All customers across all segments / programs
- Live & in standard asset category with us as on 29th Feb 2020 (incl. originations in March '20)

### **D. Key features of the scheme as below:**

- **Moratorium Period** - Till the next repayment date in September 2020
- **Reschedulement Type** – Tenor Extension
- **Tenor** - Extension in tenor to the extent that may be required, keeping existing instalment amount as the same
- **APR %** - Same as the existing term loan
- **Opening DPD** – DPD of the existing loan as on 29th Feb (adjusted for payments made between 1st March to 31st Aug 2020) **Note** – Interest would continue to accrue during moratorium period

### **E. Asset Classification Norms, Provisioning & Credit Bureau Reporting**

- a) Asset Classification of New App ID shall be basis the relevant DPD (i.e. Standstill DPD till August '20 & Actual DPD, post rebooking Sept '20 onwards) applicable on the relevant reporting dates
- b) ECL Provisioning – basis ECL Model in force, or as per the extant norms as may be prescribed by RBI in future
- c) Credit Bureau Reporting - Exposure to be reported as per extant RBI Guidelines