

FREQUENTLY ASKED QUESTIONS ON COVID-19 – Regulatory Package

S No.	FAQs	ANSWER
1.	What will be the schedule of payments (Principal + Interest) for a) Term Loan b) Working capital facilities?	<p>a) In respect of all term loans it is permitted to grant a moratorium of three months on payment of all instalments falling due between March 1st, 2020 and May 31st, 2020. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.</p> <p>b) In respect of working capital facilities sanctioned in the form of cash credit/overdraft, it is permitted to defer the recovery of interest applied in respect of all such facilities during the period from March 1st, 2020 up to May 31st, 2020. The accumulated accrued interest shall be recovered immediately after the completion of this period.</p>
2.	Any relief extended to the existing Working Capital facility?	Yes, the 'drawing power' will be calculated by reducing the margins and/or by reassessing the working capital cycle.
3.	Will the asset be classified as SMA or NPA?	Since the moratorium/deferment/recalculation of the 'drawing power' is being provided specifically to enable the borrowers to tide over economic fallout, the same shall not result in asset classification downgrade.
4.	What will be treatment for Asset classification?	<p>The asset classification of term loans which are granted relief shall be determined on the basis of revised due dates and the revised repayment schedule.</p> <p>Similarly, working capital facilities where relief is provided, the SMA and the out of order status shall be evaluated considering the application of accumulated interest immediately after the completion of the deferment period as well as the revised terms</p>

5.	Any impact on the credit history of the borrower in context to rescheduling of payments?	The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by the lending institutions. CICs shall ensure that the actions taken in pursuant to the above announcements do not adversely impact the credit history of the beneficiaries.
6.	From which date the revised guidelines will be enforced?	The instructions will come into force with immediate effect (w.e.f. 27-03-2020) .