



ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ

1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆ ಅನ್ವಯ ಸ್ಥಾಪಿತ

KARNATAKA STATE FINANCIAL CORPORATION

Established under the State Financial Corporations' Act, 1951



ಸಂಖ್ಯೆ : ಕ.ರಾ.ಹ.ಸಂ./ಪ್ರ.ಕ./

Ref. No. KSFC/H.O./

ED-II/DGM[C]/ C - 663 /2020-21

ದಿನಾಂಕ :

Date : 24 - 07 - 2020

CIRCULAR NO. - 1010 (A)

Sub: Covid-19 Regulatory Package - further guidelines.

**Ref : 1. RBI Notification RBI/2019/186 No. DOR.No.BP.BC.47/21.04.048/
2019-20, March 27, 2020 and issued vide Circular No.- 1010 on 01.04.2020.
2. RBI Notification RBI/2019-20/244 No. DOR.No.BP.BC.71/21.04.048/
2019-20, May 23, 2020**

A note was placed before the Board in the meeting held on 26-06-2020 on the captioned subject. The Board noted that the Corporation has implemented the COVID-19 Regulatory Package-I in the best interest of the MSME Sector as per RBI Circular dated 27/03/2020, which is in line with the RBI / SIDBI directions / as practiced by many Banks and ratified the action taken to implement the COVID-19 Regulatory Package-I, issued vide Circular No.1010 dated 01-04-2020.

Further, vide circular dated 23/05/2020 RBI issued COVID-19 Regulatory Package-II guidelines and extended the moratorium period up to 31/08/2020.

The Board deliberated on the subject and considering the general economic conditions and the difficulties faced by the MSME sector, approved the COVID-19 Regulatory Package-I& II for extending the moratorium period as directed by RBI / SIDBI as below:

- Monthly principal installments falling due between 10th April and up to 31st August, 2020, be postponed in such a way that these installments will be payable after the expiry of last installment of the loan as per existing repayment schedule.
- The interest shall continue to accrue on the outstanding portion of term loan during the moratorium period.
- The monthly interest installments for the period of due date between 10th April to 31st August 2020, be deferred and entire interest demand to be raised on 10th September, 2020 along with regular monthly demand of September, 2020. Penal interest will not be charged on the installments of principal and interest falling due during the moratorium period up to 09/09/2020. Prompt payment rebate will be allowed if the payment is made as per the revised schedule. The overdue as at the end of February 29, 2020 will carry interest as per contract rate.

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ಪ್ರಧಾನ ಕಛೇರಿ : ಕೆ.ಎಸ್.ಎಫ್.ಸಿ. ಭವನ, ನಂ. 1/1, ತಿಮ್ಮಯ್ಯ ರಸ್ತೆ, ಕಂಟೋನ್ಮೆಂಟ್ ರೈಲ್ವೆ ನಿಲ್ದಾಣದ ಹತ್ತಿರ, ಬೆಂಗಳೂರು - 560 052.

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- d) *The monthly principal installments and monthly interest installments falling due from 10th September, 2020 shall be payable as per the original schedule along with interest installments as per (c) above.*
- e) *In respect of the cases which are covered under interest subsidy scheme of Government of Karnataka, the subsidy benefits will be passed on, if the payments are made as per the revised schedule.*
- f) *In respect of cases, where payment of installments due on March, 10, 2020 has not been made within March 31, 2020, the interest subsidy benefit can be passed on, if the payment is made before 30th September, 2020.*
- g) *In respect of cases, where the borrowers do not opt for the moratorium facility as proposed above, payments can be accepted and appropriated to the loan account.*
- h) *The assets classification of term loan which are granted relief as above have been done on the basis of revised due dates and the revised repayment schedule. Cases, which were in Standard Category as on February 29, but could have slipped from non-payment of installments fallen due on March 10, have been classified as Performing Assets.*

Further, the Board noted that entire interest accrued up to 09/09/2020 is proposed to be demanded on 10/09/2020 along with regular monthly demand of principal & interest installments due on 10/09/2020. As the amount will be quite substantial and to ease out the above repayment obligations of 10/09/2020, the proposal as below was also approved:

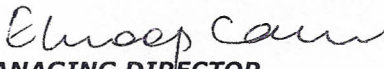
- 1 *In respect of units where loans sanctioned under interest subsidy schemes of Government of Karnataka, the borrowers are permitted to pay the interest dues as on 10/09/2020 net of eligible interest subsidy. In other words, the eligible interest subsidy/subvention will be passed on, provided the borrowing unit clears all the demanded installments excluding eligible interest subsidy/subvention component. Further, the interest subsidy benefit will be passed on, only if the payment is made on or before 30/09/2020.*

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2 In respect of units where loans sanctioned in other than interest subsidy schemes, the accumulated interest from 10/03/2020 to 09/09/2020 & demanded on 10/09/2020 may be converted into funded interest term loan [FITL] which shall be repayable before 31-03-2021 and may be considered on case to case basis, if the Promoters request for the same. This funded interest will carry interest at 10% p.a without rebate and without penal interest.

The funded interest term loan [FITL] remaining unpaid as on 31/03/2021 will carry interest at 10% p.a without rebate along with penal interest.

The contents of this Circular shall be brought to the notice of all the concerned in your office.


MANAGING DIRECTOR

All the DGMs /AGMs/BMs of Branch Offices
All the DGMs / AGMs of Audit Cells
Library

The General Managers } for infn.
The Executive Directors }