



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./ MD-26) 2020-21

ದಿನಾಂಕ :

Date : 01/04/2020

Circular No.1010

Sub: COVID 19 – Regulatory Package

Ref : RBI Notification RBI/2019-20/186 No.DOR.No.BP.BC.47/21.04.048/

2019-20, March 27, 2020.

1. The Reserve Bank of India, vide Notification under reference has announced certain measures to mitigate the burden of debt servicing brought by disruptions on account of COVID – 19 pandemic and continuity of viable businesses. The Package proposes the following :

[a] Rescheduling of Payments in respect of term loans

In respect of all term loans, Lending Institutions are permitted to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020. The repayment schedule of such loans as also the residual tenor, will be shifted across the board by three months after the moratorium period. Interest shall continue to accrue on the outstanding portion of term loans during the period.

[b] Asset Classification of Rescheduled Term Loans

The asset classification of term loans which are granted relief as per pre-para above shall be determined on the basis of revised due dates and the revised repayment schedule.

2. The Notification also states that lending institutions shall frame Board approved policies for providing above mentioned reliefs to all eligible borrowers, inter-alia, including the objective criteria for considering reliefs and disclosed in public domain.

3. In light of the above the following relief package is proposed for implementation.

- Monthly interest instalments for the period 10 March to 10th April 2020, and 10th April 2020 to 10th May 2020 and 10th May 2020 to 10th June 2020 will be deferred by three months so as to be payable in three monthly instalments commencing from 10th July 2020. Penal interest will not charged on the instalments of interest and principal falling due during this period. Prompt payment rebate will be allowed if the payment is made as per the revised schedule. The over dues as at the end of February 29, 2020 will carry interest as per contract without penal interest.

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

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- ii. Monthly principal instalments falling due between 10th April 2020 to 10th June 2020 will be postponed in such a way that these three instalments will be payable after the expiry of last instalment as per the existing repayment schedule.
 - iii. The monthly principal instalments and monthly interest instalments falling due from 10th July 2020 shall be payable as per the original schedule along with interest instalments as per (i) above.
 - iv. 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.
 - v. There could be some cases, where payment of instalments due on March 10, 2020 have not been made with March 31, 2020. In such cases the interest subsidy benefits can be passed on, if the payment is made before July 31, 2020.
 - vi. In cases, where the borrowers do not opt for the moratorium facility as proposed above, payments can be accepted and appropriated to the loan account.
 - vii. The asset classification of term loans which are granted relief as per pre-para above shall be determined on the basis of revised due dates and the revised repayment schedule. There could be some cases, which were in standard category as on February 29, 2020 but could have slipped for non-payment of instalments fallen due on March 10, 2020. As per the regulatory stipulation at 'b' above such units shall qualify to be classified as Performing Asset. The list of such cases may be identified and furnished by Branch Managers to AGM (IT) through the concerned General Managers for asset class rectification. Cases which were already in substandard category as on February 29, 2020 cannot be considered for such up gradation
4. Action has been taken at Head Office to effect necessary modifications for generation of demand. Detailed working guidelines will be issued by ED II for guiding the Branch Offices.
 5. A draft letter has also been finalised for issue by Branches to all customers.
 6. The Branch Managers are instructed to follow the instructions carefully and bring it to the notice of all officers and officials.

Euroop Carr
Managing Director
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To :

All BMs / IA Cells
All Department Heads in HO
All General Managers
ED-I / ED -II .. for information
Library, O/o MD