

STCI Finance Limited

Amendment in Policy on COVID-19 regulatory package for loan accounts consequent upon permission to extend moratorium by RBI

Reserve Bank of India, vide Circular no. DOR.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 had issued instructions to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. Accordingly, STCI formulated a policy aiming to extend some relief to the impacted borrowers, which has been approved by the Board of Directors on 23/04/2020. Now, in view of the extension of the lockdown and continuing disruptions on account of COVID-19, RBI, vide its Statement on Developmental and Regulatory Policies issued on 22/05/2020 has decided to permit lending institutions to extend the moratorium on term loan instalments by another three months, *i.e.*, from June 1, 2020 to August 31, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by another three months, which will end on 31/08/2020.

Consequently, there would be an asset classification standstill for all such accounts during the moratorium/deferment period from March 1, 2020 to August 31, 2020. Thereafter, the normal ageing norms shall apply.

RBI requires Lending institutions to accordingly, put in place a Board approved policy to implement the revised measures. The salient features of the Regulatory measures permitted by RBI in its Statement on Developmental and Regulatory Policies issued on 22/05/2020 are similar to the Regulatory Covid19 packaged as announced by RBI vide its Circular no. DOR.BP.BC.47/21.04.048/2019-20 dated 27/3/2020. Circular Annexed (Annexure I)

In view of the above it is recommended to amend the Policy on “**COVID-19 regulatory package for loan accounts**” as approved by the Board of Directors on 23/04/2020 and extend the moratorium on term loan instalments for all eligible borrowers whose requests are received by another three months, *i.e.*, from June 1, 2020 to August 31, 2020.

All other terms and conditions as stipulated in the said policy will remain unchanged.