

FREQUENTLY ASKED QUESTIONS (FAQs)

COVID 19 Ex Gratia to borrowers for difference in interest

The Government of India(GoI) has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. The directive mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between 01-03-2020 to 31-08-2020 by respective lending institutions.

IndusInd Bank has taken measures to implement the GoI directive. Here are a set of Frequently Asked Questions pertaining to the Scheme:

1. What is the ex gratia payment to the borrower under the scheme announced by GoI?

The Bank / lending institution will provide ex gratia payment to the borrower account of the difference between compound interest and simple interest on loan accounts with sanctioned limits and outstanding upto INR 2 crores (aggregate of all the borrowings / facilities from all the banks and financial Institutions) for the period from 01-03-2020 to 31-08-2020 (6 months / 184 days).

2. What are the main features of the ex gratia to borrowers scheme?

The main features / highlights of the scheme are as under:

- a. Loan accounts with sanctioned limits and outstanding not exceeding INR 2 crores (aggregate of all facilities with all the lending institutions) as on 29-02-2020.
- b. Loan accounts should not be classified as NPA in the books of the lending institutions as on 29.02.2020.
- c. The relief shall cover the following segments – MSME Loans, Education loans, Housing Loans, Consumer Durable Loans, Credit Card Dues, Automobile loans, Personal loans to Professionals and Consumption loans. Please note, Automobile Loans refers to all Vehicle Loans. Tractor loans are excluded from this ex-gratia scheme.
- d. The period reckoned for refund shall be from 01-03-2020 to 31-08-2020, i.e. 6 months period / 184 days.
- e. Loans for Agri and Allied Agri services are out of scope for the purpose of this scheme.

3. Do I have to apply for the relief?

No. The ex gratia relief will be credited to the account of all eligible borrowers without any requirement to apply.

4. Who will finalise the list of eligible accounts?

Individual banks / lending institutions will finalise the list of eligible borrowers for the relief based on the GOI guidelines. Lending institutions are to assess the aggregate of the sanctioned limits and outstanding amount of upto INR 2 crores, on the basis of information available with them as well as information accessible from credit bureaus.

5. Will my Non Fund Based Limits as on 29.02.2020 be included for arriving at the eligibility amount of upto Rs.2 crore?

No. Non fund based limits will not be included for arriving at the eligibility.

6. Are NPA accounts eligible for the relief package?

No. The loan should not be a "Non-Performing Asset" (NPA) as on 29-02-2020 in the records of the IndusInd Bank

7. Will borrowers who had opted for deferment of Interest and Instalment under the RBI COVID 19 relief package(moratorium) earlier are eligible to avail the benefit under the Scheme?

Yes. The Scheme will be available for eligible borrowers irrespective of whether they have availed or partially availed or not availed the moratorium on repayment announced by RBI vide DOR. No. BP.BC.47/21.04.048/2019-20 dated 27-03-2020 and extended on 23-05-2020.

8. Will a borrower who has closed/foreclosed the loan account/s between 1st March 2020 and 31st August 2020 be eligible for the benefit of the scheme?

Yes. Such borrowers are eligible for refund of differential interest from 01-03-2020 upto the date of closure of account (not later than 31-08-2020).

9. In which of my accounts will the differential amount be credited?

The Bank will credit the amount of differential interest to your respective loan accounts(s) / overdraft account by 05-11-2020

10. If I have already closed my loan account after March 1st 2020, how will the differential amount be paid to me?

It will be credited to your savings/ current account and if you do not maintain any such account with the lending institution you can advise the lending institution the details of the account in other banks where the amount can be credited /remitted to. For the credit balance reflecting on the credit card account, the customer will be required to call the Bank and provide the details of the savings account to which the amount needs to be credited.

11. Which Rate of Interest (%) shall be considered for calculating the package, i.e. RoI (%) considered at the time of sanction or RoI (%) as on 29.02.2020?

In respect of Loans and overdraft the rate of interest to be applied for calculating the differential interest

component shall be the contracted rate as specified in loan agreements / documentation applicable as on 29-02-2020.

In respect of Cash Credit / Overdraft, the rate of interest for the purpose of calculating the differential shall be the rate of interest prevailing as on 29-02-2020.

Credit Cards:

Eligibility: The Credit Card outstanding (i.e. settled amount) in the account as on 29-02-2020 will be the reference amount. Any debits / credits which are not reflected in the account will not be eligible / will be excluded.

RoI (%): The rate of interest shall be the Weighted Average Lending Rate (WALR) charged by the card issuers for transactions financed on EMI basis from its customers during the period from 01-03-2020 to 31-08-2020.

12. Will I be eligible for relief if my credit card balance is in “Credit” as on 29.02.2020?

No. Ex-gratia will not be paid on those credit cards where balance is in “credit” as on 29-02-2020.

13. What will be the treatment of penal interest/ penalties while arriving at the rate of interest?

The contracted rate / interest rate prevailing as on 29-02-2020. which is considered for calculating the interest differential will exclude any penalties or any penal rate of interest applied in the account.

14. What will be the treatment for the repayments / credits made in term loan/ demand loan during the period from 1st March 2020 to 31st August 2020?

The outstanding as on 29.02.2020 will be the reference amount for calculating the differential. Any repayment / credits subsequent from 01-03-2020 to 31-08-2020 shall be ignored for the purpose of calculation.

15. How will the interest be calculated for cash credit/ overdraft accounts?

Simple interest for the period will be calculated based on daily outstanding as at end of the day at rate of interest prevailing as on 29-02-2020 compounding of interest shall be at monthly rests.

16. How can I flag my grievances related to the relief package?

You may register your grievances/queries at our customer care number 1860-267-7777 or 022- 4220 7777

In case of any grievance, please refer to our grievance redressal policy at <https://www.indusind.com/in/en/personal/grievance-redressal.html> or reach out to your respective Relationship Manager

17. I hold multiple loans/credit facilities with the Bank. Will I get the benefit for each of them?

Yes. Loan accounts having sanctioned limits and outstanding amount of not exceeding INR 2 crore [aggregate of all facilities with lending institutions] as on 29-02-2020 will be eligible under the scheme.

However, no benefit of ex-gratia payment will be provided on all the loans/credit facilities in case of any of the loan/credit facilities is categorised as NPA.

18. Product specific clarifications:

Following loan products shall be considered for ex gratia refund only if the client has been earmarked as MSME in the Bank's records as on 29/Feb/2020 + Criteria as mentioned in -2- above

- Business Loans
- Health Care Finance
- Loan Against Card Receivables
- Loan Against Property
- Business Banking facility
- Trade facilities
- Supply chain finance

Gold Loans : Loans earmarked for Agri or allied agri purposes shall not be eligible, however loan taken for other purposes such as education, medical etc shall be treated as consumption loans and hence will be eligible for the ex gratia payment

Agri and Allied Agri services are excluded from the ex gratia payment

OD Against – Securities like shares, bonds, mutual funds and Fixed Deposits are excluded

19. Whether Partly Disbursed loans are covered under the relief package?

Yes. Provided that the sanctioned and outstanding amounts do not exceed Rs. 2 Crores. The outstanding as on 29.02.2020 shall be the reference amount for calculating the differential interest amount.

20. Whether Crop loans and other agriculture loans are covered under this scheme?

Crop Loans and Tractor Loans etc. are agriculture and allied activities loans are not part of the segment / classes eligible under the scheme.