



## FAQs

### Deferment of Interest on Working Capital Facilities



#### FAQ on Deferment of Interest on Working Capital Facilities

##### **Q: What is Deferment of Interest on Working Capital Facilities?**

A: With reference to Reserve Bank of India's (RBI) Statement of Development and Regulatory Policies released on March 27, 2020 and the subsequent COVID-19 – Regulatory Package dated May 23, 2020 where inter alia certain regulatory measures were announced 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, the Bank shall defer the recovery of interest applied in respect of all Overdraft / Cash Credit facilities during the period from March 01, 2020 upto August 31, 2020.

This means that for Overdraft / Cash Credit facilities utilized between March 01, 2020 upto August 31, 2020 will not attract interest immediately at respective month ends but instead this will be collected cumulatively at the end of the deferment period.

##### **Q: How can I avail of this Interest Deferment? Do I need to inform my bank for availing it?**

A: Keeping the convenience of its customers in mind, Deutsche Bank had decided to offer Interest Deferment to all its clients who had availed Cash Credit / Overdraft before March 01, 2020. The Interest Deferment was extended automatically to all Cash Credit / Overdraft facilities, without the customer having to contact or inform the bank. Only in case where you did not wish to avail of this Interest Deferment, you had to contact the bank through the modes provided.

With the RBI's COVID-19 – Regulatory Package dated May 23, 2020, the bank has now decided to extend this interest deferment till August 31, 2020 automatically to all those who availed of the same for the period March 01, 2020 till May 31, 2020. If you were offered the Interest Deferment by the bank for the period March 01, 2020 till May 31, 2020 and you did not opt out of it, you will continue to enjoy the deferment till August 31, 2020.

If you had decided to opt out of the deferment for the period March 01, 2020 till May 31, 2020 i.e. you continued to service interest on a monthly basis during this period, the deferment for the extended period i.e. June 01, 2020 till August 31, 2020 will not be automatically extended to you. However, the same can be made available on your request.

**Q: Are all customers of the bank being provided with Interest Deferment, are there any exceptions?**

A: All clients who have availed Cash Credit / Overdraft Facilities before March 01, 2020 are being provided with the Interest Deferment. The exceptions where the relaxation of interest deferment is not available is to any of the below set of clients:

- Customers who are have a payment overdue to the bank prior to March 01, 2020 i.e customers who have not paid their dues for 90 days or more as on February 29, 2020.
- Accounts not categorized as 'Standard' as on February 29, 2020. NPAs (including non-financial reasons) shall be excluded from the deferment.

**Q: By what date do I need to inform the bank if I/we want to opt out of Interest Deferment?**

A: All clients who had availed the interest deferment for the initial period of March 01, 2020 till May 31, 2020 and want to opt out of interest deferment for the extended period i.e. pay interest on a monthly basis for the period June 01, 2020 till August 31, 2020 as per the earlier agreed terms and conditions need to inform of their desire to do so latest by June 20, 2020.

Do note that if you had opted out of the interest deferment for the initial period of March 01, 2020 till May 31, 2020, this is the default option for you and no further actionable is required from you.

**Q: By what date do I need to inform the bank if I/we want to opt in for Interest Deferment?**

A: All clients who had opted out of the interest deferment for the initial period of March 01, 2020 till May 31, 2020 and want to opt in the interest deferment for the extended period i.e. defer interest on a monthly basis for the period June 01, 2020 till August 31, 2020 need to inform of their desire to do so latest by June 20, 2020.

Do note that if you had availed of the interest deferment for the initial period of March 01, 2020 till May 31, 2020, this is the default option for you and no further actionable is required from you.

**Q: I have availed a Cash Credit / Overdraft facility on or after March 01, 2020, will I be eligible for the deferment?**

A: Only loans and facilities that were availed prior to March 01, 2020 are permitted to be offered with the deferment and hence you will not qualify for the same.

**Q: Will non-payment result in impact on my credit history?**

A: Non-payment will not result in an impact on credit history, provided that you have not opted out of the deferment. Do note that this Interest Deferment is only for facility utilisation during the period March 01, 2020 upto August 31, 2020 and any interest not paid for an earlier period i.e. for utilization upto February 29, 2020 is to be paid immediately. Non-payment of earlier interest will affect your credit history and we urge you to pay all dues in a timely manner to keep your credit history clean.

**Q: Will non-payment result in impact on my credit history?**

A: Non-payment will not result in an impact on credit history, provided that you have not opted out of the deferment. Do note that this Interest Deferment is only for facility utilisation during the period March 01, 2020 upto August 31, 2020 and any interest not paid for an earlier period i.e. for utilization upto February 29, 2020 is to be paid immediately. Non-payment of earlier interest will affect your credit history and we urge you to pay all dues in a timely manner to keep your credit history clean.

**Q. Is my interest being waived altogether?**

A: This is not a waiver, but a deferment. Interest shall continue to accrue for each calendar month on the utilized amount for that month during the deferment period, which means that the accrued interest will be levied on your account at the end of the deferment period. The accumulated accrued interest shall be recovered after the completion of this period i.e. on September 30, 2020.

However, do note that if you had availed of interest deferment during initial period of March 01, 2020 till May 31, 2020 and do not want to opt in the interest deferment for the extended period i.e. June 01, 2020 till August 31, 2020; the accumulated interest for the initial period i.e. March 01, 2020 till May 31, 2020 shall be recovered after the completion of this period i.e. on June 30, 2020. Monthly interest for every month from June 2020 will be levied at the end of every calendar month as per the pre agreed terms and conditions.

**Q: Do I need to pay all my interest in one go at the end of the deferment period?**

A: Yes. However, please do read the scenarios below to understand the applicability of interest. If you have not opted for interest deferment for the extended period i.e. June to August, 2020 but did avail of interest deferment during the initial period of March to May 2020, interest on the utilization done in the initial deferment months i.e. March, April & May 2020 along with that of June 2020 will be levied to your account on June 30, 2020. Do ensure that you fund your account towards interest servicing.

If you have opted for interest deferment only for the extended period i.e. June to August, 2020 and had opted for monthly interest payment option for the initial deferment period i.e. March to May 2020, interest on the utilization done in the deferment months i.e. June, July & August 2020 along with that of September 2020 will be levied to your account on September 30, 2020. Do ensure that you fund your account towards interest servicing.

If you have opted for interest deferment for the extended period i.e. June to August, 2020 and also availed of interest deferment for the initial period of March to May 2020, interest on the utilization done in the deferment months i.e. March till August 2020 along with that of September 2020 will be levied to your account on September 30, 2020. Do ensure that you fund your account towards interest servicing.

**Q: While I had availed of the Interest Deferment for the initial period i.e. April to May 2020, I now have sufficient cash flows, and will be able to service my interest regularly for the extended period i.e. June to August 2010. Do I have an option to opt out of this Interest Deferment extension and service my Interest without any deferment?**

A: If you would like to be excluded from the extended Interest Deferment i.e. you wish to pay the interest as per the original terms agreed with the Bank, please write to your relationship manager or service manager from your registered email address providing your Customer identity number and the details of the facility where you want to continue servicing the interest. Alternatively you can SMS <INTEREST> to 561615 from your registered mobile number. Do note that the last date for opting out of the extended deferment period is June 20, 2020.

Do note that in this case, interest for the initial deferred month of April to May 2020 along with that of June 2020 will be levied on June 30, 2020. Do ensure that your account is sufficiently funded for the same.

**Q: While I had opted out of the Interest Deferment for the initial period i.e. April to May 2020, I now want to opt in for the interest deferment for the extended period i.e. June to August 2020. Do I have an option to opt in this Interest Deferment extension?**

A: If you would like to be included in the extended Interest Deferment i.e. you do not wish to pay the interest as per the original terms agreed with the Bank, please write to your relationship manager or service manager from your registered email address providing your Customer identity number and the details of the facility where you do not want to continue servicing the interest and defer the payment of same. Alternatively you can SMS <STOPINTEREST> to 561615 from your registered mobile number. Do note that the last date for opting in the extended deferment period is June 20, 2020.

Do note that in this case, interest for the extended deferred month i.e. June to August 2020 along with that of September 2020 will be levied on September 30, 2020. Do ensure that your account is sufficiently funded for the same.

**Q: Will the bank be providing any assistance for us to help meet the interest demand at the end of the deferment period?**

A: If you have availed interest deferment for the initial as well as extended deferment periods i.e. for the months of March to August 2020, OR only availed interest deferment for the extended deferment periods i.e. for the months of June to August 2020, the bank will set up a loan facility for you to pay the interest for the deferment period.

This loan known as the Funded Interest Term Loan (FITL) will be an interest bearing loan with an Equated Monthly Installment (EMI) comprising of the principal amount and the interest therein to be repaid over a period of 6 months.

The Rate of Interest (RoI) of this FITL will be the same as your Overdraft / Cash Credit facilities on September 20, 2020 and will remain fixed for the facility of the loan notwithstanding any changes in the RoI of your Overdraft / Cash Credit facilities.

**Q: I have availed of the interest deferment during the initial deferment period i.e. March to May 2020; however I want to opt out of the interest deferment during the extended deferment period i.e. June to August 2020; will bank be providing any assistance for us to help meet the interest demand at the end of the initial deferment period?**

A: No. The FITL is only available to you if you have availed interest deferment for the initial as well as extended deferment periods i.e. for the months of March to August 2020, or only availed interest deferment for the extended deferment periods i.e. for the months of June to August 2020.

FITL is not available if you have availed of the interest deferment during the initial deferment period i.e. March to May 2020 but have opted out of the interest deferment during the extended deferment period i.e. June to August 2020.

In such cases, interest for the initial deferred month of April to May 2020 along with that of June 2020 will be levied on June 30, 2020. Do ensure that your account is sufficiently funded for the same.

**Q: Will the FITL be disbursed into my account by default?**

A: No. While the FITL is pre-approved for you, there will be a term sheet that you will need to sign and agree to avail this facility. Please contact your Relationship Manager or Service Manager who will assist you with the documentation to avail the FITL.

**Q: I am eligible for the FITL basis the above but I do not want to avail the loan. I will have sufficient cash flows, and will be able to service my interest for the deferment period at the end of the period. Do I have an option to opt out of this FITL and service my Interest without any further assistance from the bank?**

A: Yes. If you would like to be opt out i.e. not avail the FITL i.e. you wish to pay the interest at the end of the deferred period i.e. on September 30, 2020, please write to your relationship manager or service manager from your registered email address providing your Customer identity number and the details of the facility where you want to opt out of the FITL. Alternatively you can SMS <LOANSTOP> to 561615 from your registered mobile number.