



WORKSHOP ON CYBER SECURITY FRAMEWORK - 2018¹

A workshop on Cyber Security Framework for Department of Defence was organised by DDP, Ministry of Defence. The workshop was inaugurated by Raksha Mantri Smt. Nirmala Sitharaman.

During her address, Smt. Sitharaman stressed upon the fact that Defence sector is more prone to the cyber threats and hence it becomes important to safeguard our cyberspace with anticipation of possible attacks. The Raksha Mantri congratulated Department of Defence Production for formulating Cyber Security Framework for DDP and also establishing Cyber Security Cells at various levels to handle cyber security related issues. She further touched upon the requirement of creating the work force in all establishments in accordance with the nation's vision to become a dominant force in cyber space.

Earlier addressing the participants Secretary (Defence Production) Dr. Ajay Kumar emphasised that all Defence PSUs and Ordnance Factories are increasingly relying on Information Technology. However, any compromise in Information and Cyber Security in Defence Production environment can have far reaching consequences on effectiveness of our defence forces and national security. Therefore, it is important to establish a strong, robust and resilient cyber security infrastructure on priority basis.

Joint Secretary and Chief Information Security Officer of DDP, Dr. Amit Sahai who welcomed the participants to the workshop, explained that this one day workshop has been organised by the Ministry of Defence to bring in synchronised approach for cyber security based on frame work document released by the Department of Defence Production in 2018. The framework which is in line with National policies & guidelines, provides a common mechanism for all organisations to describe their current cyber security posture & the target area for cyber security, identify and prioritize opportunities for improvement and continuously assess progress towards the target area. More than 100 Chief Information Security officers from Directorate General Quality Assurance (DGQA), Directorate General of Aeronautical Quality Assurance (DGAQA), Directorate of Standardisation, Defence PSUs and Ordnance Factories are participating in the workshop.

DRAFT GUIDELINES ON LOAN SYSTEM FOR DELIVERY OF BANK CREDIT²

In reference to paragraph No. 1 of Statement on Developmental and Regulatory Policies, by RBI, dated April 5, 2018 available at https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=43574, it was indicated therein that RBI would issue draft guidelines on Loan System for Delivery of Bank Credit.

The draft guidelines on the subject are annexed. Feedback/comments on the draft guidelines may be forwarded to:

The Chief General Manager in-Charge, Reserve Bank of India
Department of Banking Regulation
12th Floor, Main Building
Shahid Bhagat Singh Marg,
Mumbai – 400001

¹ Available at <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1535895>

² Available at: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=44176

Or by email with subject line "Feedback on draft guidelines on Loan System for Delivery of Bank Credit" on the cgmicdbr@rbi.org.in by June 26, 2018.

Annex

Draft guidelines on Loan System for Delivery of Bank Credit

With a view to enhance credit discipline among the larger borrowers enjoying working capital facility from the banking system, it is proposed to modify the system for delivery of bank credit for such borrowers as follows:

1. Minimum level of 'loan component' and Effective date

In respect of borrowers having aggregate fund based working capital limit of Rs. 150 crore and above from the banking system, a minimum level of 'loan component' of 40 percent shall be effective from October 1, 2018. Accordingly, for such borrowers, the outstanding 'loan component' must be equal to at least 40 percent of the sanctioned fund based working capital limit, including ad hoc credit facilities. Hence, for such borrowers, drawings up to 40 percent of the total fund based working capital limits shall only be allowed from the 'loan component'. Drawings in excess of the minimum 'loan component' threshold may be allowed in the form of cash credit facility.

2. Sharing of Working Capital Finance

The ground rules for sharing of cash credit and loan components may be laid down by the consortium, wherever formed, subject to guidelines on bifurcation as stated in paragraph 1 above. All lenders in the consortium shall be individually and severally responsible to make sure that at the aggregate level, the 'loan component' meets the above mentioned requirements. Under Multiple Banking Arrangements (MBAs), each bank shall ensure adherence to these guidelines at individual bank level.

3. Amount and tenor of the loan

The amount and tenor of the Working Capital Demand Loan (WCDL) may be fixed by banks in consultation with the borrowers, subject to the tenor being not less than seven days. Banks may decide to split the loan component with different maturity periods as per the need of the borrowers.

4. Repayment/Renewal/Rollover of Loan Component

Banks/consortia/syndicates will have the discretion to stipulate repayment of the 'loan component' in instalments or by way of a "bullet" repayment, subject to IRAC norms.

5. Risk weights for undrawn portion of cash credit limits

Effective from April 1, 2019, the undrawn portion of cash credit/ overdraft limits sanctioned to the aforesaid large borrowers, irrespective of whether unconditionally cancellable or not, shall attract a credit conversion factor of 20 percent.

6. The 40 percent loan component will be revised to 60 percent, with effect from April 1, 2019.

Team ICSI

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