



Policy on EMI Moratorium/Deferment of interest - COVID 19

March 2020

A. Background and Objective:

The World Health Organization recently declared COVID 19 to be a pandemic. Like some of the other countries in the World, the virus' impact has led the Indian Government to announce a lockdown across the country, to restrict it from spreading further. As a result, the country's economy is impacted leading to delay in cash flows for the business & self-employed and salary credits for the salaried segments. This has a direct impact on loan repayments as well.

Considering this issue, on March 27 2020 and April 17 2020, the Reserve Bank India (RBI) announced various measures including moratorium on EMI for Term loans/ deferment of interest on working capital facilities. (RBI notification ref No : RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 "COVID-19 –Regulatory Package" dated March 27, 2020 And RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020)

The above RBI Notification inter alia mandates disclosure, in public domain, the Board approved policy for providing above mentioned reliefs. Accordingly, the following customer specific points of the Board approved Policy of Fullerton India Credit Company Ltd (FICC) is placed for information of the customers.

B. Customers eligible for moratorium/deferment:

Customers satisfying following criteria would be eligible to seek for EMI moratorium/interest deferment:

1. All the salaried/self-employed, Individual and non-individual borrowers (including Ltd companies, Partnerships & Proprietorships etc.) across products having outstanding loans as at 1st March 2020.
2. Account has to be STANDARD
3. The account must not have been Written-off from the books of FICCL books at end of the month preceding the month in which moratorium/deferment is requested for
4. The customers must submit consent for terms and conditions governing the moratorium and for the revised repayment schedule.
5. The offer of moratorium/decrement and acceptance may be through any mode of communication (Email/SMS/Digital Document/Voice Recording/Physical Document).

C. Restrictions:

Following are the restrictions:

National Company Law Tribunal (NCLT)/Insolvency & Bankruptcy Code (IBC) cases are not eligible for moratorium/deferment without express approval from NCLT/IBC

1. Details of Reliefs Eligible:

“ Term Loans: interest charged during Moratorium will be capitalized and can lead to extension of tenor beyond 3 months. Capitalized interest will be collected in one of the following ways:

- a) Immediately after the moratorium ends
- b) By adding tenor* at the end of loans and keeping EMI same
- c) By increasing the EMI* over the balance tenor including extended tenor.”

“ *” :conditions apply.

Working capital facilities:

Interest payment will be deferred by up to 3 months. The accumulated accrued interest shall be recovered immediately after the completion of this period.

NOTE:

Once a customer approaches FICCL with a request for EMI moratorium/interest deferment. The request will be evaluated and if satisfied with the merits of the case, EMI moratorium/interest deferment will be considered at the sole discretion of FICC.