

COVID 19 - Rescheduling of Payments – Term Loans

POLICY DOCUMENT

Version 1.0

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Approved by:

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Objective:

Reserve Bank of India (RBI) via its notification DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 announced the COVID-19 – Regulatory Package. The objective of this policy is to list down the terms and conditions for eligible borrowers who want to take benefit of this RBI announcement i.e. moratorium on three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020.

Policy:

In line with RBI guidelines, the following are the broad terms and condition of this policy:

- Since we only providing one product at this point of time i.e. Moneyboxx Hypothecation Loan (MBHL), all borrowers will be eligible for three months moratorium of EMIs for outstanding instalments falling due between March 1, 2020 and May 31, 2020. As a result customers who opt for this facility, the tenor of loan for such customers will increase by 1, 2 or 3 months, depending on for which month the customer wants to avail the moratorium.
- The borrowers will need to apply for such moratorium to the Company through their respective branches and demonstrate reasonability that their income has been hit due to this Covid -19 pandemic. Customers will have to sign a request letter in the format provided by the company for its record.
- The company reserves the right to reject any application if it reasonably believes that the customer's business and income has not been impacted due to Covid-19 pandemic and as such the decision of the company would be final and binding on the customer.
- Simple interest will accrue on the outstanding loan amount as of March 1, 2020 at @ 26% p.a. and would be payable either immediately after the end of the moratorium period i.e. June 1, 2020 or can be paid along with the June 2020 EMI instalment. This interest amount will be recovered separately via a PDC cheque or Cash so as to not impact the customers' existing ACH mandates.
- Customers who have availed this moratorium for this period, the EMIs for these months will not be reported as outstanding to Credit Bureau Companies as per RBI guidelines, so as to not impact their credit scores.
- All other terms and condition / charges related to loan agreement as agreed by the borrower will continue to be applicable and will not have any impact due to this policy.
- FAQs will also be published for all branch employees for effective implementation of this policy.
