



Policy on EMI Moratorium/Deferment of interest- COVID 19

March 2020

## 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 the Reserve Bank of India (RB) announced various measures including moratorium on EMI payment for term loans/ deferment of interest in 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)

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 Home Finance Company Ltd (FIHFC) is placed for information of the customers.

### **A. 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 1<sup>st</sup> March 2020.
2. Account cannot be in default
3. The account must not have been Written-off from the books of FIHFC's 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).

**B. Restrictions:**

Following are the restrictions:

1. Borrowers under DRT, SARFAESI, Insolvency will continue to remain ineligible.
2. National Company Law Tribunal (NCLT)/Insolvency & Bankruptcy Code (IBC) cases are not eligible for moratorium/deferment without express approval from NCLT/IBC

**C. Details of Reliefs Eligible:**

**Term Loans:**

- a. Moratorium of EMI/Interest deferment due from the month of March 2020 to May 2020 (up to 3 months).
- b. The tenor of the Term Loans will get extended by 3 months without the change in amount of EMI with the deferred instalments being collected after the end of original tenor, with interest of the deferred period capitalized and recovered thereafter.

**NOTE:**

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