

MANGAL CREDIT AND FINCORP LIMITED

EMI MORATORIUM / INTEREST DEFERMENT POLICY - COVID 2019

BACKGROUND AND OBJECTIVE:

The World Health Organization (WHO) recently declared COVID 19 to be a pandemic on 11th of March, 2020. Like all other countries in the World, the virus has made a severe impact on India amid which as a precautionary measure and to restrict it from spreading further it has led the Indian Government to announce a complete lockdown across the country for 21 (Twenty-One) days effective from 25th of March, 2020 from 12:00:00 A.M which was later on further extended till 3rd May, 2020. As a result, the country's economy has been impacted severely leading to delay in cash flows for the business & self-employed and ultimately delaying the salary credits for the salaried segments. This will have a direct impact on loan repayments of all the customers.

Considering this issue, on 27th of March, 2020 the Reserve Bank of India (RBI) 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 (Revised)**" dated 27th of March, 2020)

SCOPE:

The scope of this policy applies to incorporating RBI notification and provide relief in repayment burden to MCFL customers who have been impacted due to lockdown in country and economy slowdown.

EMI MORATORIUM / INTEREST DEFERMENT (TERMS & CONDITIONS)

The terms and conditions related to EMI moratorium / Interest deferment of all eligible customers is as follows:

1. Eligibility:

- 1.1. All the salaried / self-employed, Individual and non-individual borrowers (including Private and Public Limited Companies, Partnership Firms, LLP's, Proprietorship Firms, etc.) across products having outstanding loans as on 01st of March 2020 and whose loan account is classified as standard as on 1st of March 2020
- 1.2. Borrowers under DRT, SARFAESI, Insolvency proceedings & borrowers classified as Fraud, will continue to remain ineligible.
- 1.3. National Company Law Tribunal (NCLT) / Insolvency & Bankruptcy Code (IBC) cases are not eligible for EMI moratorium / Interest deferment without express approval from NCLT / IBC.
- 1.4. Existing or new OTS cases are also ineligible. However, on request by borrower, repayment period of existing OTS cases can be extended up to 30th June, 2020 subject to payment of additional interest at existing interest rate of the borrower from existing schedule till final payment.
- 1.5. The above EMI moratorium / Interest Deferment will not be applicable on Employee Loans and other loans offered at concessional rate of interest, festival advance, etc. However, the EMI moratorium / Interest Deferment shall be applicable for Employee Loan and other loans offered at general / market lending rate of interest and loans offered to Members / Employees of Mangal Group, its associates and related group companies under general / market rate of interest.

2. Period of EMI Moratorium / Interest Deferment:

- 2.1. It is proposed to defer all the interest / principal payments (including PEMI and EMI) due from 01st March, 2020 to 31st May, 2020 subject to the consent of the borrowers.

Hence, it is proposed to grant a moratorium of three months on payment of all instalments falling due between 01st March, 2020 to 31st May, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by three months after the moratorium period. However, many customers have already paid EMI for the month of March, 2020, such borrowers shall be granted deferment for the month of April and May 2020 only, subject to the consent of the borrowers.

3. Interest during EMI Moratorium / Interest Deferment:

- 3.1. Interest shall continue to accrue at the rate of interest offered to the borrowers on the loan amount or the outstanding portion of the term loans during the EMI moratorium / interest deferment period.
- 3.2. The accrued interest of two or three months (as the case may be) shall be divided among the remaining EMI tenure of the loan or shall be paid by the borrower along with the next two or three EMI's respectively starting from June, 2020.

4. Penalty and other charges during EMI Moratorium / Interest Deferment:

- 4.1. No penalty or other charges shall be charged for unpaid EMI and Interest due between 01st of March, 2020 to 31st May, 2020 for both fresh loan disbursements and for existing loan repayments during the said period i.e. 01st of March, 2020 to 31st May, 2020.
- 4.2. However, the penalty and other charges will be levied as per the company's policy at the prevailing rates of MCFL on the amount defaulted before or after the above-mentioned period i.e. 01st of March, 2020 to 31st May, 2020.

5. Consent and Undertaking of the Borrower:

- 5.1. The borrowers must submit consent, either through e-mail or any other communication addressing to Credit Department of company, for terms and

conditions governing the EMI moratorium / interest deferment and for the revised repayment schedule.

- 5.2. The offer of EMI moratorium / interest deferment shall be accepted by the borrowers through filling in form through the link sent / circulated by MCFL to every customer on their registered mobile number and / or registered email ID before their next EMI gets due or latest by 14th of April, 2020 by 05:00 P.M., whichever is earlier.
- 5.3. In case any borrower does not want EMI Moratorium / interest deferment of EMI, he / she will have to communicate by filling in the same google form through the link sent / circulated by MCFL to every customer on their registered mobile number and / or registered email ID before their next EMI gets due or latest by 1st day of April, 2020 by 05:00 P.M., whichever is earlier. Non - communication or delayed communication shall be treated by default as acceptance of EMI Moratorium / Interest deferment by that particular borrower.

6. Credit Reporting During EMI Moratorium / Interest Deferment:

- 6.1. The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CIC's) by MCFL as instructed by RBI in its notification.

7. Recovery of Overdue Loan Accounts:

- 7.1. The existing instalments of EMI / Interest falling due up to 29th February, 2020 will have to be paid as early as possible and penalty and other charges will be levied on any defaults of such EMI / Interest as per existing guidelines.
- 7.2. While our recovery and Branch staff shall make all possible efforts for recovering the overdue loan amount in time, they have to adopt softer approach (wherever required) in view of the prevalent conditions.

8. Approval of Procedure and Guidelines:

8.1. Chairman & CFO is authorised to approve any operational procedures / guidelines as may be required to implement the policy and make any changes to the policy in line with the directions / guidelines issued by RBI from time to time.

This policy will come into force with effect from 1st April, 2020 and remain effective till 31st May, 2020.