



Moratorium Policy

Reserve Bank of India, vide its circular dated 27th March 2020, has permitted various lending institutions to grant a moratorium of three months on payment of all installments (PEMI / EMI) falling due between March 1, 2020 and May 31, 2020.

Pursuant to the Government and the RBI directions, it is decided by the Company to grant a moratorium of three months on payment of dues (PEMI and EMI) falling due from 01st March 2020 to 31st May 2020, after ascertaining the willingness of the customers to avail of the deferment.

The borrowers will be given the following options of moratorium out of which they may opt for one:

- i. Fixed Loan Term
- ii. Fixed EMI

Each account will be worked out for the balance of principal out standing at the beginning of the moratorium period (A) added with applicable interest for the 3 months period (B) which will be added to the principal (cited as A) AND THE RESULTANT AMOUNT (c) will be treated as the revised principal to be repaid either as :-

1. New EMI for the remaining unexpired period with a slightly increased amount, but tenure remaining the same
2. Or alternatively the original EMI will continue as it was but the period of repayment will be elongated. It may be added that the postponement of EMI will be applicable only to those accounts which were not NPA as of 1/3/2020. In our portfolio there was no account which was NPA as of 1/3/2020.

An SMS in this regard will be sent to all the customers in vernacular language (Tamil) explaining the above options along with the pros and cons . The customers who



wishes to avail a moratorium shall communicate willingness to the respective Branch Managers.

Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. However, many customers have already paid PEMI/EMI for the month of March 2020. Such customers shall be granted deferment for the month of April and May 2020 only, upon subscription by the customer.

No penalty will be charged during the moratorium period for PEMI/EMI for both fresh loan disbursements and for existing loans. The deferment of payments, will not qualify as a default for the purposes of reporting to Credit Information Companies (CICs) by the Company.

The customers will be asked to note that the existing installments of PEMI/EMI falling due up to 29th February 2020 will have to be paid as early as possible and penalty will be levied on any defaults of such PEMI/EMI as per existing guidelines.

The company will also ensure that if the customers opted for enhanced EMI the new EMI liability would be within FOIR of the customers calculated as per Credit Policy .

The Chairman and Executive Director are authorized to approve granting of moratorium on a case to case basis and their decision shall be final and binding upon the customer.

Recommended by
Executive Risk Management Committee (ERMC)
vide their meeting dated 4th April, 2020

Sd/-

Balachandran M.
Chairman of ERMC

Sd/-

Rajendran K.
Executive Director