

POLICY ON MORATORIUM TO BORROWERS DUE TO FINANCIAL STRESS CAUSED BY COVID-19

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1. Background and Objectives

The coronavirus (COVID-19) has impacted almost 200 countries in the world and has resulted in severe stress on the country's economy. Considering this issue, on March 27, 2020, the Reserve Bank of India (RBI) announced various measures to ease the financial stress including relaxing the repayment pressures and improving access to working capital. (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).

RBI vide above mentioned notification, has permitted all lending institutions including NBFCs to grant a moratorium period up to three months on payment of installments falling due between 1st March, 2020 and 31st May, 2020.

The above RBI Notification inter alia mandates disclosure, in public domain, the Board approved policy for providing above mentioned relief.

Accordingly, Epimoney Private Limited (hereinafter referred to as "the company" or "Epimoney" or "FlexiLoans"), being a Non-Banking Finance Company registered with the RBI, has framed the following policy to propose a moratorium to customers who are facing financial difficulty due to the pandemic.

2. Eligibility for moratorium

Customer eligible to avail the moratorium facility extended by the company needs to fulfill the following criteria:

- a) Customer should have availed a term loan or a working capital facility from Epimoney;
- b) Customer should have a regular amount outstanding in the loan account as on 1st March, 2020;
- c) The loan account must not have been written off from the books of the company as on 1st March, 2020;
- d) Customer should never have been classified as a Fraud.

Customer can apply to opt-in for the moratorium facility by:

- emailing us on covid19emi@flexiloans.com through their registered email id
or
- filling the form on <https://flexiloansofficial.typeform.com/to/p9uJ8v>.

Once a customer applies with the company for a moratorium, they will be evaluated and if satisfied with the merits of the case, moratorium or deferment will be considered at the sole discretion of the company.

3. Moratorium period and deferment of installments

- a) Customer with term loans/working capital facilities outstanding as on 1st March 2020, will be eligible for a moratorium on the installments falling due between 1st March, 2020 and 31st May, 2020.
- b) The company has securitized/assigned its loan receivables to SPVs/Banks/Institutions and the company has been appointed as servicer for collection of installments from the customers and remittance of the same to SPVs/Banks/Institutions. Hence the company will seek consent from these Trusts/Banks/institutions for granting moratorium to the customers involved in these transactions for their installments falling due between 1st March, 2020 and 31st May, 2020.

- c) The company shall seek EMI repayments under normal process for the period from 1st March, 2020 to 31st May, 2020 for all its customers, unless such customers specifically requested for moratorium after taking cognizance of the additional financial implication on their loan because of the moratorium/deferment.
- d) The company may at the request of the customer continue to accept collections as per the original repayment schedule despite of availing the moratorium facility.

4. Tenor of the loan after moratorium period

The moratorium facility availed by the customers would result in postponement and not waiver of the installments. Resultantly, the repayment schedule for such loan accounts and also its residual tenor will be extended by up to three months after the moratorium period depending on the moratorium received by each customer.

5. Interest during moratorium period

In case of all loans and facilities, Interest will continue to accrue on the outstanding amount during the moratorium period. The interest rate charged will be the contracted rate at which loan agreements were entered into with the customers. Such interest will be collected with the first installment due after the end of moratorium granted by the company.

6. Impact on loan agreements

The relief provided to the customers under the policy is to enable them to face the financial crisis imposed by the outbreak of COVID -19. Hence, the same will not be treated as a change in the terms of loan agreement. Such relief provided should not tantamount to waiver of any amount payable under the loan agreements. Customer should make the payments after the end of the moratorium period based on a revised repayment schedule generated by the company.

7. Miscellaneous

- a) For all intents and purposes, the rescheduling of payments, including interest, under the moratorium facility will not result in a default.
- b) The Key Management personnel of the company shall ensure that the above instructions are properly communicated down the line to all the operations and clear instructions are issued to its staff regarding their implementation.
- c) The company will also disclose this policy in its website www.flexiloans.com and www.epimoney.com.