

July 14, 2020

Taking the fight to COVID-19 pandemic

De Lage Landen Financial Services India Private Limited (“DLL” or the “Company”) stood with the Government of India and Reserve Bank of India (“RBI”) in combating financial ill effects of the COVID-19 pandemic on our customers throughout the length and breadth of India by offering moratorium to eligible customers as per RBI’s circular dated March 27, 2020, in the form of a Board-approved policy dated April 10, 2020. A number of eligible customers benefited from the moratorium. The RBI has since issued another circular on May 23, 2020 extending the moratorium announced earlier as certain sections experienced extended COVID-19 related disruptions. The Company has a similar experience – whereas the rural/agri sector has shown relative strength on the back of a good *rabi* crop and expectations of a normal monsoon, certain other sectors of the economy e.g. healthcare etc. are harder hit. The Policy document as set out below in terms of the RBI circular dated May 23, 2020 gives due regard to this experience.

Eligible customers: Tractor and harvester loan customers are not eligible under this Policy. Benefits of this Policy are available to other term loan customers with a few exceptions viz. customers in respect of whom there is ongoing litigation and/or those that are considered to be involved in fraud, and customers in default whose asset collateral has been repossessed by the Company.

Moratorium offered: A moratorium will be offered to eligible customers after a case-by-case review including an assessment of whether benefit under this Policy is necessitated on account of the economic fallout from COVID-19. Where offered, the moratorium will be available for all unpaid repayment instalments falling due between June 1, 2020 and August 31, 2020. These unpaid instalments will be payable subsequently together with interest at the contractual rate accompanied by a tenor extension.

Information, consent, fees: The Policy will be disseminated to all customers through publication on the Company’s public webpage in terms of RBI’s guidance instead of individual customer communications. Eligible customers who wish to avail of this moratorium must reach out to the Company proactively and request a moratorium under this Policy by emailing to mayihelpyou@dllgroup.com and providing all documents/information within the timeframe(s) stipulated by the Company. Given the time and resources required to be devoted for case-by-case reviews of individual moratorium requests received, an upfront fee to defray a part of the attendant costs/expenses shall be payable by eligible customers seeking moratorium. However, the upfront fee will be retained/recovered from customers whose requests are favourably considered before a moratorium under the Policy can be granted to them by the Company.

Outstanding Loan Principal Amount(s)	Upfront Fee (including GST)
Less than Rs. 2 crores	Rs. 15,000/-
Rs. 2 crores or more but less than Rs. 8 crores	Rs. 30,000/-
Rs. 8 crores or more	Rs. 50,000/-

Asset classification and reporting: The specific unpaid repayment instalments falling due between June 1, 2020 and August 31, 2020 for which eligible customers have been offered this moratorium by the Company would not suffer from an asset classification downgrade as per RBI’s provisioning norms, nor be reported as a default to the various credit bureaus or credit information companies.

The Policy would be disseminated within the organization along with clear implementation instructions to relevant staff members. DLL’s Board of Directors or its delegates are empowered to consider any exceptions to, or dispensations from this Policy.
