

POLICY ON RESTRUCTURING COVID 19

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1. Introduction

Pursuant to RBI notification DOR.No.BP.BC.47/21.04.048/2019-20 on COVID-19 Regulatory Package dated 27th March 2020 towards easing out the financial stress caused by COVID-19 disruptions, various actions can be implemented by financial institution(s) as Deferment of Interest on Working Capital Facilities, Moratorium on Instalment and Extension of tenure of the Facilities.

2. Objective & Scope

The primary objective of the policy is to provide Relaxation to the Borrowers, in order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic.

Further, this Policy implies the followings:

1. Relaxing repayment pressures and improving access to Working Capital;
2. Improving the functioning of markets in view of the high volatility experienced with the onset and spread of the pandemic;
3. Reinforcing Monetary Transmission.

3. Restructuring Guidelines

a) Eligible Borrower:

- The Policy will be applicable to all the existing borrowers of CNH Industrial Capital (India) Private Limited ("the Company") in the Wholesale and Retail business as on March 1, 2020 and is not applicable on any fresh Loans granted post March 1, 2020.

b) Moratorium:

- Moratorium is temporary postponement/deferment of payment of Interest/ Principal/ Instalments (and is not a waiver) for the period starting from March 1, 2020 to May 31, 2020. Further it is a payment holiday where Interest will continue to be charged during the moratorium period. The moratorium will apply on the payment of:
 - Interest
 - Principal
 - Interest and Principal both
 - Instalment

c) Period Covered:

- Due date falling between March 1 2020 to May 31 2020.
- Moratorium to start from Due Date

4. Commercial/Wholesale Lending

- **With reference to PP 05** -Approved Financing Product/ Credit Commercial lending Policy, maximum payment term for Dealer Inventory Financing for New Units and parts is 120 days over the invoice date.
- Considering RBI notification for COVID19-Regulatory Package, we propose for payment term extension by 60 to 90 days i.e. from existing payment term of 120 days to Payment term of 180 days to 210 days.

Borrower is eligible for either or both the Options as per the request raised.

Deferment of interest: Interest to be deferred for the moratorium period from March 1, 2020 till May 31, 2020. The accrued interest will be immediately charged to the dealer account at the end of moratorium period and will become payable.

Extension of payment terms: The payments/ Invoices which are due between the period of March 1 2020 to May 31 May 2020 to be considered for extension for next 60 days.

5. Retail Lending:

- **With reference to PP 05** -Approved Financing Product/ Retail lending Policy, maximum tenure is 84 months from the disbursement date. Present loans are not above 60 months in our portfolio.
- Considering RBI notification for COVID19-Regulatory Package, we propose for extension in the existing repayment by 60 to 90 days from the last instalment date.

Borrower is eligible for moratorium of Instalment for the period March 1 2020 to May 31 2020 as per the options mentioned below:

- **Option 1:** Interest accrued during the moratorium period to be repaid with June 2020 Instalment or by spreading the interest over 2-3 months starting from June 2020.
- Instalment for the same period shall be adjusted by extending the tenure of loan by upto 3 (Three) months.
- **Option 2:** Interest and the Installment for 3 months (moratorium period) to be divided over the balance instalments with extension of loan tenure by 3 months.
- Customers may voluntarily continue to pay their instalment amount in order to alleviate any additional interest burden. This is particularly relevant to those customers with longer periods i.e. half yearly instalments.

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6. Other Charges and Penal Provisions

- Penal charges will be waived off for the borrower eligible under this policy
- Delay in moratorium interest / Instalment payment post moratorium period with attract existing penal charges.

7. Asset Classification and Bureau Reporting

- The rescheduling of payments, including interest, will not qualify as default for the purposes of regulatory reporting and reporting to Credit Information Companies (CICs)/credit bureau
- Any delay in payments of dues/ outstanding amounts payable after the expiry of the moratorium period will qualify as overdues for the purposes of reporting to Credit Information Companies (CICs)/credit bureau.
- The payments which were due till 1st March 2020 and not paid, will be continued to be classified as per current RBI norms.

8. Modus Operandi

- The communication to be sent to all the eligible borrowers through e-mails, phone call, display on website or any specific request from borrower.
- Wherever the exposure of a lending institution to a borrower is ₹ 5 crore or above as on March 1, 2020, the Company shall develop an MIS on the reliefs provided to its borrowers which shall *inter alia* include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.
- Changes to be done in CDFS and Ambit system for Commercial/Wholesale Lending and Retail Lending respectively

9. Approval

The Policy has been approved by the Board of Directors of the Company at its meeting held on March 30, 2020.