

POLICY ON EMI MORATORIUM

(Deferment of installment - COVID 19 March 2020)

**Approved by Board of Directors of the Company on April 3, 2020 and
Amended on May 30, 2020**

Policy on EMI Moratorium

[Pursuant to para 8 of RBI Regulatory Package "COVID-19 – Regulatory Package" having Ref. No. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 and COVID-19 – Regulatory Package having Ref. No. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020]

Background and Objective:

Pneumonia of unknown cause detected in Wuhan, China was first reported to the World Health Organization (WHO) Country Office in China on December 31, 2019 and the outbreak was declared a Public Health Emergency of International Concern on January 30, 2020. In the second week of March, 2020 WHO has announced that COVID-19 can be characterized as a pandemic, due to the rapid increase in the number of cases outside China. Like some of the other countries in the World, the virus' impact has led the government of India under prime minister Narendra Modi announce a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure towards the 2020 coronavirus pandemic in India. As a result, the country's economy is impacted leading to delay in cash flows for the business & self-employed and salary credits for the salaried segments. This has a direct impact on loan repayments as well.

Considering this issue, on March 27, 2020 the Reserve Bank of India (RBI) vide its 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 announced various measures including moratorium on EMI payment for term loans/ deferment of interest in working capital facilities.

Further, due to various extension of lockdown in the Country, the RBI through its Statement on Developmental and Regulatory Policies dated May 22, 2020 announced further extension in moratorium period for term loans/ deferment of interest in working capital facilities and RBI issued a Notification No. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 to instruct All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks, All All-India Financial Institutions and All Non-Banking Financial Companies (including Housing Finance Companies) for relaxing repayment pressures and improving access to working capital by mitigating the burden of debt servicing, prevent the transmission of financial stress to the real economy, and ensure the continuity of viable businesses and households.

The above RBI Notifications inter alia mandates disclosure, in public domain, the Board approved policy for providing above mentioned reliefs. Accordingly, the following customer specific points of the Board approved Policy of Paisalo Digital Limited (PDL) is placed for information of the customers.

A. Customers eligible for moratorium/deferment:

Customers satisfying following criteria would be eligible for EMI moratorium/interest deferment:

1. All the salaried/self-employed, Individual and non-individual borrowers (including Ltd companies, Partnership Firms, Societies, Trufts & Proprietorship Firms etc.) across products having outstanding loans as at March 1, 2020 or disbursed thereafter during the moratorium period as notified by RBI from time to time.

2. The account can be Standard or otherwise
3. The account must not have been Witten-off from the books of Company's books at March 1, 2020.

B. Customers ineligible for moratorium/deferment:

Customers falling under following category would be ineligible for EMI moratorium/interest deferment:

1. Borrowers under DRT, SARFAESI, Insolvency proceedings;
2. Borrowers classified as Fraud;
3. National Company Law Tribunal (NCLT)/Insolvency & Bankruptcy Code (IBC) cases are not eligible for moratorium/deferment without express approval from NCLT/IBC

C. Details of Reliefs Eligible:

Term Loans:

- a. Moratorium of EMI/Interest deferment due between March 1, 2020 and August 31, 2020 or such other period as may be notified by RBI, from time to time, in this regard.
- b. The tenor of the Term Loans will get extended equal to the period of moratorium without the change in principal amount of EMI with the deferred instalments being collected after the end of original tenor, with interest of the deferred period capitalized and recovered thereafter.

Note: Eligible customers will also have the option to continue to pay their installments as per their repayment schedule during the moratorium period.