

FREQUENTLY ASKED QUESTIONS (FAQs)

Ex Gratia Interest Relief Scheme, announced by Government of India

1. What is the ex-gratia payment to the borrower under the scheme announced by the Gol?

As per the circular, the Company has transferred to the borrower account, an ex-gratia payment of the difference between compound interest and simple interest on loan accounts with sanctioned limits and outstanding upto ₹ 2 crore (aggregate of all the borrowings / facilities from all the banks and financial institutions) for the period from March 1, 2020 to August 31, 2020 (6 months / 184 days).

2. What are the main features of the ex-gratia to borrower's scheme?

The main features / highlights of the scheme are as under:

- a. Loan accounts with sanctioned limits and outstanding not exceeding ₹ 2 crore (aggregate of all facilities with all the lending institutions) as on February 29, 2020
- b. Loan accounts should be standard in the books of the lending institutions as on February 29, 2020
- c. The relief shall cover the following products: Home Loan, LAP taken for consumption or MSME and Gold Loan. Loan Against Deposits and Loan Against Securities are not a part of this scheme
- d. The period reckoned for refund shall be from March 1, 2020 to August 31, 2020, i.e., 6 months period / 184 days.

3. Do I have to make an application to avail the relief?

No. The ex-gratia relief will be credited to the loan account of all eligible borrowers without any requirement to apply.

4. Who will finalise the list of eligible accounts?

The Company will finalise the list of eligible borrowers for the relief based on the Gol guidelines.

5. How will the Company assess whether a borrower has aggregate loan facilities upto ₹ 2 crore from the banking system?

Assessment is done on the basis of information available with us, as well as the information accessible from credit bureaus.

6. Will my non-fund-based limits as on February 29, 2020 be included for arriving at the eligibility amount of upto Rs 2 crore?

No. Non-fund-based limits will not be included for arriving at the eligibility.

7. Whether Accounts categorised as SMA-0, SMA-1 and SMA-2 are eligible to avail the benefit of the package?

Yes, the accounts classified as SMA-0, SMA-1 and SMA-2 as on February 29, 2020 are eligible for the relief package.

8. Are NPA accounts eligible for the relief package?

No. The loan should not be a Non-Performing Asset (NPA) as on February 29, 2020.

9. Whether borrowers who have opted for deferment of interest and instalment under the RBI COVID-19 relief package earlier (Moratorium Scheme) are eligible to avail the benefit under the above relief?

Yes. The package will be available for eligible borrowers irrespective of whether they have availed or partially availed or not availed the moratorium on repayment announced by the RBI vide DOR. No. BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and extended on May 23, 2020.

10. Are "partly disbursed loans" are covered under the relief package?

Yes, provided that the sanctioned and outstanding amounts do not exceed ₹ 2 crore. The outstanding amount as on February 29, 2020 shall be the reference amount for calculating the differential interest amount.

11. Can a borrower who has closed the loan account/s between March 1, 2020 and August 31, 2020 benefit from the scheme?

Yes. Such borrowers are eligible for the refund of differential interest calculated from March 1, 2020 till the date of closure of account (not later than August 31, 2020). The company would credit the amount to the bank account from where the repayment was made.

12. In which of my accounts will the differential amount be credited?

The differential amount will be credited to the respective loan account(s).

13. What is the rate of interest that will be considered for calculating the ex-gratia amount – the rate of interest considered at the time of sanctioning of the loan or the rate of interest calculated as on February 29, 2020?

The rate of interest to be applied for calculating the differential interest component shall be the contracted rate as specified in the loan agreement / documentation applicable as on February 29, 2020.

14. What will be the treatment of penal interest / penalties while arriving at the rate of interest?

The contracted rate / interest rate prevailing as on February 29, 2020 which is considered for calculating the interest differential will exclude any penalties or any penal rate of interest applied in the account.

15. What will be the treatment for the part-prepayments made during the period from March 1, 2020 to August 31, 2020?

The outstanding amount as on February 29, 2020 will be the reference amount for calculating the differential. Any repayment / credits subsequent from March 1, 2020 to August 31, 2020 shall be ignored for the purpose of calculation.

16. How can I flag my grievances related to the relief package?

Customers shall register his / her grievance through the link available in our website in the 'Customer Services' section or call our call centre.

17. Can the ex-gratia amount be refunded to my bank account?

No. the amount will be credited to the loan account. Only in case of loans closed from March 1, 2020 to August 31, 2020, the amount would be credited to bank account.

18. What is the formula applied for calculation of ex-gratia amount?

The following formula will be applied for calculation:

Compound interest:

Total o/s $\times ((1 + (\text{Rate}/100/12)) ^ (\text{No. of days calculated basis } 360 \text{ days}/360 \times 12)) - \text{Total o/s as of February 29, 2020}$

Minus (-)

Simple Interest: Total o/s $\times \text{Rate} \times \text{No. of days calculated basis days } 360/360$

Difference Equals (=) Ex-gratia Amount