

Name of the Document	Policy on Ex-Gratia Scheme
Prepared By	Company Secretary
Reviewed By	Managing Director
Approved by	Board of Directors
Approval / Review Date	October, 2020
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Review Triggers	<ol style="list-style-type: none"> 1. Board Led decisions 2. Changes in GOI Notifications 3. Changes in RBI Regulations 4. Changes in MCA Regulations

Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)

As per letter (F. No. 2/12/2020-BOA.I) issued by the Department of Financial Services of the Ministry of Finance, Government of India on October 23, 2020 on the unprecedented and extreme COVID-19 situation, the Central Government has approved “**Scheme for grant of ex-gratia payment which is difference between compound interest and simple interest for six months to borrowers in specified loan accounts for the period (1.03.2020 to 31.8.2020)**”.

(1) **Key Operational guidelines** for the scheme announced by the Ministry of Finance are stated below:

- (a) Borrowers in the following segments/classes of loans, who have loan accounts having sanctioned limits and outstanding amount of not exceeding 2 crores [**aggregate of all facilities with lending institutions**] as on 29.02.2020 shall be eligible under the Scheme:

- 1) MSME loans
- 2) Education loans
- 3) Housing loans
- 4) Consumer durable loans
- 5) Credit card dues
- 6) Automobile loans
- 7) Personal loan to professionals
- 8) Consumption loans

Any borrower whose aggregate of all facilities with lending institutions is more than Rs. 2 crores (**sanctioned limits or outstanding limits**) will not be eligible for ex-gratia payment under this scheme)

- (b) The account should be standard as on 29.02.2020 i.e loan should not be a Non-Performing Asset (NPA) as on 29.02.2020

The ex-gratia payment under this scheme shall be admissible irrespective of whether the borrower had fully availed or partially availed or not availed of the moratorium on repayment announced by RBI

- (c) The period to be reckoned for crediting of difference between compound interest and simple interest to the eligible borrowers would be from 1.03.2020 to 31.08.2020 (six months/184 days). For accounts closed during the said period, the period of crediting would be from 1.03.2020 and restricted to the date of closure of such account

(d) The aforesaid exercise of crediting the amount in the respective accounts of the eligible borrowers shall be completed on or before 05.11.2020

(e) Grievance Redressal Mechanism

For any Grievances, the customer can call to our customer care number 9848882989 or write to the Grievance Redressal officer at cs@ikffinance.com.

The customers are requested to provide Loan reference details such as Loan number or Vehicle number or registered mobile number.

The queries shall be addressed as per the guidelines laid down in the policy issued by the Ministry of Finance within one week.

Process, Methodology, Identification and Computation of Ex-Gratia

For computation of Ex-Gratia amount, the following are considered based on the position as on February 29, 2020;

- Loans below Rs.2 Cr
- Standard Loans – Automobile & SME Loans

Exclusions

- Loans above Rs.2 Cr
- Sub Standard Loans, i.e. NPAs
- Tractors & Agri equipment
- Staff Loans

Computation

Ex-Gratia amount is arrived on the basis of difference between the simple interest and compounded interest computed on the Loan outstanding amount as on February 29, 2020 as under;

- Live Loans – computed at contracted IRR for 184 days
- Closed Loans – computed at contracted IRR from 01.03.2020 to till the date of closure