

John Deere Financial India Private Limited**Policy on Implementation of Covid -19 Regulatory Package by Reserve Bank of India**

Reserve Bank of India(RBI) has released circular “COVID 19 Regulatory Package” on March 27, 2020 to address the financial stress and disruptions caused to the borrowers by COVID 19. RBI has permitted all lending institutions including Non-Banking Finance Companies(NBFCs) to grant moratorium of three months for installments falling due between March 01, 2020 and May 31, 2020. RBI mandated that all lending institutions including NBFCs establish a board approved policy.

John Deere Financial India Private limited (JDFIPL) is a NBFC registered with RBI as an Asset Finance Company. JDFIPL is establishing the present policy in line with the guidelines referred vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 (the Circular) for its customers in India on a nationwide basis immediately .

1. Eligibility

Under the Circular, JDFIPL is permitted to grant a moratorium of up to three months on payment of all instalments falling due on and after March 1, 2020 to and including May 31, 2020 on term loans. The repayment schedule for such loans and the residual tenor, will be shifted by up to three months after the moratorium period ends. Interest shall continue to accrue at the regular contract rate (not past due rate) on the outstanding portion of the term loans during the moratorium period.

This program is provided to enable customers to overcome the financial stress of repayment of installments due to the economic fallout from COVID-19. However, this program is not a waiver of JDFIPL’s rights and remedies under the loan agreements and the relief granted to customers will not result in an asset classification downgrade.

This Policy is valid up to and including May 31, 2020 or to such later date RBI may declare.

2. General Terms of the Moratorium Program

- Moratorium/deferment will be given to the customers who request relief and whose instalments fall due on and after March 1, 2020 to and including May 31, 2020
- Interest shall continue to accrue during the moratorium period at the regular contract rate under the loan agreement
- Customers who has not opted-in for the Moratorium will continue to pay in accordance with their existing repayment schedule.
- The moratorium is not available to contracts which are written off..
- Interest for the extended period is applicable at at the regular contract rate under the loan agreement.



- During the moratorium, JDFIPL's reporting of the customer's account status to RBI and Credit Information companies will be the status quo (i.e. no down grade).
- There is no change in the terms and conditions of the customer loan agreement except as JDFIPL requires to give effect to the relief provided to the customer.

3. Implementation:

The Moratorium Scheme will be implemented for customers falling under the eligibility referred above and those customers who are willing to Opt-in for moratorium and remaining customers continue to pay the installments on the regular due dates as per the original Contractual terms

List of eligible contracts where moratorium scheme to be implemented will be approved by JDFIPL approving authority.

Moratorium Scheme will be implemented as mentioned below.

- I. Monthly cases: The payment structure will be shifted by 3 months, 2 months or 1 month based on the paid and unpaid dues and the option the customer requests. The interest accrued during the moratorium period shall be payable and collected with the installment due immediately after moratorium period ends.
- II. For Wirtgen Monthly cases: Installments for the month of March, April & May 2020 will be given the option of moratorium and the payment structure will be shifted by 3 months, 2 months or 1 month based on the paid and unpaid dues and option the customer requests. The interest accrued during the moratorium period will be spread across the balance installments due immediately after moratorium period end, or the first option mentioned above would be implemented depending on customer requirement.
- III. Quarterly cases: Customers with installments due on and after March 1, 2020 to and including May 31, 2020 will be given the option of a moratorium. The payment structure will shift by the quarterly installment amount for another quarter and the interest amount will be payable and collected with the installment due immediately after the moratorium period ends
- IV. Half Yearly Case: Invoice date/installment due on and after March 1, 2020 to and including May 31, 2020 will be postponed by 3 months and the interest accrued for the moratorium period shall be payable and collected along with invoice/installment. Interest will be charged on the installment amount being deferred for a period of 3 months at contracted rate and the original contract tenure will not be changed.

Subject to RBI approval, Installments due on and after March 1, 2020 to and including May 31, 2020 in the month of March, April or May 2020 will be given the option of moratorium of 6 months to match with the cash flows and cropping cycle. The payment structure would shift by this installment amount for another 6



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months and the principal and interest will be payable and collected with the installment due immediately after the moratorium period ends.

- V. Customers will provide additional Post-Dated Cheques (PDC) or NACH instructions for the extended loan installments and interest to be paid, failing which JDFIPL may present the Security PDC towards payment of installments and interest.
- VI. Late interest will not be charged since due date is extended.
- VII. The moratorium will apply only for un-paid installments due on and after March 1, 2020 to and including May 31, 2020. Refund of installments paid for installments due during the moratorium may be approved on a case by case basis for customers with a genuine need.
- VIII. JDFIPL will ensure that the above instructions are properly communicated down the line to all the field and branch executives and clear instructions are issued to its staff regarding the implementation.
- IX. JDFIPL will communicate the moratorium program to customers and obtain customer's consent through digital or electronic modes for implementation.
- X. JDFIPL may at the request of the borrower continue to accept collections as per the original repayment schedule.
- XI. This policy will be hosted on the company web site