

	COVID-19 – Regulatory Package Addendum_Jun20	Version: 1.1 Issue Date: Jun-2020	Approved by : HFCL Board
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Hero FinCorp Limited ("HFCL")

Policy on Relief to Borrowers Under COVID-19 Scenario - Addendum

A. BACKGROUND & REFERENCE

In line with Notification (RBI/2019-20/186 - DOR.No.BP.BC.47/21.04.048/2019-20 and RBI/2019-20/220 - DOR.No.BP.BC.63/21.04.048/2019-20) titled "COVID-19 – Regulatory Package" issued by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 respectively, HFCL Board approved a policy laying down the framework within which HFCL would extend the said relief. This policy (titled "Policy on Relief to Borrowers under COVID-19 Scenario") was approved by the HFCL Board on April 3, 2020 and it detailed the scope and method in which moratorium would be granted to borrowers for payments falling due between the period March 1, 2020 and May 31, 2020; as well as aspects relating to asset classification, supervisory reporting and reporting to bureaus.

In continuation with the same, RBI has extended the relief to borrowers vide its Notification (RBI/2019-20/244 - DOR.No.BP.BC.71/21.04.048/2019-20) titled "COVID-19 – Regulatory Package" issued on May 23, 2020. Pursuant to the same, this addendum to the HFCL Board approved policy seeks to provide the extended relief to its borrowers and is being put up to the Board for necessary review and approval.

B. IMPLEMENTATION OF THE RELIEF MEASURES BY HFCL

1. HFCL will continue to extend the moratorium relief to all borrowers on instalment obligations/payments falling due between the period June 1, 2020 to August 31, 2020 where the borrower's ability to honor obligations is jeopardized on account of the intensified disruptions on account of the COVID-19 pandemic.
2. All EMI based and non-EMI based loans will continue to be included in the scope of relief.
3. For non-EMI based loans, covering all working capital lines like Working Capital Demand Loans (WCDL), Bill Discounting (BD) and Inventory Funding (IF), Interest will accrue on the tranche amount, for the moratorium period, at the rates applicable to the respective facilities in terms of the existing documentation, subject to the IRR of the facility remaining the same as on February 29, 2020; and will be collected from the borrower upon the end of the moratorium period, along with the tranche amount.
4. All provisions of the earlier HFCL Policy will continue to apply *mutatis mutandis*.

This addendum to the Board Approved Policy will also be hosted on the Company's website at www.herofincorp.com, for Customers information and benefit as mentioned in the RBI Notification.

This policy may be updated by HFCL from time to time within the framework of regulatory guidelines as issued by the RBI and HFCL retains the right to determine and consider each application in terms of this policy based on facts and circumstances that may be unique to a particular application/account.

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