

FIDC

Finance Industry Development Council

(A Representative Body of Assets and Loan Financing NBFCs)

101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077

Tel: 022 21029898/9820035553 • E-mail: directorgeneral@fidcindia.org Website: www.fidcindia.org

Smt. Nirmala Sitharaman ji,
Hon'ble Minister of Finance,
Ministry of Finance,
Government of India,
North Block,
New Delhi 110 001

April 10, 2020

Hon'ble Finance Minister Madam,

Sub: Request for permitting the partial functioning of NBFCs amidst the Lockdown ordered in connection with COVID-19 pandemic

We **thank** the Ministry of Finance, the Reserve Bank of India and the Securities and Exchange Board of India for the proactive measures to help mitigate the negative economic fallouts of the Corona Virus pandemic.

The measures announced by the Ministry of Finance on 26th March 2020 to provide succor to the economically weaker sections, those announced by the RBI on 27th March 2020 and slew of relaxation provided by the SEBI in the wake of global pandemic are indeed unprecedented, far reaching and bold measures to help the Indian economy survive and rebuild itself.

We, the NBFCs have started implementing the **Social Distancing and Work from Home**, using the available resources in the best possible manner. In this difficult phase, there is a great challenge in balancing interest of our various stake holders, primarily the employees, deposit holders, debenture holders, Banks and Institutions, such that NBFCs continue to meet their commitments for timely payment of interests, maturity payments of fixed deposit holders, debenture holders. A large number of the deposit holders and debenture holders are senior citizens who depend on the interest on fixed deposit and debentures paid on monthly or quarterly basis. Any delay in servicing them will upset their livelihood.



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NBFC customers are primarily small truck or commercial or passenger vehicles operators who visit our branches for making payment of EMIs of their loans in cash. We have made great progress over last few years in moving our customers to digital payments mode and that effort would continue.

In view of the special circumstances, it is necessary that essential staff may be required to be physically present in the branch offices and they cannot Work from Home, for the collections, depositing cash in banks, etc.

Further, it may be noted that the Commercial Banks are functioning for limited hours with only limited resources whereas the fund requirements of needy customers are growing at a rapid pace which are currently being addressed by the unorganized sector which are not subject to any kind of supervision by Regulatory authorities.

We wish to impress upon that most of our member companies have offices and operations across the nation. If at least 30% of our member companies' branches and their staff are permitted to be operative, we can cater to the rising financial requirements of a larger segment of lower and middle income customers during this challenging time.

The Government has exempted banks from the closure of offices. Similarly, Insurance Companies, Stock Markets and its operators, Mutual Funds are treated at par with Banks. Our operations are akin to bank operations. *In fact, NBFCs are the only part of the financial sector that has been left out.*

Keeping in mind the interest of our stakeholders, in particular fixed deposit holders, debenture holders, employees, Institutions and Banks it is necessary that **certain essential staff may be permitted to carry out the essential operations, in small number and at staggered timings while following social distancing.**



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In the current scenario of outbreak of Corona Virus in India, our highest priority will continue to be the safety and protection of health and life of our countrymen.

We make an appeal to take up this matter to appropriate government authority to issue necessary Advisory that the essential operations of non-banking financial companies in India are continued on par with banking operation and to facilitate the essential staff to provide the essential services to our stakeholders.

We thank you in anticipation of a positive response and assure you of our full co-operation all the times.

Yours faithfully,

For FINANCE INDUSTRY DEVELOPMENT COUNCIL

**MAHESH THAKKAR
DIRECTOR GENERAL
98200 35553**



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