

# Moratorium Policy

## 1. Objective

The Moratorium Policy of the Company seeks to grant Relief Measures to its Customers who are facing financial difficulty due to the impact of 'Covid-19' pandemic. The Policy has been formulated in adherence to Relief Measures approved by Board of Directors and within the overall guidelines on Covid-19 Regulatory Package issued by the Reserve Bank of India ("RBI") dated 27<sup>th</sup> March, 2020 and 23<sup>rd</sup> May, 2020.

## 2. Purpose of the Document

The purpose of this Policy was to allow moratorium to all its customers on EMI payments on outstanding loans for a maximum period of 3 (Three) months for EMI being presented in March to May, 2020 only on need basis as may be determined by the management of the Company in line with the RBI guidelines. The Policy further includes extension of moratorium by another 3 months i.e. from 1<sup>st</sup> June, 2020 to 31<sup>st</sup> August, 2020.

It is hereby clarified that the moratorium is being provided specifically to enable customers to tide over the economic fallout from Covid-19. Hence, such moratorium shall not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of our customers and consequently shall not result in asset classification downgrade in adherence to Covid-19 Regulatory Packages announced by the RBI.

The Policy has been approved by the Board of Directors on 02<sup>nd</sup> June, 2020.

## 3. Applicability of the Policy

### ▲ Eligible Customers

- All Non-Deliquent customers as on 1<sup>st</sup> March, 2020 (01-03-2020) are eligible for moratorium
- All 1-90 overdue customers are also eligible for moratorium

### ▲ Ineligible Customers

- All 90+ overdue customers are ineligible
- Loans to customers disbursed after 1<sup>st</sup> March 2020
- If a customer has multiple loan accounts and any one of them is 90+ days past due, then the customer will be ineligible for the moratorium scheme
- Customers having LOC are also ineligible

#### **4. Moratorium Period and Methodology**

It is to be noted that it is NOT MANDATORY for the Company to offer moratorium to all customers. The Company may offer moratorium from one to three EMI's to customers on the basis of the impact of the customers due to Covid-19 crisis. All decisions will be guided by this policy.

Customers who are requesting for moratorium shall be subject to the methodology given below:

- Customers opting for the moratorium will have to pay additional (on accrual basis) interest on the Principal Outstanding (POS) for the moratorium period.
- EMI for the moratorium period will be postponed and the tenure will be extended by the same number of months as the moratorium period.
- The accrual interest for the moratorium period will be added to the last EMI of the revised tenure.
- The Company will have to provide explicit for interest accrual + tenure extension through digital methods deployed by the Company.

##### **a. Approval Process**

Decision for implementation of these guidelines at each customer level shall be entrusted to the management of the Company as under:

- Chief Operating Officer

The assent of the above person will be required for the decision to be implemented. A Board approved policy is also in place to guide the implementation of this scheme.

##### **b. Asset Classification**

The customers to whom relief has been granted by way of moratorium within the ambit of this policy and as governed by RBI circular, will not result in asset classification and/or downgrade.

The loan account status reporting to the credit bureaus will be as per the status prior to the moratorium period.

##### **c. Display on website**

The Moratorium Policy will be hosted on the Company's website for our Customers information and benefit as mentioned in the RBI's Circular.

Further, for more clarity, you are requested to refer the FAQs on moratorium as may be published and updated by the Company from time to time.