



MORATORIUM POLICY

BOARD APPROVAL DATE:

28-03-2020

RADHAKRISHNA FINANCE PRIVATE LIMITED

**GMC NO. XIII/135/26, FIRST FLOOR, SREPADMAM ARCADE,
WEST NADA GURUVAYUR THRISSUR KL 680101 IN**

CIN: U65923KL2011PTC029718

E-mail: info@radhakrishnafinance.com

INDEX		
SI No	Particulars	Page No
I	INTRODUCTION	3
II	POLICY APPLICABILITY	3
III	CUSTOMER IDENTIFICATION AND OBJECTIVE CRITERIA	4
IV	MORATORIUM PERIOD AND METHODOLOGY	4
V	COMMITTEE & APPROVAL PROCESS	5
VI	ASSET CLASSIFICATION	5
VII	DISPLAY ON WEBSITE	5

I. INTRODUCTION

Radhakrishna Finance Private Limited (hereinafter referred to as "RFPL" or "Company") is a Private Limited Company incorporated under Companies Act, 1956 and regulated & supervised by Reserve Bank of India.

In view of recent global stress in financial and social conditions caused by Covid-19 (CORONA Virus), every government agency is taking measures to curb the negative impact of pandemic.

Reserve Bank of India (RBI) has taken multiple measures on March 27, 2020 to mitigate the negative effect of virus, to revive growth and to preserve financial stability.

Through this document, the Company has proposed moratorium to customers who are facing financial difficulty due to this pandemic in line with RBI's Circular number RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20, dated March 27, 2020 titled "Covid-19 – Regulatory Package".

II. POLICY APPLICABILITY

The extract of press release of Reserve Bank of India is reproduced below

Point No. 5 of Statement on Developmental and Regulatory Policies

Moratorium on Term Loans

All commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and micro-finance institutions) ("lending institutions") are being permitted to allow a moratorium of three months on payment of instalments in respect of all term loans outstanding as on March 1, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by three months.

Point No. 6 of Statement on Developmental and Regulatory Policies

Deferment of Interest on Working Capital Facilities

In respect of working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions are being permitted to allow a deferment of three months on payment of interest in respect of all such facilities outstanding as on March 1, 2020. The accumulated interest for the period will be paid after the expiry of the deferment period.

In respect of paragraphs 5 and 6 above, the moratorium/deferment is being provided specifically to enable the borrowers to tide over the economic fallout from

COVID-19. Hence, the same will not be treated as change in terms and conditions of loan agreements due to financial difficulty of the borrowers and, consequently, will not result in asset classification downgrade. The lending institutions may accordingly put in place a Board approved policy in this regard.

Pursuant to the above, RBI has also issued Circular for the COVID – 19 Regulatory Package vide RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20, dated March 27, 2020 titled “Covid-19 – Regulatory Package” also states as follows:

(i) Rescheduling of Payments – Term Loans and Working Capital Facilities

2. In respect of all term loans (including agricultural term loans, retail and crop loans), all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies) (“lending institutions”) are permitted to grant a moratorium of three months on payment of all instalments¹ falling due between March 1, 2020 and May 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by three months after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

III. CUSTOMER IDENTIFICATION AND OBJECTIVE CRITERIA

Identification of borrowers will be based on guidelines issued by RBI

1. Moratorium would be provided on payment of all instalments falling due between March 1, 2020. and May 31, 2020.
2. Customers already categorized as NPA will not be covered within the ambit of the policy.

IV. MORATORIUM PERIOD AND METHODOLOGY

Since it is not mandatory for NBFCs to offer moratorium to all borrowers, the Company may offer moratorium/deferment from one to three EMIs to borrowers on need based and who have been impacted by the COVID – 19 crises.

Customers who are requesting for moratorium/deferment will be informed about financial implications of such moratorium/deferment including the applicable interest on such action.

1. EMI would not be charged to the customer whom moratorium is granted
2. Interest amount of the EMI deferred would be capitalized in the loan.

3. Residual tenor would remain same though EMI for subsequent months will be increased to give effect of the capitalization of interest or keeping EMI constant, residual tenor will increase for EMI capitalized portion and repayment schedule will be redrawn, decision for the same will be taken by the Committee of officers formed for this purpose.
4. Company would continue to present EMI dues as per normal process for the period March to May'2020 for all its customers, unless such customers specifically requested for moratorium after taking cognizance of the additional financial implication on their loan because of the moratorium/deferment.
5. Moratorium/deferment of EMI would be done month wise or up to 3 months at a time for EMI's falling due between 1st March 2020 to 31st May 2020, decision for the same will be taken by the Committee of officers on a case to case basis.

V. COMMITTEE & APPROVAL PROCESS

Decision for implementation of these guidelines at each customer loan level shall be entrusted to a Committee of officers, as under:

1. Managing Director
2. Company Secretary
3. Deputy General Manager
4. Legal Head
5. Assistant Finance Manager

Approval of minimum 3 out of 5 members shall be required in this regard

VI. ASSET CLASSIFICATION

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

VII. DISPLAY ON WEBSITE

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

**** **