

Date : 30th March 2020

Policy on Moratorium of Loans- Regulatory Package- COVID 19

Background and Objective

Given the unprecedented lockdown owing to COVID-19 has resulted in severe economic impact across the domestic and global economy. Government of India has declared a country wide lockdown since 24th March 2020 till 15th April 2020. This is expected to create a severe impact on businesses across sectors during this period and beyond depending upon how quickly the spread of disease is contained. The shutdown of businesses is expected to severely impact cashflows of the borrowers across corporate and retail segments thus affecting their ability to service debt obligations.

Considering the issue, on March 27,2020 the Reserve Bank of India(RBI) based on an assessment of the overall impact announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. *(RBI Notification: Ref no:RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 "COVID-19 – Regulatory Package" dated March 27,2020)*

The above RBI Notification inter alia mandates disclosure in public domain, the Board approved policy for providing the above-mentioned reliefs. Accordingly, the following customer specific points of the board approved policy of Arthan Finance Private Limited (AFPL) is placed for information to customers.

A. Borrowers eligible for Moratorium

Borrowers satisfying the following criteria would be eligible to seek for EMI Moratorium

- All self-employed, Individuals and non-individual borrowers (Including private Limited companies, Limited companies , Partnerships & proprietorships, etc) having outstanding loans as on 1st March 2020
- The account has to be standard
- The borrower must submit consent for terms and conditions governing the moratorium and for the revised repayment schedule.
- Request from the borrowers requesting moratorium will be recorded via E-Mail /SMS /WhatsApp with from their registered E-Mail ID/Mobile number or via Digital Document/Voice Recording/Physical Document, requesting moratorium period for their loan.



B. Details of Relief's eligible**Term Loans:**

- For borrowers who are eligible to avail the moratorium period, the residual tenor for all the term loans would to be extended to the extent of moratorium period availed by the borrower (Maximum of 2 months). All such cases will not be treated as restructured cases.
- Moratorium of EMI due from the Month of April 2020 to May 2020. It may be noted that the company would not refund any instalments paid by customers since 1st March 2020

NOTE :

Once a customer approaches AFPL with a request for EMI Moratorium, AFPL will have it evaluated and if satisfied with the merits of the case, EMI moratorium will be considered at the sole discretion of AFPL.