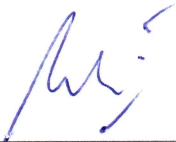




PRAYAAN CAPITAL

Moratorium Policy 28th March, 2020 (Amended on 29th May, 2020)

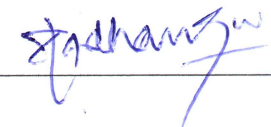
Created by Avjeet Rakshit
Head- Credit



Reviewed by Akash Chelvem
Chief Operating Officer



Approved by G Madhan Mohan
Managing Director and CEO



1.0 INTRODUCTION

Prayaan Capital Private Limited (hereinafter referred to as “PCPL”) is a Private Limited Company incorporated under Companies Act, 1956 and registered as non-deposit taking NBFC and hence regulated and supervised by Reserve Bank of India.

In view of recent global stress in financial and social conditions Reserve Bank of India (RBI) has taken multiple measures on March 27, 2020 to mitigate the negative effect of Covid-19 virus, to revive growth and to preserve financial stability.

Through this Policy, PCPL 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”.

The Reserve Bank of India has issued a Circular vide DOR.No.BP.BC.71/21.04.048/2019-20 dated 23rd May, 2020 permitting all the financial institutions including NBFCs to extend the moratorium by another three months i.e., June 01, 2020 to August 31, 2020.

2.0 POLICY APPLICABILITY

In continuation to the RBI’s Press Release dated May 22, 2020 on “COVID – Regulatory Package”. the extract of the Circular dated 23rd May, 2020 relevant to the Policy is set out below -

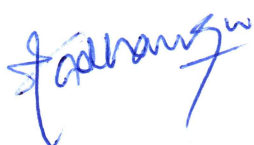
(i) Rescheduling of Payments – Term Loans and Working Capital Facilities

In view of the extension of lockdown and continuing disruption on account of COVID-19, all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, All-India Financial Institutions, and Non-banking Financial Companies (including housing finance companies) (“lending institutions”) are permitted to extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans). Accordingly, the repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

3.0 CUSTOMER IDENTIFICATION AND OBJECTIVE CRITERIA

Identification of borrowers will be based on guidelines issued by RBI

- Moratorium will be provided on payment of all instalments falling due between June 01, 2020. and August 31, 2020 for the customers who intend to opt the moratorium.
- Customers already categorized as NPA will not be covered within the ambit of the policy.



4.0 MORATORIUM PERIOD AND METHODOLOGY

Since it is not mandatory for NBFCs to offer moratorium to all borrowers, PCPL may offer moratorium/deferment of one or more EMIs to borrowers on need basis who have been impacted by the COVID-19 crisis.

PCPL customers will be notified about the EMI presentation and customers who opt for moratorium will be extended the same. This process would be repeated for the month of June, July and August 2020.

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

- EMI would NOT be charged to the customer for whom moratorium is granted
- Interest amount for the months of the EMI deferred would be capitalized in the loan
- Keeping the EMI constant, residual tenor will increase for EMI capitalized portion and repayment schedule will be redrawn.
- Company would continue to present EMI dues as per normal process for the period June, July and August 2020 for all its customers who have not opted for moratorium after taking cognizance of the additional financial implication on their loan because of the moratorium/deferment.
- Moratorium/deferment of EMI would be done month wise for EMI's falling due between 01st of June 2020 to August 31, 2020, decision for the same will be taken by the Committee of officers on a case to case basis.
- **Customer who have opted for normal EMI deduction have the option of choosing moratorium on a later date owing to unexpected and unavoidable economic circumstances**

5.0 COMMITTEE & APPROVAL PROCESS

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

- MD & CEO
- COO
- Head – Credit
- Head – Finance

6.0 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 reclassification and/or downgrade. The account status reporting to the credit bureaus will be as per the status prior to the moratorium period.

7.0 DISPLAY ON WEBSITE

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

