

Redux Credit Finance Private Limited

Moratorium Policy

Version 1

2020

MORATORIUM POLICY

1. Introduction

The RBI has permitted banks, financial institutions and NBFC's to grant a moratorium on payment of all loan installments for a certain period in order to mitigate and subside the burden of debt servicing imposed about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses and provide support to borrowers. In accordance with the guidelines and directives issued by the Reserve Bank of India ('RBI'), Company ('Redux Credit Finance Private Limited') has framed Moratorium Policy for its Borrowers to provide relief.

2. Background

The RBI had released the Statement of Development and Regulatory Policies, dated 27th March, 2020 where inter alia certain regulatory measures were announced to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic. In accordance with the notification issued by RBI, 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) are permitted to grant a moratorium of 3 (three) months on payment of all installments falling due between 01st March, 2020 and 31st May, 2020.

Further, the RBI had again issued a new notification dated 22nd May, 2020, through which 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) are permitted to grant a moratorium of 3 (three) months on payment of all installments falling due between 01st June, 2020 and 31st August, 2020. Pursuant to this notification, the company has decided to update its moratorium policy.

The repayment schedule for such loans as also the residual tenor will be shifted across the board after the moratorium period as defined in this policy.

3. Eligibility

All borrowers with no overdue EMI as on 01st March, 2020 shall be eligible under this policy. The borrowers who are in default as on 29th Feb, 2020 may become eligible for the policy if the borrower clears all overdue EMIs including other charges due till 29th Feb, 2020. Any loans availed post 01st April, 2020 shall not be eligible for Moratorium.

All borrowers impacted due to current situation can apply for new Moratorium or any extension of Moratorium along with documents to the satisfaction of the Company.

4. Other Applicable Conditions

The following additional conditions shall be applicable:

- i. Company would provide separate terms and conditions for the customers availing Moratorium. Other conditions in the loan documents (already issued) would remain unchanged.
- ii. In respect of reliefs granted under this policy, requisite documentation may be required from the borrower by the Company, including those through electronic forms.
- iii. While this policy outlines broad internal guidance followed by Company in making Moratorium related decisions, Company retains the discretion to modify or change the policy from time to time, and make announcements on its website, appropriately.
- iv. Interest shall continue to accrue on the outstanding portion of such loans during the Moratorium period at the same rate as contracted for the respective loans. It is clarified that no waiver of interest is provided during the Moratorium Period.
- v. The Moratorium will not qualify as a default for the purposes of supervisory reporting and reporting to credit information companies (CICs) such as CIBIL or Equifax, by Company. Hence, there will be no adverse impact on the credit history of a borrower during the Moratorium Period.
- vi. The EMI Schedule of the loan shall undergo a change and the tenure of loan will increase for recovery of the accrued interest added to the principal amount during the Moratorium Period. Increase of tenure will depend on the nature of the loan availed and the applicable rate of interest, etc.