



Inclusion-Growth-Prosperity

SAVE MICROFINANCE PRIVATE LIMITED

Policy on EMI Moratorium / Deferment of Interest COVID 19- Regulatory Package, March 2020

Initiatives to counter Covid-19- Relief policy to clients

Brief Background: To address and mitigate the burden of Debt Servicing owing to the COVID-19 pandemic and to ensure continuity of viable businesses, RBI vide its Circular BP.BC47/21.04.048/2019-20 dated March 27, 2020 announced regulatory measures applicable to all banks, AFIs, NBFC, HFC.

Save Microfinance Pvt. Ltd. has always been known for humanity centric decisions in the past and we were proactive when a disaster like Covid-19 made its way into our country. The unforeseen Covid-19 pandemic has severely impacted contractual performance across the globe.

Further to the appeal from the Hon'ble Prime Minister of India to lockdown and on advice from the Ministry of Corporate all Corporates to implement work from home, we promptly decided to adhere to these instructions and advised all employees to remain at home and not to report to office for work from **Tuesday, 24th Day of March, 2020 until further advice**. The Management has kept a close watch over the developments on a daily basis, to receive inputs from various sources in order to take the best decisions.

Currently, all the operations across the geographies are halted as per govt. directives. All Field Officers were advised to talk to the customers and tell them that the officers would not be approaching them for the collection of repayments as part of efforts to prevent the spread of the virus.

Salient Features:

- Moratorium of three months on payment of instalments falling due during 1st March 2020 to 31st May 2020, with residual tenor being shifted by three months after moratorium period.
- Interest shall continue to accrue on the loan including the deferred instalment and interest.
- The overdue as on February 2020 would not change and also the DPD status.
- Asset classification of loans brought under relief to be determined on the basis of revised due dates.

Eligibility:

- All term loan borrowers who are undergoing stress and cash flow constraints owing to the current situation on account of COVID-19.
- Standard Accounts in our books as on 29th February 2020 including accounts with over dues and under default upto three instalments

- Accounts which were already NPA as on 29th February 2020, Settled Loan Accounts under OTS/Compromise or Written off accounts are not eligible for the said relief

As RBI has been permitted the lending institutions allowing giving moratorium of 3 month for the repayment to the client. In view of the current situation prevailing in the country and the announcement of the regulatory package by the Reserve Bank of India, mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic, the Board of Directors of the Company has approved the policy to extend the following relief for our clients;

1. The installments due between March 2020 (if not already paid), April 2020 and May 2020 shall become payable from June 2020. In other words, the installments due in March 2020 (if not already paid), April and May 2020 shall become receivable in June 2020, July 2020 and August 2020 respectively.
2. Accordingly, the repayment tenure of only those loans (including managed portfolio) shall be extended by 3 months where request is received from respective clients under financial distress.
3. Interest will be charged during the above period but would be collected when moratorium is lifted by spreading it over the remaining EMIs
4. The deferment of installments would not affect the credit history of the borrower
5. Penal interest will not be levied only for the EMI due during the moratorium period and it is applicable for the moratorium operating period only.
6. No moratorium shall be extended to accounts which are NPA in our books as on 29th February 2020

Implementation:

- The policy is as per RBI guidelines issued on 27th March 2020 and the same is valid for period 1st March 2020 to 31st May 2020 only.
- Customers willing to avail the relief shall communicate their willingness to the Company by letter or telephonic intimation to their respective Customer relationship officer / Branch Manager.
- The moratorium will be extended for remaining period, if the EMI/PEMI is already paid by the borrower.
- Mr. Ajeet Kumar Singh, Director of the company be and is hereby authorized to amend the above policy as and when may be required