



POLICY FOR PROVIDING MORATORIUM

PREFACE:

Cheraman Financial Services Limited is a Non Deposit accepting Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI)

BACKGROUND:

The Reserve Bank of India vide its Notification RBI/2019-20/186 – DOR No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 have permitted 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”) 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 tenure for such loans, may be shifted across the board by three months.

Further, In view of the extension of the lockdown and continuing disruptions on account of COVID-19, RBI vide a Statement on Developmental and Regulatory Policies released on 22.05.2020, permitted the lending institutions to extend the moratorium on term loan installments by another three months, i.e., from June 1, 2020 to August 31, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenure for such loans, may be shifted across the board by another three months.

There has been no mandatory direction to the lending institutions that the moratorium has to be extended to its all borrowers.

The Board of Directors (“Board”) of Cheraman Financial Services Limited (“Company/CFSL”) have analysed the current market situation and decided to implement this policy with immediate effect to comply with the RBI Notification.

Eligibility

All borrowers enjoying credit facilities classified as standard asset with CFSL as on 29th February, 2020 and whose income is affected by infliction of COVID – 19.

Extent of moratorium permissible.

Eligible borrowers who are desirous of taking advantage of the scheme will have to make written application to the Company. Maximum permissible deferrals shall be Six monthly instalments.

Servicing of ACC/ Refixing of ACC during the moratorium (deferral) period.

Conditions

1. Moratorium shall be applicable for instalments and interest payments falling due between March 1, 2020 and August 31, 2020.
2. Written request for moratorium signed by the borrowers shall be submitted to the Company
3. Suitably modified NACH mandate shall be submitted, wherever necessary.
4. Borrowers who have opted in for the moratorium shall have the freedom to opt out and revert to the original terms and conditions of the agreement, after giving intimation to this effect to the company in writing. Prepayment charges will not be applicable to such cases.



5. Borrower shall remit arrears, if any, in the account at the end of 29/2/2020 as soon as possible to prevent deterioration in asset quality and credit score and avoid adverse reporting to Credit Information Companies. Borrowers and co-obligants / guarantors shall undertake to remit such arrears as soon as possible.

6. Asset classification of the loans for which moratorium is granted under the Covid-19 package, shall be determined on the basis of revised due dates and revised repayment schedule.