



Repayment Moratorium 2 Policy of Avanti Finance Private Limited

This is with reference to the circular issued by the Reserve Bank of India on the subject of COVID 19 regulatory package pertaining to grant of moratorium to borrowers. The Board of each financial institution has to approve its own policy & your approval is therefore sought for Avanti Finance Pvt Ltd. Our policy is aimed at adhering to the spirit & letter of the RBI's guidelines & enabling the right choice for our borrowers.

The gist of the guidelines is as under:

1. RBI has released a comprehensive Statement of Development and Regulatory Policies on March 27, 2020 covering the Covid-19 package.
2. All term loans were permitted to be granted a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020 (**Moratorium 1**) by the Board on April 3, 2020.
3. Further, through a media statement by the Governor, the moratorium was extended by another three months from June 1, 2020 to August 31, 2020 (**Moratorium 2**).
4. The repayment schedule for such loans can be shifted across the board by a total of six months after the moratorium period (M1 and M2).
5. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.
6. The asset classification of term loans which are granted relief as per point 2 and point 3 shall be determined on the basis of revised due dates and the revised repayment schedule.
7. The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by the lending institutions.
8. This is applicable to 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).

On account of the disruption in incomes of our customers due to the impact of Covid-19, the Board, on April 3, 2020, had approved to provide Moratorium 1 to all our customers.

Given that the situation on ground remains similar with continued lockdowns at local levels, our customers livelihoods still remain affected. Hence, we propose to extend Moratorium 2 across the board to all standard accounts as per the RBI guidelines and repayments will start w.e.f September 01, 2020 (as per the original EMI dates of the month).



We request approval of the Board for the following measures for effective implementation of the above mentioned guidelines.

Retail loans / balances are Rs 51.78 crs (23372 accounts) outstanding as of June 1, 2020

1. All borrowers will be given the option of a moratorium for EMI falling due between the period June 01, 2020 to August 31, 2020 (upto 92 days) without a change in the EMI amount
2. All borrowers will be given an option to continue making repayments falling due between the moratorium period in case their cash flows permit & they are not in favour of extending their loan tenure & paying additional accrued interest for the moratorium period.
3. Interest will continue to accrue on the outstanding portion of the term loans during the moratorium period and will be collected along with the last EMI or additional installment.
4. The revised asset classification of the loans will be on the basis of revised due dates and the revised repayment schedule. The same will be shared with the Credit Information Companies (Regulatory requirement).

Institutional loans of INR 9.70 crores (12 accounts) outstanding as on June 1, 2020

All institutional borrowers will be provided an option to opt for moratorium. However, decision pertaining to grant of moratorium will be solely made by Avanti, on a case to case basis.