

Infina Finance Private Limited

SUBJECT: Regulatory measures and reliefs announced by RBI in view of COVID 19 – Policy for implementation – V 2.0

BRIEF BACKGROUND:

RBI Governor's Bi-Monthly Monetary Policy Statement issued on March 27, 2020 had announced certain regulatory measures to mitigate the debt-servicing burden on borrowers in view of the disruptions brought out by the current situation. As a follow up RBI has also issued a circular DOR.No.BP.BC.47/21.04.048/2019-20, dated March 27, 2020, and further amended vide circular dated April 17, 2020. RBI vide its circular dated May 23, 2020 has permitted the Company to provide the moratorium for further three months from June 1, 2020 till August 31, 2020 and are required to have a board approved policy for the same.

Relief provided by RBI as per circular dated May 23, 2020:

- a) Extending moratorium by another three months on payment of all term loan instalments falling due between June 1, 2020 to August 31, 2020 for all term loans. Instalments include all principal and interest payments, bullet repayments and EMIs falling due between these dates. 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.
- b) In respect of working capital facilities sanctioned in the form of cash credit / overdraft ("CC/OD"), RBI permitted the Company to allow a deferment of another three months, from June 1, 2020 to August 31, 2020, on recovery of interest applied in respect of all such facilities
- c) Since the moratorium/deferment are being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, the same will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower. Hence, these reliefs will not result in downgrading of asset classification of the borrower.
- d) This also will not qualify as a default for reporting to Credit Information Companies and also under supervisory reporting.

Company's policy for providing the said relief to borrowers:

This policy applies to all credit facilities granted and disbursed by the Company and outstanding as on March 31, 2020. This is not applicable to loan disbursements to be made in April 2020 and thereafter.

The Company will consider relief in the form of moratorium / deferment to borrowers, who wish to avail and make an application to the Company seeking

- Moratorium on term loan instalments dues falling due between June 1, 2020 to August 31, 2020

- And / or deferment of interest for the months of June to August 2020 to -borrowers who availed working capital facilities in the form of CC/OD.

The Company would be examining all the requests and above reliefs would be considered depending on the impact of COVID 19, keeping in view factors including the sector, segment, geography, credit assessment, etc. Interest would continue to accrue during the moratorium period on the outstanding amount of loan as provided in the RBI circulars.

The Company would be charging the interest, at the original contracted rate, for the moratorium period on the outstanding amount of loan to all those who avail the relief as provided in the RBI circular. This interest has to be paid by the customers as prescribed in this policy.

All customers who desire to avail the relief under the policy can send an email from their registered mail id to info@infina.in quoting the Loan account / APAC number.

A. Moratorium for Term loans:

- Customers who are desirous of availing the relief for the New Moratorium Period (i.e., June 1, 2020 to August 31, 2020) under the RBI circular should apply and provide the relevant details.
- The repayment schedule of term loans, wherever relief is approved by the Company, would shift by up to another three months (in addition to tenor change under phase 1 of moratorium) and the tenor of the term loan will be commensurately extended. The instalment amounts / EMIs will be appropriately re-calculated, including interest accrued during moratorium period.
- The moratorium will be applicable for the principal and / or interest dues for the all or part of the New Moratorium Period.
- Customers that are desirous of availing the relief under the RBI circular, should send a communication to the Company within seven days (or extended date as may be permitted by the Company) from their first due date falling on or after June 1, 2020 through a mail from their registered mail id to info@infina.in.

B. Relief for working capital facilities:

- The Company has no outstanding amounts in case of any Overdraft / Cash Credit for working capital facilities
- Loans against securities granted are for personal investment and not considered for working capital facilities

C. Common conditions for availing the policy:

- The Company will take in to account the stress on the borrowers on account of the pandemic.
- The borrower should not be under IBC proceedings.
- The borrower should not have been classified as willful defaulter by any Bank.

D. Validity of the policy:

This policy shall be valid up to 31st August 2020 or further period as may be extended by RBI.

E. Prudential norms:

- The moratorium/deferment granted to borrowers will not qualify as default on the part of borrowers for the purposes of supervisory reporting and reporting to credit information companies (CICs).
- The relief given as above as per the special dispensation given by RBI will not result in any downgrade of asset classification.

While this policy outlines the broad internal guidance that the Company will follow to take decisions regarding moratorium, the Company retains the discretion to take decisions regarding this policy depending on case specific issues or nuances. The Company reserves the right to amend the policy within the framework of RBI regulations.