

Berar Finance Limited

Policy on Moratorium Due to Financial Stress Caused by COVID-19 - II

The Reserve Bank of India vide its circular RBI/2019-20/186 - DOR No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 *inter-alia* announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and to ensure the continuity of viable business and issued notifications to regulated entities in this regard. The Board of Directors ("**Board**") of Berar Finance Limited ("**Company**") had considered this and owing to genuine hardships faced by its customers the Company had approved the Policy on Moratorium Due to Financial Stress caused by COVID-19 ("**Policy 1**") on April 10, 2020. Policy 1 is attached hereto as **Annexure 1**.

In view of the extension of lockdown and continuing disruption on account of COVID-19, Reserve Bank of India vide its circular no. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 has permitted Non-Banking Financial Companies to extend the moratorium to its customers by another period of three months i.e. from June 1, 2020 to August 31, 2020. The Board of the Company has at its meeting held on June 9, 2020 considered this and has approved the Policy on Moratorium Due to Financial Stress caused by COVID-19 - II ("**Policy 2**") for further extension of the moratorium period by three months i.e. from June 1, 2020 to August 31, 2020 to the eligible existing customers (All capitalized words which are not defined in Policy 2 will have the same meaning as provided in Policy 1). The moratorium policy approved by the Board dated June 9, 2020 proposes to extend the following relaxations to eligible borrowers:

1. Moratorium will be granted automatically to all those accounts which are not classified as Non-Performing Accounts ("**NPA**") as on February 29, 2020.
2. Moratorium in respect of EMI payments will not be granted to accounts which have been classified as NPA as on February 29, 2020. List of Non Performing Accounts as on February 29, 2020 shall be uploaded on the Company's website www.berarfinance.com. Such customers shall need to pay EMI as usual on the respective EMI due dates.
3. Moratorium will not be available to loans which are sanctioned on and after March 1, 2020.
4. Moratorium will be granted for EMI repayments for the months of June 2020, July 2020 and August 2020 ("**Additional Specified Period**").
5. The loan tenure for customers who avail this moratorium facility will be increased by number of months for which moratorium has been granted.
6. The moratorium facility is only a deferment of the EMIs and hence interest for the Additional Specified Period (hereinafter "**Additional Specified Period Interest**") shall be payable on the outstanding amount. The rate of interest shall be the IRR rate contracted at the time of the grant of the loan. As the moratorium has been extended it has been decided that the monthly Specified Period Interest levied from April 1, 2020 to May 31, 2020 and Additional Specified Interest levied from June 1, 2020 to August 31, 2020 will be payable on monthly basis starting from September 2020 onwards. This implies that Specified Period Interest levied in April 2020 would be payable with the EMI due for the month of September 2020 and Specified Period Interest Levied in May 2020 would be payable with the EMI due for the month of October 2020 and so on. In case any customer has not availed of the moratorium under Policy 1 but avails of moratorium under Policy 2 then the Additional Specified Interest levied from June 1, 2020 to August 31, 2020 will be payable on monthly basis starting from September 2020 onwards. If Such Specified Period Interest or Additional Specified Period Interest is not paid in the respective month then that would be considered as overdue and shall be subject to penal interest at the rate applicable for EMI Overdue and other charges as per the loan agreement. The total amount of Specified Period Interest

and Additional Specified Period Interest shall be communicated to the customer by way of an SMS to the mobile number of the customer registered with the Company.

7. A customer can opt to pay EMIs for the Additional Specified Period even if such customer is eligible for moratorium. In such case the Company will not charge any Additional Specified Period Interest. In case a customer pays the EMIs only for one of the two months during the Additional Specified Period, then such customer shall be treated as having availed of the moratorium for a part of the Additional Specified Period, and the procedure specified in **Clause 6** above shall be applicable for the period for which the moratorium was availed. Further, customers who have paid EMIs for the months June 2020, July 2020 & August 2020 in advance would be treated as if the moratorium has not been granted to them. No Additional Specified Period Interest shall be charged to such customers.
8. In case a customer pays only a part of the EMI payable during the Additional Specified Period, then such customer shall be treated as having availed of the moratorium. In this instance, the part EMI received shall be treated as an advance and the Additional Specified Period Interest shall be computed on the net amount outstanding. Such Additional Specified Period Interest shall also be added to the EMI and payable in accordance with **Clause 6** above.
9. In case of moratorium also, the Company will present NACH & PDC to respective customers' bank accounts. If the respective instrument is not honoured, the Company will not charge any penalties for any bounced PDC/NACH.
10. Customers having NACH and PDC as repayment options can stop the respective instrument by sending an email at info@berarfinance.com at least 5 (five) days prior to the EMI due date. Customers need to mention clearly their loan account number, full name and mobile number and the reason for such request in their mail.
11. Customers having repayment option other than through NACH and PDC can pay cash at any of the branch offices of the Company or directly in company's bank account or through online mode available at www.berarfinance.com.
12. This Policy 2 will be uploaded on the Company's website www.berarfinance.com.

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1. Moratorium will be granted automatically to all those accounts which are not classified as Non-Performing Accounts ("**NPA**") as on 29th February 2020.
2. Moratorium in respect of EMI payments will not be granted to accounts which have been classified as NPAs on 29th February 2020. List of Non Performing Accounts as on 29th February 2020 shall be uploaded on the Company's website www.berarfinance.com. Such customers shall need to pay EMI as usual on the respective EMI due dates.
3. Moratorium will not be available to loans which are sanctioned on and after 1st March 2020.
4. Moratorium will be granted for EMI repayments for the month of April 2020 and May 2020 ("**Specified Period**").
5. The loan tenure for customers who avail this moratorium facility will be increased by number of months for which moratorium has been granted.
6. The moratorium facility is only a deferment of the EMIs and hence interest for the Specified Period (hereinafter "**Specified Period Interest**") shall be payable on the outstanding amount. The rate of interest shall be the IRR rate contracted at the time of the grant of the loan and shall be calculated on a monthly compounded basis. The Specified Period Interest be added to the EMI payable for the month of June 2020 and the entire amount shall be payable in June 2020. If such Specified Period Interest is not paid in June 2020 then penal interest shall be charged at the rate applicable for the amount overdue as per the loan agreement. The amount of Specified Period Interest shall be communicated to the customer by way of an SMS to the mobile number of the customer registered with the Company.
7. A customer can opt to pay EMIs for the Specified Period even if such customer is eligible for moratorium. In such case the Company will not charge any Specified Period Interest. In case a customer pays the EMIs only for one of the two months during the Specified Period, then such customer shall be treated as having availed of the moratorium for a part of the Specified Period, and the procedure specified in **Clause 6** above shall be applicable for the period for which the moratorium was availed. Further, customers who have paid EMIs for the month of April 2020 & May 2020 in advance would be treated as if the moratorium has not been granted to them. No Specified Period Interest shall be charged to such customers.

8. In case a customer pays only a part of the EMI payable during the Specified Period, then such customer shall be treated as having availed of the moratorium. In this instance, the part EMI received shall be treated as an advance and the Specified Period Interest shall be computed on the net amount outstanding. Such Specified Period Interest shall also be added to the EMI and payable in accordance with **Clause 6** above.
9. In case of moratorium also, the Company will present NACH & PDC to respective customers' bank accounts. If the respective instrument is not honoured, the Company will not charge any penalties for any bounced PDC/NACH.
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