

THANVIR BROS. PVT. LTD.

Flat 43, 1st Floor, Palace Court, 1 Kyd Street
Kolkata 700016; Email: thanvirbros@gmail.com
CIN NO : U17125WB1984PTC038350

COVID 19 MORATORIUM POLICY

1. Introduction:

Thanvir Bros. Pvt. Ltd. is a private limited company, incorporated under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) U17226WB1984PTC038332 ("Thanvir"/"Company"/"NBFC"). Thanvir is a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company, registered and regulated by the Master Directions of Non-Banking Financial Company of RBI, as amended from time to time and such other rules, regulations, directions, circulars, notifications and orders issued in this regard from time to time ("RBI Directions").

Thanvir is into the business of offer of corporate, consumer and personal loans and Investments.

2. Objective

Reserve Bank of India (RBI) has issued circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 read with circular DOR No BP.BC.63/21.04.048/2019-20 dated April 17, 2020 ("RBI Initial Circulars") that directly addresses the stress in financial conditions caused by COVID-19. One of the policies was easing financial stress caused by COVID-19 disruptions by relaxing repayment pressures and improving access to working capital. In this area, RBI had, through the RBI Initial Circulars, permitted all lending institutions including NBFCs to grant a moratorium of 3 (three) months on payment of all instalments falling due between March 1, 2020 and May 31, 2020. RBI had permitted to shift the repayment schedules and all subsequent due dates, as also the tenor for such loans across the board by 3 (three) months. RBI had also asked all the lending institutions to put in place a Board approved policy for providing the reliefs mentioned in the RBI Initial Circulars to all eligible borrowers. Further, in terms of circular dated April 17, 2020, it had been added by RBI that in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms.

The period of moratorium has been further extended till August 31, 2020 by RBI vide circular no. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 ("RBI May Circular"). In view of the aforesaid and the RBI May Circular, the moratorium, in total, has been extended in tranches of 3 (three) months; each aggregating to 6 (six) months ending on August 31, 2020.

3. Purpose

In light of the RBI Initial Circulars and the RBI May Circular, the board of the Company ("Board") has framed and amended the following policy into a consolidated policy for providing the reliefs to all eligible borrowers ("Policy").

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4. Policy Features

1. Eligibility: All borrowers' accounts of the Company classified as Standard as on February 29, 2020 even if overdue. Provided all eligible customers wishing to avail the moratorium shall submit consent for (i) availing the moratorium, and (ii) the revised repayment schedule. The offer of moratorium and acceptance may be through any mode of communication including Email / SMS / Digital Document / Physical Document.
2. **Key Features:**
 1. The Company will give moratorium for the instalments falling due between March 1, 2020 and August 31, 2020 in respect of the term loans granted to its borrowers. Next instalment on all the term loans will fall due from September 1, 2020 onwards.
 2. The repayment schedule for such term loans will be shifted by 6 (six) months after the moratorium period and residual tenor of such term loans will increase by 6 (six) months. The Company shall revise the repayment schedule by setting new instalments in light of the additional 6 (six) months of tenor to maintain the same Internal rate of Return (IRR) on such term loans.
 3. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period at the contracted rate of interest, and shall be reckoned and payable over and above the revised instalments of such term loan.
 4. In the event that a borrower does not wish to avail the moratorium and continue with the original repayment schedule, such borrowers would continue without any change in repayment schedule.
 5. In cases where the Company acts as a lead generator of loans for other banks and non-banking financial companies and performs all functions in respect thereof (except for lending and decisions around lending), the Company as part of its responsibility will: (1) follow the moratorium policy as envisaged by the lender of such loans (in so far as it is compliant with extant regulations and guidelines of the RBI) including accrual of interest during the moratorium period, ending on August 31, 2020 and attaching of additional installment(s) as required for the collection of the accrued interest; (2) communicate the same promptly to the borrowers of such loans; and (3) implement the policy in the Loan Management system and all front end to customer reflecting the same.

5. Asset Classification

Since the moratorium is 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 under paragraph 2 of the Annex to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 ("Prudential Framework"). Consequently, such a measure, by itself, shall not result in asset classification downgrade for the purposes of RBI reporting as well as classification under Accounting Standards provisioning applicable to NBFCs. The asset classification of term loans which are granted relief as per this Policy shall be determined on the basis of revised due dates and the revised repayment schedule.

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6. Supervisory and Credit Bureau Reporting

The rescheduling of payments including interest and accrued interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies/Credit Bureaus (CICs) by the Company in line with RBI guidance. CICs are also expected to ensure that the actions taken by lending institutions pursuant to the above announcements do not adversely impact the credit history of the beneficiaries.

7. The Key Management personnel of the Company shall ensure that the above instructions are properly communicated regarding their implementation and customer updating.
8. Accelerated provisioning requirements as prescribed in RBI Initial Circular dated April 17, 2020 would be implemented in toto.