

# ADANI HOUSING FINANCE

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## COVID-19 RELATED RELIEFS

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March 30, 2020

**Adani Housing Finance Private Limited**

801 Shikhar Complex, Srimali Soc., Navrangpura, Ahmedabad- 380009



## **I. PREAMBLE**

The Reserve Bank of India (RBI) has issued the circular no. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 whereby certain regulatory measures were announced to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of businesses.

Accordingly, lending institutions including Non-Banking Finance Companies (NBFCs) (including housing finance companies) are permitted to grant a moratorium of three months on payment of instalments in respect of all term loans (including agricultural term loans, retail and crop loans) falling due between March 1, 2020 and May 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted by three months after the moratorium period. Interest shall continue to accrue on outstanding portion of the term loans during the moratorium period.

As advised by the RBI Circular, the Company has formulated this Policy for granting relief to certain categories of borrowers by mitigating the burden of debt servicing and the same has been approved by the Board of Directors of the Company by at its meeting held on 30<sup>th</sup> March, 2020.

## **II. OBJECTIVE OF THE POLICY**

This policy frames the guidelines and procedures to be followed by the management in granting a moratorium of three months for payment of instalments due between March 1, 2020 and May 31, 2020 to different categories of customers who have loans outstanding as of March 1, 2020.

## **III. PRINCIPLES OF THE POLICY:**



- **Period of moratorium:** - a moratorium of upto three months may be given for payment of all instalments i.e. (i) principal and/or interest components; (ii) bullet repayments; (iii) Equated Monthly instalments falling due between March 1, 2020 and May 31, 2020.
  
- **Type of loan(s) eligible for moratorium:** - All term loans granted by the Company to its customers and outstanding as on March 1, 2020. Accordingly, borrowers in the following categories shall be eligible to apply for moratorium under each segment:
  - Housing Loans and Loan Against Property.
  
- **Availing a moratorium benefit:** The Company plans to send SMS/ WhatsApp to all eligible regular customers (other than Structured Finance customers) and provide them an option to avail the moratorium benefit as per the RBI Circular. If customer(s) responds with "YES/ Y" the Company will provide the said benefit to respective customer(s). In case, a customer does not respond, the Company would assume that the Customer does not want to avail moratorium and accordingly present the cheques/NACH instruments on respective due date of instalment.
  
- In case of customer(s) have not responded to the Company's SMS / Whatsapp offer for availing the said benefit, but the cheques /NACH bounce on due date in April 2020, it shall be deemed that customer(s) wish to avail the moratorium and Company will communicate to them (via SMS/ WhatsApp or any other means) that they are being granted a moratorium period of 2 months together with the revised repayment schedule. Accordingly, necessary changes will be made in their loan account(s) and the Company will not present cheques / NACH of May 2020 instalment for payment.



- In case of customer(s), who have paid April 2020 instalment but the cheques / NACH is bounced on due date in May 2020, it shall be deemed that the customer(s) wish to avail moratorium in respect of instalment due in May 2020 for a period of 1 month. Accordingly, necessary changes will be made in their loan account(s).
- Since the moratorium is made available for instalments due from 1<sup>st</sup> March 2020, the Customers who have already bounced their cheques /NACH on due date in March 2020 and not paid their March 2020 instalment till date, it will be assumed that the Customer(s) want to avail moratorium for the entire available period of 3 months. The Company will communicate with them through SMS/ WhatsApp or other means that they will be granted moratorium benefit for all instalments falling due between March 1, 2020 and May 31, 2020.
- In case customer where moratorium is permitted, the Company shall shift the repayment schedule and residual tenor for such loans by the same period as the moratorium provided which in any event would not exceed three months. Interest shall continue to accrue on the outstanding portion of the term loan during moratorium period. Such interest would be recovered from the customer (s) either by way of increase in EMI amount for the balance period of loan or by way of additional amount in the last EMI.
- The Company will not charge default interest, cheque / NACH bounce charges or any other penal charges in respect of instalments where moratorium is granted.
- 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 Company.



- While the intent is to provide relief to all borrowers who may request a moratorium on account of Covid-19 disruption, the management may exercise its discretion with respect to not providing moratorium to customers or categories of customers who are overdue more than 30 days as on March 1, 2020 on the basis of an assessment whether the delay in payment is on account of business disruption due to Covid-19 pandemic or other pre-existing reasons. In any event, no moratorium can be provided on instalments that were due prior to March 1, 2020 and customers would be requested to clear these overdues at the earliest in their own interest.
- In case of Structured Finance customers, any request received for moratorium will be reviewed by the Credit and Investment Committee and approved on merits of each case by determining the extent of impact of the disruption caused on account of the Covid-19 pandemic and to ensure the continuity of viable businesses. Wherever the exposure of the Company is Rs 5 Crore or above as on March 1, 2020, the Company will develop an MIS on the reliefs provided to such borrowers including interalia borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.
- To ensure seamless implementation of this policy the Mr. Gaurav Gupta is being delegated powers to make further changes on processes and procedures as long as these within the framework provided by the RBI circular. The same can be delegated by the Mr. Gaurav Gupta to other management committee members for their individual customer segments.

#### **IV. Classification as SMA and NPA:**

- **Standard Loans as on March 1, 2020:**  
In case of standard term loans as of March 1, 2020, the SMA and asset classification of loans which are granted relief as per the policy above, shall



be determined on the basis of the revised due dates and revised repayment schedule.

- **NPA as on March 1, 2020**

The loan already classified as NPA shall continue with the same classification. However, if the Customer (s) is granted a moratorium for payment of instalments during the period March 1, 2020 to May 31, 2020 and a consequent rescheduling of instalments, there shall not be any further asset classification deterioration during the moratorium period.

This policy may be placed in the public domain as required in the RBI Notification. Further, the Mr. Gaurav Gupta and management committee members should ensure that the necessary instructions are properly and clearly communicated down the line to all relevant staff and arrangements made for smooth implementation. The Board should be kept advised of progress.

**NOTE:**

Once a customer approaches the Company with a request for moratorium, the Company will evaluate and if satisfied with the merits of the case, moratorium will be considered at the sole discretion of the Company.