



## Midland Microfin Limited

### Policy on granting moratorium on repayment due to COVID - 19

#### 1. Brief Background:

To address and mitigate the burden of Debt Servicing owing to the COVID-19 pandemic and to ensure continuity of viable businesses, RBI vide its Circular BP. BC47/21.04.048/2019-20 dated March 27, 2020 announced regulatory measures applicable to all banks, AFIs, NBFC, NBFC MFI, HFC.

#### 2. Scope:

This policy covers the guidelines and process of granting extra moratorium on loan repayment to our borrowers to tide over economic fallout from COVID-19.

#### 3. Applicability:

This policy will be applicable on all branches of Midland Microfin Limited.

#### 4. Repayment Period for granting moratorium:

Midland Microfin Limited shall be granting the moratorium for 5 installments falling from March 24, 2020 which may be extended upto May 31, 2020 as per the Policy of the Reserve Bank of India. The Managing Director is authorized to take the decision with regard to extension or prepone the grant of moratorium to the borrowers keeping in view the ongoing pandemic and RBI guidelines.

#### 5. Eligibility Criteria:

All borrowers of MML, who are undergoing stress and cash flow constraints owing to the current situation on account of COVID-19.

#### 6. Guidelines:

- Moratorium shall be granted to every borrower.
- All those borrowers who want to repay the loan as per the original schedule shall repay the loan to avoid accrued interest for the moratorium period after getting the declaration from the borrowers for the opt out option.
- Tenure of loan shall be extended to maximum 70 days after the request of borrower for availing the moratorium facility.
- All terms and conditions of the loan shall be remained same.
- During moratorium, Interest shall continue to accrue and the same will be received with the very first instalment falling after the moratorium period.

- Extra Insurance premium amount has to be borne by the borrower. It will be collected as upfront during the very first repayment after the moratorium period.
- Fresh Loan Passbook will be given to the borrowers incorporating the total Insurance premium paid and update tenure of loan.
- The asset classification of loan which are granted relief above shall be determined on the basis of revised due dates and the revised repayment schedule.
- It is to reiterate that MML is not charging any penal interest from the borrower.

### **7. Reporting to Credit Information Companies (CICs)**

- The asset classification of term loans which are granted relief shall be determined on the basis of revised due dates and the revised repayment schedule.
- 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).

### **8. Review**

The Managing Director is authorized to review any term and condition of the policy keeping in view the ongoing situation prevalent in each geography and in accordance with the guidelines of Reserve Bank of India, State Government, Central Government and District Administration.