



Thursday April 2, 2020

Ref. No. CIFL/BSE-01/2020-21

To,
The Manager-Listing,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

Ref: Scrip Code – BSE -530879

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time ("SEBI LODR"), we wish to inform that the Board of Directors of Capital India Finance Limited ("Company") has on April 1, 2020 approved and adopted the 'Policy on Moratorium of Instalments under COVID-19 RBI Regulatory Package' in compliance with the circular *vide* no.: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 issued by Reserve Bank of India.

A copy of the policy is enclosed herewith as "Annexure – A".

Kindly take the above information on record and oblige.

Thanking you,

For Capital India Finance Limited

Rachit Malhotra
Company Secretary & Compliance Officer
Membership No.: A39894

Enclosed: as above

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CAPITALINDIA

Rediscover Business

Policy

On

Moratorium of Installments Under COVID-19 RBI Regulatory Package

CAPITAL INDIA FINANCE LIMITED (CIFL)

Document Version	Ver. 1.0
Approval Date	April 1, 2020
Prepared and Owned by	Risk Team
Approved by	Board

1. Introduction

- 1.1 The World Health Organization (“WHO”) on March 11, 2020 has declared Corona virus (“COVID-19”) a pandemic, which has affected over half a million people in several countries and territories around the world with the sustained risk of further global spread. The virus infects people easily and spreads from person to person in an efficient and sustained way in multiple regions. The declaration refers to the spread of a disease, rather than the severity of the illness it causes.
- 1.2 With a view to arrest the spread of the virus by breaking its cycle of transmission at a large scale and pace, the Government of India (“GOI”) has announced a nationwide lockdown beginning March 24, 2020 for a period of 21 days, subject to monitoring of the measures taken by the Ministry of Home Affairs, from time to time. The lockdown restricts people from stepping out of their homes, shutdown of transport services – road, rail and air (with exceptions for public safety, emergency and essential services) and suspension of services of educational institutions, industrial establishments and hospitality services.
- 1.3 To mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and resultant nationwide lockdown, the Reserve Bank of India (“RBI”) vide its circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 (“RBI Circular”) announced COVID-19 Regulatory Package (“RBI Package”) where inter-alia certain regulatory measures were announced.
- 1.4 The RBI Package stipulates that each applicable organization should frame suitable Board approved policies for providing the reliefs set out under the RBI Package to eligible borrowers. The Credit Policy Framework of Capital India Finance Ltd (“CIFL”), as approved by the Board, stands amended appropriately to factor in the regulatory measures announced by RBI under the RBI Package which has become effective from the date of the said RBI Circular. Any further announcements / revisions / clarifications to the RBI Package, applicable to CIFL, shall be deemed to be suitably incorporated / amended in the Credit Policy Framework.
- 1.5 This policy (hereafter referred to as “the policy”) is applicable to all loans of CIFL and may be required to be revised on the basis of additional RBI notifications/amendments.

2. Purpose of this document:

This document explains in detail the RBI Package measures and the relief to be provided by CIFL in compliance with the said RBI Package. The detailed RBI Circular is provided as annexure to this document.

3. The RBI Package and its adoption (As applicable for CIFL)

3.1. Applicability

All lending institutions including commercial banks including regional rural banks, small finance banks and local area banks, co-operative banks, all-India Financial Institutions and NBFCs (including housing finance companies and micro-finance institutions) are permitted to grant relief under the RBI Package.

3.2. Type of facilities covered

All term loans including agricultural term loans, retail and crop term loans are covered. This means home loans, personal loans, education loans, auto and any other loans, such as bill discounting, etc., which have a fixed tenure may also be covered. They also include consumer durable loans such as EMIs on mobiles, fridge, TV, etc.

3.3. Deferment of Installments and Guidelines

- (a) A moratorium of 3 (three) months on payment of term loan installments falling due between March 1, 2020 and May 31, 2020. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.
- (b) Installments shall include principal and /or interest components / bullet repayments / equated monthly installments / Credit card dues.
- (c) The repayment schedule for such term loans as also the residual tenor will be shifted across the board by three months after the moratorium period.
- (d) In working capital facilities sanctioned such as Overdraft / Cash credit facility ("**OD/CC**"), lending institutions are permitted to defer the recovery of interest during the period from March 1, 2020 up to May 31,2020. The accumulated interest shall be recovered immediately after the completion of the period.
- (e) Moratorium/deferment/recalculation of drawing power in case of OD/CC is being provided to borrower considering current economic disruptions to help them to recover from it and shall be not be counted as concessions or change in terms of loan agreements due to financial difficulty as detailed out in RBI circular dated 7th June 2019 (Prudential Framework for Resolution of Stressed Assets).
- (f) Such benefit shall not result into asset downgrade and asset classification shall be done basis revised due dates and repayment schedule.
- (g) Further, rescheduling of interest/principal will not qualify as default for the purpose of reporting to Credit Information Companies (CIC).

4. CIFL Approach and Recommendations

- 4.1. Our portfolio consists of term loans to sectors spanning across & Hospitality, SME, Structured Finance, Real Estate, LAP, Bill Discounting and Retail credit. Our entire portfolio is eligible for seeking the payment moratorium and other reliefs set out under the RBI Package.
- 4.2. The payment moratorium shall be granted upon receipt of a specific request from the borrower. The credit team of CIFL shall consider each request in line with the RBI Circular and the parameters set out under this Policy to determine whether to grant such payment moratorium to the borrower or not.

- 4.3. Any payment moratorium granted by CIFL in line with this Policy shall strictly be limited to the installments falling due between March 01, 2020 to May 30, 2020, and any installment pertaining to a period prior to March 01, 2020, will not be considered for any relief.
- 4.4. Interest shall continue to accrue during the moratorium period at the same rate as contracted for the respective loan, in accordance with the terms of the facility documents.
- 4.5. The accrued / accumulated interest may be recovered either at the end of the 3 months period or may be amortized and added to the Principal during the period of loan at the discretion of CIFL. Such proposal shall be approved by the Chief Executive Officer ("**CEO**") or Managing Director ("**MD**") on case to case basis.
- 4.6. Repayment schedule of such loan shall be extended by 3 months and revised schedule shall be communicated to the borrower.
- 4.7. Operations Team shall develop and maintain an MIS on the relief provided to such borrowers covering details like borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.
- 4.8. For Borrowers who have paid installments in March 2020, relief shall be provided to them for the months of April and May 2020 only.
- 4.9. Asset classification of loans which have been granted relief shall be determined basis of revised due dates and accordingly, provisioning of SMA-0 / SMA-1 / SMA-2 / NPA accounts and reporting to CIC shall be made considering revised due dates.
- 4.10. Additional legal documents, undertakings and other conditions as may be required by legal and credit team of CIFL to be complied with by the borrowers for effectiveness of any payment moratorium / relief granted in line with this policy.
- 4.11. Any deviations to this policy which are not in contravention of RBI Circular, shall be approved by CEO or MD.

6 Compliance of this Policy

The senior management shall create awareness about this policy among its employees for effective implementation and provision of relief to all the eligible borrowers.

7 Review

This policy shall be reviewed at the end of 3 (Three) months from the date of this policy or at such earlier intervals as deemed appropriate based on further announcements by the RBI on the subject matter.