

ESS KAY FINCORP LIMITED

POLICY ON MORATORIUM ON TERM LOANS

Ess Kay Fincorp Limited (hereinafter referred as ‘the **Company**’ / **Ess Kay**) recognizes its role as a responsible corporate citizen and endeavors to adopt the best measures to support the government in this tough time of COVID-19 pandemic.

This Policy deals with key issues arising out of the circular on the COVID-19 Regulatory Package (hereinafter referred as “**RBI COVID-19 Circular**”) issued by the Reserve Bank of India (RBI) pursuant to its Statement on Development and Regulatory Policies’ announced on March 27, 2020. The intent of the RBI COVID-19 Circular is to provide relief to the borrowers facing disruption due to COVID-19 pandemic as well as ensure continuity of viable businesses.

The widespread COVID-19 pandemic which has resulted in country-wide lock down, has caused significant earning stress for a significant population for the time being. Majority of the individuals, including Company borrower, may see stress in cashflows in the months to come. Hence it is proposed to provide the up-to three months moratorium dispensation on payment of instalments as recommended by the RBI.

We are happy to provide up-to three months moratorium facility to our customers having loan outstanding on March 01, 2020 across all product segment, and whether their account being standard or otherwise. Further, if Esskay is unable to reach any of its borrower during its outreach by any means adopted to seek concurrence for availment of option of moratorium by them, then in such a scenario it would be considered as deemed acceptance at the end of borrower to avail moratorium as a mark of our solidarity towards our borrower and based on presumption that they must be going through undue hardship. The tenor of the Term Loans will get extended by moratorium period without the change in amount of EMI. To apply for moratorium the customer has to submit his request to the company. we will activate the moratorium for the unpaid EMI of March 2020 if any, and for EMI of April and May 2020.

During the moratorium period interest shall continue to accrue and charged to the customer but customer has either of the following two options to pay:

- Customer shall pay the interest of moratorium period along with next EMI due in the month of June 2020, **OR**
- Interest accrued for the moratorium period will be added to the loan outstanding and the repayment schedule shall be redrawn in such a manner that the EMI amount and IRR for the company remains the same and recovery is done by extending his tenor to the extent required.

Interest accrued for the period of moratorium will be charged at the same rate as contracted for the respective loan.

There will be no moratorium for overdues prior to March 01, 2020. Hence in case customer has any overdue instalments and/ or other dues pertaining to the loan repayment prior to 1st March 2020, The customer will have to pay such overdues immediately, to avoid normal penal charges and reporting to bureau.

Managing Director / COO and Chief Finance officer (CFO) is authorised to approve any operational procedures/guidelines as may be required to implement the policy and make any changes to the policy in line with the directions/guidelines/clarification issued by RBI from time to time if required, However, if any structural changes ought to be done to the policy on account of revisions to RBI guidelines, approval of the BoD will have to be sought for such structural changes. This policy is presented to the Board of Directors on the 31st of March 2020 for its approval.

Once a customer approaches Esskay with a request for moratorium, it will be at the sole discretion of Esskay to accept or reject the request.