

**MANAGING COMMITTEE
2020-2021**

PRESIDENT
Deepak Goradia

IMMEDIATE PAST PRESIDENT
Nayan A. Shah

PRESIDENT-ELECT
Boman Iranl

SR. VICE PRESIDENTS
Harish Patel
Nainesh Shah
Domnic Romell
Bandish Ajmera

VICE PRESIDENTS
Sukhranj Nahar
Jayesh Shah
Ajay Ashar

HON. SECRETARY
Pritam Chivukula

TREASURER
Munish Doshi

SPECIAL PROJECTS
Parag Munot
Sandeep Raheja
Navin Makhija
Rakesh Kanakia
Shahid Balwa
Subodh Runwal

HON. JT. SECRETARIES
Shailesh G. Puranik
Dhaval Ajmera
Pratik Patel

JT. TREASURERS
Mukesh Patel
Tejas Vyas

CO-ORDINATORS
Nayan Bheda
Rajesh Prajapati
Dr. Harshul Savla

COMMITTEE MEMBERS
Gautam Ahuja
Deepak Gundecha

INVITEE MEMBERS
Shailesh Sanghvi
Sachin Mirani
Nikunj Sanghavi
Rajeev Jain
Shyamal Mody
Digant Parekh
Rushank Shah
Samyag Shah
Jayesh C. Shah
Sunny Bijlani
Sahil Parikh
Naman Shah
Ricardo Romell
Binitha Dalal

PAST PRESIDENTS
Mayur Shah
Dharmesh Jain
Vyomesh Shah
Paras Gundecha
Pravin Doshi
Mohan Deshmukh
Mofatraj Munot
Rajnikant Ajmera
Late G. L. Raheja
Late Lalit Gandhi
Late Babubhai Majethia

CREDAI-MCHI UNITS

PRESIDENT, THANE
Ajay Ashar

PRESIDENT, KALYAN DOMBIVLI
Shrikant Shitole

PRESIDENT, MIRA VIRAR CITY
Ashit Shah

PRESIDENT, RAIGAD
Kiran Bagad

PRESIDENT, NAVI MUMBAI
Vijay Lakhani

Ref. No. MCHI/PRES/20-21/072

December 8, 2020

To,
Shri Shaktikanta Das (I.A.S.)
Hon'ble Governor,
Reserve Bank of India,
Central Office Building 18th Floor,
Shahid Bhagat Singh Road,
Mumbai-400 001.



Subject: Implementation of 6 months Covid Moratorium as per RBI guideline

Respected Sir,

Reference is invited to RBI Circular dated 27.3.20 and 23.5.20 permitting shifting of repayment schedule of loans, by shifting of residual tenor across the Board by 6 months.

However, the implementation of the same has not been uniform across Banks/NBFCs/HFCs. While at least one of the large HFC in the country, one large PSU Bank, and a leading NBFC have given effect of above RBI circular by following it in letter and spirit, others have not effected shift in residual tenor, thus leading to inconsistency in implementation across Banking Universe. **We at CREDAI-MCHI believe that without shift in residual Tenor of the Loan across the board for the period of (6 months) moratorium, the objective of the RBI Circular has not been achieved and undue stress is being caused to borrowers and risk to the balance sheets of lenders.**

To illustrate:

- **Scenario-1:** Banks/HFCs/NBFCs (including banks such as State Bank of India, Bank of Baroda, Union Bank of India, Punjab and Sind Bank, Bank of Maharashtra, IDBI Bank), have not given any shift of residual tenor by 6 months and have given moratorium in repayment only for the repayment that was due during the period from March-September 2020. Institutions such as IFCI Ltd also have not given appropriate moratorium on Corporate Term Loans and have sought to recover accrued interest during the 6 months' moratorium period (of March to August 2020) during the period from September 2020 to February 2021.

For example, if a loan account has repayment commenced in October 2020, no shift of such repayment schedule/ residual tenor has been effected. This we believe is in contradiction to permission granted by RBI and does not achieve the purpose of Covid moratorium circular issued by your Institution. On discussions with Banks by our constituents, they have been informed that the respective Boards have approved such treatment, which we are unable to appreciate the variance of a Policy treatment from Bank to Bank.

- **Scenario-2:** At least one of the large HFC in the country, one large PSU Bank, and an NBFC have actually given shift in repayment schedule by shifting the residual tenor as permitted under the RBI guideline. For example, assuming the loan repayment commenced in October 2020, the same has been shifted to April 2021, by increasing the residual Tenor of the Loan by 6 months. This we believe achieves the objective of your Circular both in letter and spirit.

With the Government's directive to help real estate sector, which in turn leads to employment generation, it is imperative that the RBI's directions are clearly followed. Further, by shifting of repayment schedule, there is no loss to the lender since interest is paid for entire period and the risk of delay in repayment is reduced, in turn reducing risk of NPA. We request you to consider the above issue and advise Banks to take a considerate view and give effect to the Moratorium treatment in letter and spirit of RBI circular (as per Scenario 2)

Thanking you,

Yours Faithfully,
For CREDAI-MCHI



Deepak Goradia
President



Pritam Chivukula
Hon. Secretary

CC

Shri Debashish Panda,
Secretary, Department of Financial Services
Ministry of Finance
3rd Floor, Jeevan Deep Building
Sansad Marg
New Delhi-110001

By Email of. Cowriter