

**COVID-19 MORATORIUM POLICY OF
UC INCLUSIVE CREDIT PRIVATE LIMITED (“UCIC”)**

Brief Background:

In the scenario of lockdown across the country to contain the spread of pandemic Coronavirus (COVID-19), RBI has through its circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20; titled “COVID-19 – Regulatory Package (Revised)”, dated March 27, 2020 issued guidelines to all the prescribed lending institutions to consider providing relief for businesses disrupted by COVID-19, based on a board approved framework.

A. Relief provided by RBI in the circular:

RBI, vide its above circular has advised that Banks and NBFCs may consider allowing a one-time re-schedulement of payments by way of:

a) Rescheduling of Payments – Term Loans:

Banks and NBFCs may grant a moratorium of three months on payment of instalment (including principal and/or interest payments, bullet repayments, Equated Monthly instalments) 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 of three months. It is to be noted that in cases where moratorium has been provided to borrowers, the interest shall continue to accrue on the outstanding portion of the term loans at the documented rates. Borrowers will also not be charged penal interest, delayed payment charges for payments rescheduled during this moratorium period

b) Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

The account shall not be subjected to asset classification downgrade owing to moratorium provided and neither would be reported as SMA/ NPA.

B. Policy Implementation:

This policy shall be implemented for the borrowers of UCIC (“Lender”) in the manner as detailed below:

- 1. Eligible loans – All loans outstanding to borrowers of UCIC and where Borrowers have specifically requested for the relief, except the ones enlisted in point B(2).**
- 2. Accounts Not Eligible for the relief**
 - a) The Loan accounts which are not standard as on March 1, 2020;
 - b) Accounts involving willful default, fraud and malfeasance;
 - c) Accounts where required data has not been furnished.
- 3. Moratorium action undertaken by UCIC:**
 - a) UCIC to offer one-month moratorium of principal repayment obligation and/or payment of interest obligation falling due for payment between May 1, 2020 to May 31, 2020 to those Borrowers who have requested for it and based on the credit assessment of such Borrowers. Such proposals shall be assessed on a case-to-case basis.
 - b) In case of payment of interest by Borrowers, and moratorium on principal repayment, the

terminal date of repayment schedule shall, at the most, get extended by a further period of one month. In case of those Borrowers desirous of maintaining the terminal date, the EMI amounts will accordingly be reworked. UCIC shall advise such Borrowers, regarding revision in repayment schedule, by way of a separate communication.

4. **Account Classification** – Accounts granted relief under this policy will not result in a downgrade in the asset classification.
5. **Reporting to Credit information agencies and/or supervisory purposes** – The rescheduling of payments, including interest, will not qualify as a default. Reporting to credit information agencies and/or for supervisory purposes will be based on the revised repayment schedule.
6. **Interest during the moratorium period** - Interest will accrue on the outstanding facility amount at the agreed rate during the applicable moratorium period and will be collected as per the revised re-payment schedule
7. **Default charges – During this period, UCIC shall not** levy any overdue/default interest on the instalments, to Borrowers who have been granted this relief, during this moratorium period.
8. **Internal MIS**– In line with the COVID-19 – Regulatory Package (Revised), the company will develop and maintain MIS on the relief provided to its borrowers including borrower wise, credit facility, sector wise information regarding the nature and amount of relief provided.
9. **Monitoring of rescheduled loans** – The company will enhance the level of monitoring on rescheduled loans to fortnightly frequency to facilitate prompt initiation of preventive and corrective actions in case of further deterioration in the credit profile of the borrowers.

Those borrowers who are impacted by the pandemic resulting in one or more of the following indicative difficulties: a.) cancellation or deferment of orders, b.) shutdown of facilities c.) non-availability of manpower to carry out manufacturing or delivery of service or completion of sale, d.) non-realization of receivables or elongation of realization period of receivables, will be eligible for requesting relief under this policy. The relief will be granted subject to furnishing of required information by Borrowers and their credit assessment. This will be in accordance with the guidance provided by the RBI.