



Uni-Com Fincorp Private Limited

Policy on Providing Relief to Borrowers Impacted By COVID-19 Pandemic

1) Scope and Objective

Our NBFC deeply cares for its borrowers. Many of our borrowers' cash-flow and earnings may have been impacted because of COVID-19 crisis and on account of overall impact to the economy due to the lock-down imposed by the Government and the resultant restrictions on the movement of people, goods and resources. Thus the aim of this Policy is to extend relief to our borrowers based on permissions received as per RBI Guideline on COVID-19 – Regulatory Package dated March 27, 2020.

2) RBI Policy Action: COVID-19 - Regulatory Package

a) RBI vide circular issued on March 27, 2020 has advised certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure continuity of viable businesses.

b) Key highlights of the advisory are as follows.

- i. Lending institutions have been permitted to allow a moratorium of three months. Neither is it an instruction by the RBI to the lenders, nor is it a leeway granted by the RBI to the borrowers to delay or defer the repayment of the loans. Hence, the moratorium will have to be granted by the lending institution to the borrowers.
- ii. The lenders are permitted to grant a moratorium of up to three months on payment of any or all installments falling due between March 1, 2020 and May 31, 2020.
- iii. Installments permitted for moratorium will include payments falling due from March 1, 2020 to May 31, 2020 in the form of principal and/ or interest components i.e. Equated Monthly Installments.
- iv. Lending Institutions can use their own discretion to allow a moratorium of up to three months. It is not necessary to provide a moratorium of three months - it may be less than three months as well.
- v. The moratorium is essentially a “pause” in contracted repayment obligations, however the interest will accrue and be payable by the customer.
- vi. This relief shall be available in respect of all such changes effected up to May 31, 2020 and shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19.

3) Uni-Com Fincorp's Approach

Our NBFC deeply cares for its borrowers and understands the difficulties borrowers are facing because of the COVID-19 crisis. Hence we propose to provide the benefit of moratorium to borrowers who seek the same as per terms detailed in this note. Basis the above RBI guidelines, the policy adopted by Board of Uni-com Fincorp Pvt Ltd in this matter are as follows:

- a) All borrowers who have availed of "instalment" loan such as Construction loans, loan against property, two wheeler loans, business loans prior to April 1, 2020 are eligible. Borrowers are advised that opting for the moratorium will result in interest being charged on the outstanding loan amount during the period of moratorium as well as the extended tenor of their loan or Increase EMI Amount and hence borrowers should avail it only if they are unable to service their loan.
- b) Under this policy the NBFC may allow a moratorium of up to three months on payment of instalments¹.
- c) Interest shall continue to accrue on the outstanding portion of such term loan during the moratorium period at the same rate as contracted for the respective loan.
- d) The NBFC will present the post-dated cheques / ECS or NACH mandates, debit customer account, etc., provided by the borrowers for collection on the respective due dates. In case the instalment is cleared by way of the instrument provided by the customer and presented by the NBFC, then no refund will be issued. Moratorium if any will only be provided for subsequent installment(s) on request of the customer.
- e) Borrowers who wish to avail moratorium should give intimation Via SMS or update on our official website at **www.unicom-fincorp.com** or email us at **info@unicom-fincorp.com**, quoting the Loan account number. The Company's official shall seek consent of the Borrower who does not want to avail the moratorium.
- f) Moratorium benefits include:
 - i. Deferment for paying installments for up to 3 months.
 - ii. Not reporting to bureaus as defaulter during the moratorium period.
 - iii. No penal and bounce charges for installments pertaining to the moratorium period.
- g) Borrowers having overdues prior to March 1, 2020 are not eligible for the said scheme and such requests shall not be considered by the NBFC. In case borrowers have overdues for period prior to March 1, 2020 and do not pay the same, then the NBFC will have to report the customer's default to credit bureaus which will affect the customer negatively as the customer's credit scores will get affected. Further, the NBFC may have to incur credit losses for such NPA cases, if dues prior to March 1 2020 are not collected. Hence the NBFC will call borrowers and make normal collection efforts to regularise overdues prior to March 1, 2020 as

there is no moratorium applicable to overdues pertaining to period prior to March 1, 2020 as per the regulations.

- h) The repayment schedule for such retail installment loans that have been provided moratorium benefits will be restructured to recover the deferred installments, along with applicable interest. The interest accrued would be added to the principal.
- i) No penal or bounce cheque charges would be levied for borrower granted moratorium / relief under the policy during the moratorium period.
- j) In case the borrower wants to make payment of installment in spite of seeking moratorium, the said installment shall be accounted for as advance payment and no prepayment charges would be applicable. Interest for such payment shall be accordingly adjusted from total interest payable by the borrower.

4) **Criteria that may be considered for providing above mentioned relief**

All the borrowers are eligible for the abovementioned relief except the borrowers having overdues prior to March 1, 2020 are not eligible for the said scheme.

5) **Other applicable conditions**

- a) The NBFC would provide separate terms and conditions for different types of loan. Other credit conditions in the sanction letters already issued would remain unchanged.
- b) In respect of reliefs granted under this policy, requisite documentation may be taken by the NBFC, including through electronic form.
- c) If borrowers have already paid their instalments or serviced their interest for March 2020, such borrowers can avail moratorium for instalments falling due in April and May 2020.
- d) The borrower should not be under IBC proceedings or have been classified as wilful defaulter/ RFA/ Fraud by any NBFC or financial institution.
- e) The moratorium/deferment granted to borrowers will not qualify as default on the part of borrowers for the purposes of supervisory reporting and for reporting to credit information companies (CICs).
- f) The relief given as above as per the special dispensation given by RBI will not result in any downgrade of asset classification. However, if there is an existing default like interest/ principal due up to February 29, 2020, asset classification and provisioning norms of the NBFC will apply.
- g) While this policy outlines the broad internal guidance that the NBFC will follow to take decisions regarding moratorium, the NBFC retains the discretion to change the policy from time to time and announce it appropriately on its website.

- h) The Managing Director/ Executive Director may review the policy depending upon the situation from time to time and may also alter the terms of this policy depending upon case to case basis.

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