

Ambit Finvest Private Limited

Policy on Moratorium – COVID 19

Version	Document Owner*	Approval	Version Description	Regulatory Reference
I	Jatin Mandalia (SF Operations) & Shiv Shankar Chatterjee (Credit)	Board Meeting - 03.04.2020	Formation of the Policy	RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20- COVID19 Regulatory Package
II	Jatin Mandalia (SF Operations) & Shiv Shankar Chatterjee (Credit)	Board Meeting - 24.06.2020	Regulatory Updates	RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 -COVID19 Regulatory Package

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1. Background and Objective

Ambit Finvest Private Limited (hereafter referred to as 'AFPL') is a private limited company incorporated under the provisions of the Companies Act, 1956 and is a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company, registered with the Reserve Bank of India.

In the wake continued and intensified disruption on account of COVID-19 Pandemic, the Reserve Bank of India further announced certain measures vide Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27 in the continuation of the previous Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 by relaxing repayment pressures to mitigate the burden of debt servicing and the consequent asset classification and provisioning norms. The measures will further prevent the transmission of financial stress to the real economy, and ensure the continuity of viable businesses and households.

All lending institutions are required to frame Board approved policies for providing the moratorium relief to all eligible borrowers and disclose this in public domain. Accordingly, Ambit Finvest Private Limited (AFPL) has formulated a policy for this purpose in continuation to the Policy on Moratorium dated April 3, 2020 as outlined below. This policy shall be valid up to August 31, 2020 or further period as may be extended by RBI.

2. Eligible Borrowers under the Policy:

NBFCs are permitted to extend the period of moratorium of all term loans (including agricultural term loans, retail and crop loans) from earlier three months beginning March 1, 2020 till May 31, 2020 to another three months till August 31, 2020 on payment of all instalments/interest in respect of terms loans. The repayment schedule for such loans as also the residual tenure, will be accordingly shifted to the extent of the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period at the contracted rate. Accordingly, AFPL seeks to provide relief under the policy to borrowers as under:

- Borrower/s having loans outstanding with AFPL as on March 1, 2020.
- Borrowers who were classified as NPAs as of December 31, 2019 and have not made any payment since then, willful defaulters or where the borrower or promoter has been declared as a fraud by AFPL or any other lender will not be eligible for moratorium under this policy.

3. Moratorium Criteria & Methodology

AFPL may lay down specific conditions for granting the above relief to its borrowers. In respect of concessions/reliefs granted under this policy, requisite documentation may be taken by AFPL, including documentation in electronic form.

3.1. SME Division

AFPL may provide moratorium of up to 3 months towards the repayment of instalments falling due from June 1, 2020 to August 31, 2020 pertaining to term loans on need basis where the borrower has been impacted by the Covid-19 related disruption as per the following process: -

- Borrower/s interested in availing moratorium relief should send a request to AFPL from their registered email ID to "info.retail@ambit.co". In case they are unable to send an e-mail, they can contact AFPL representatives and make a request. Electronic requests such as SMS/Voice/Digital Documents etc. would be accepted.
- If the EMI falling due after June 1, 2020 has already been paid, then the borrower will be eligible for moratorium of 2 months for EMIs falling due in July and August. If the instalment for June has not been paid, AFPL will assume that the borrower has opted for availing a moratorium for that instalment.
- AFPL may not provide a moratorium or provide a moratorium for a reduced period for a category of, or individual, borrowers, where the debt servicing ability and the continuity of the business is not significantly impacted by Covid-19 disruption. AFPL may also impose other conditions that are considered prudent where the moratorium is granted.
- Interest accrued during the moratorium period would be capitalized in the loan amount. The residual tenor of the loan would be shifted by the moratorium period and the capitalized interest accrued in the moratorium period collected by way of increased EMI

or an increase in the residual tenure, as decided by AFPL's SME Committee. The revised repayment schedule would be communicated to the borrower.

3.2. Structured Finance Division

Moratorium would be granted based on a written request from the borrower where considered necessary, on a case by cases basis, to mitigate the burden of debt servicing brought about by Covid-19 related disruptions and to ensure the continuity of viable businesses. Based on this assessment, AFPL may offer a moratorium for one or more of the principal/interest instalments falling due in the period from June 1 to August 31, 2020 and accordingly shift the repayment schedule and residual tenure of the loan by the same period.

Wherever the exposure to a borrower is ₹ 5 crore or above as on March 1, 2020, AFPL shall develop an MIS on the reliefs provided to its borrowers which shall *inter alia* include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.

4. Interest & Penal Charges

For the loans where moratorium is granted, interest and penal charges will be calculated in the following manner-

- Interest will continue to accrue on the outstanding portion of loan;
- No penalty and charges will be levied for the moratorium granted in respect of interest / installment granted to the borrower under this policy;
- The tenor of the loan will get accordingly extended as outlined above;
- The next instalment/EMI shall fall due in month of September 2020;
- No moratorium will be provided on the EMI/instalments which were unpaid as of February 29, 2020. These will continue to accrue interest and charges at penal rates as provided in the respective loan agreements.

5. Asset Classification

Since the moratorium is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19 pandemic, the same will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower under paragraph 2 of the Annex to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 (“Prudential Framework”). Consequently, such a measure, by itself, shall not result in asset classification downgrade.

- The asset classification of accounts and the provisioning thereon shall be done on the basis of the revised repayment schedule;
- The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs);
- If there is an existing default on interest/principal up to February 29, 2020, usual asset classification and provisioning norms will apply. Normal collection and legal processes for such past due loans will continue.

6. Classification of Special Mention Account (SMA) and Non-Performing Asset (NPA):

Since the moratorium is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, the same will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower under paragraph 2 of the Annex to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019. Consequently, such a measure, shall not result in asset classification downgrade.

7. Review and amendment:

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by the Reserve Bank of India, that is not consistent with the provisions laid down under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the provisions hereunder and this Policy shall automatically stand amended accordingly to that extent effective from the date as specified under such amendment(s), clarification(s), circular(s) and guideline(s).

Such amendments shall be brought to the attention of the **Operation Committee and Board of Directors** at its meeting held thereafter. The Company reserves the right to amend or modify

this policy in whole or in part, at any time, without assigning any reason whatsoever. The **Operation** Committee of the Board is authorised to do all the such acts, things and deeds required to be implemented under this Policy.

All other provisions of Policy on Moratorium dated April 3,2020 and the contents of this Policy shall remain applicable mutatis mutandis.

Disclosure:

This policy shall be uploaded on the website of the Company.

Mechanism to Avail Moratorium

Dear Customer,

"In terms of RBI COVID-19 regulatory package, as a measure of relief to customer, Ambit Finvest Private Limited ("**The Company**") has modified existing Moratorium Policy to allow deferment of EMI (equated monthly instalment) payments on loans for further three months till August 31, 2020 as the economy grapples with Covid-19.

The Company's all loan products will be covered under this Moratorium Policy. The Company shall have exclusive discretion in deciding on the moratorium request as per its Moratorium Policy as available on the website of the Company. In case you wish to avail/ extend the moratorium period on your loan facility, please write to us from your registered email id at the following:

- 1) info.retail@ambit.co for SME Finance products quoting your Loan Account Number "**LAN**"
- 2) contactus@ambit.co for Structured Finance products

We shall consider your request as per our Moratorium Policy uploaded on our website. Please note the following:

- Interest will continue to accrue on the outstanding loan amount during the period of moratorium as well as the extended tenure of your loan.
- Outstanding interest amount of your loan account during this period of moratorium will be capitalised i.e. added to your outstanding principal amount and in order to keep your instalment at the current level, the tenure of your loan will be increased accordingly.
- While your Equated Monthly Installment (EMI) amount shall remain the same, the amount of your loan will increase due to extension of the tenor of your loan
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We encourage you to stay indoors, stay safe and healthy. Assuring you of the best services at all times.