



CASPIAN IMPACT INVESTMENTS PVT LTD

COVID-19 Moratorium Policy

Current Version No.: 2.0

Current Version Approval Date: 27-May-2020

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Please refer to Annexure I for summary of previous version changes

This document provides the guidelines and the process for offering onetime relief for business disrupted by COVID-19 pandemic.

COVID-19 MORATORIUM POLICY

Brief Background:

Under the COVID 19 – Regulatory package released by Reserve Bank of India (RBI) dated March 27, 2020, the RBI has *permitted* lenders to provide relief for businesses disrupted by COVID-19, based on a board approved framework. Pursuant to a new notification by the RBI published on 23 May 2020, the RBI has extended this policy for another block of 3 months starting 1 June 2020 to 31 August 2020.

A. Relief provided by RBI in the circular:

RBI has enabled banks and NBFCs to allow a one-time re-schedulement of payments by way of:

- a) Moratorium of upto three months on payment of all term loan instalments falling due upto May 31, 2020. Instalments include all principal and interest payments, bullet repayments, EMIs, and credit card dues falling due between these dates. The repayment schedule for such loans as also the residual tenor, will be shifted across the board by three months after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. Pursuant to the notification from the RBI on 23 May 2020, RBI has enabled banks and NBFCs to allow a one-time re-schedulement of payments by way of moratorium of upto three months on payment of all term loan instalments falling due up to August 31, 2020.
- b) This also will not qualify as a default for reporting to Credit Information Companies and also under supervisory reporting.

B. Policy Applicability:

This policy is applicable to the borrowers of Caspian Impact Investments Private Limited (“Lender”) as per the following framework:

- 1. Eligible Loans** – Loans Outstanding to Borrowers impacted by COVID-19 pandemic, where the pandemic has resulted in an impairment of business viability, as assessed by the lender. Such borrowers shall exclude the companies listed in 2.
- 2. Accounts Not Eligible for relief**
 - a) Accounts that are not standard as on March 1, 2020.
 - b) Accounts involving wilful default, fraud and malfeasance.
- 3. Rescheduling the payments** - In respect of the Eligible Loans (including structured loans for financing receivables and purchase orders), moratorium of **up to** three months to be permitted on the payment of instalments¹ falling due between March 1, 2020 and May 31, 2020. Pursuant to

¹ Instalments will include 1. Principal and interest components; 2. Bullet repayments; and 3. Equated monthly instalments.

the notification from the RBI on 23 May 2020, moratorium of **up to** three months to be permitted on the payment of instalments¹ falling due between June 1, 2020 and August 31, 2020.

4. **Account Classification** – Accounts obtaining 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 portion at the contracted rate during the moratorium period and will be collected as per the revised re-payment schedule
7. **Default charges** – There will be no levy of overdue/default interest on the instalments during this moratorium period.
8. **Internal MIS** – 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.) nonavailability of manpower to carry out manufacturing or delivery of service or completion of sale, d.) non-realisation of receivables or elongation of realisation period of receivables, will be eligible for requesting relief under this policy. The relief will be granted subject to meeting the Credit assessment of the company. This will be in accordance with the guidance provided by the RBI.

¹ Instalments will include 1. Principal and interest components; 2. Bullet repayments; and 3. Equated monthly instalments.

Anneure 1

Version No.	Version Approval Date	Version Effective Date	Change Details	Version Owner	Version Approver
1		April 1 st 2020		Prema	Prasad
2	May 27 th 2020	June 1 st 2020	Extension of Moratorium facility by 3 months till 31 st August based on RBI circular on May 22 nd 2020.	Prema	Prasad