

COVID-19 MORATORIUM POLICY

OF

P C FINANCIAL SERVICES PRIVATE LIMITED

“Stay Home Stay Safe”

P C Financial Services Private Limited - COVID-19 Moratorium Policy

1. INTRODUCTION

In view of disruption brought out by the current situation due to coronavirus (**COVID-19**), the Reserve Bank of India ("**RBI**") has announced certain regulatory measures to mitigate the debt-servicing burden on borrowers and issued Statement on Developmental and Regulatory Policies, 2019-20 dated March 27, 2020. In line with the same, the RBI has also issued a "COVID-19 – Regulatory Package" *vide* circular bearing no. RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020.

In line with the ambitions of the RBI, the Company has adopted COVID-19 Moratorium Policy to provide relief to its customers who are facing financial difficulties under this pandemic situation.

2. RELEVANT EXTRACT OF REGULATORY RELIEF IS APPENDED BELOW:

Point 5 of "Statement on Developmental and Regulatory Policies" reads as under:

5. All commercial banks (including regional rural banks, small finance banks and local area banks), cooperative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and micro-finance institutions) ("lending institutions") are being permitted to allow a moratorium of three months on payment of installments in respect of all term loans outstanding as on March 1, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by three months.

Second Para of point 6 of "Statement on Developmental and Regulatory Policies" reads as under:

The moratorium/deferment is being provided specifically to enable the borrowers to tide over the economic fallout from COVID-19. Hence, the same will not be treated as change in terms and conditions of loan agreements due to financial difficulty of the borrowers and, consequently, will not result in asset classification downgrade. The lending institutions may accordingly put in place a Board approved policy in this regard.

Extract of "COVID-19 – Regulatory Package"

(i) Rescheduling of Payments – Term Loans and Working Capital Facilities

2. In respect of all term loans (including agricultural term loans, retail and crop loans), all commercial banks (including regional rural banks, small finance banks and local area banks), cooperative banks, all-India Financial Institutions, and NBFCs (including housing finance companies) ("lending institutions") are permitted to grant a moratorium of three months on payment of all installments falling due between March 1, 2020 and May 31, 2020. 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.

3. COMPANY POLICY

1. This policy applies to the following “Credit Facility” extended / being extended by the Company, repayment of which falls during the period starting from March 1, 2020 till May 31, 2020.

2. The Company shall provide moratorium period for repayment of credit facility along with the interest accrued thereon, for a period of upto May 31, 2020.

3. Repayment of loans and interest falls due between March 1, 2020 till May 31, 2020 shall be extended upto May 31, 2020. Deferment of the repayment would not be done month wise which means would be done upto May 31, 2020.

For Example: If repayment of loan / interest falls due on April 1, 2020 and borrower approached the Company for availing of the benefit of moratorium period, he /she shall be eligible for extended period of repayment upto May 31, 2020.

4. The Company shall continue to charge Interest, at the original agreed rate, on the outstanding principal amount for the said moratorium period. This interest has to be paid by the customers as prescribed in this policy, along with the principal amount.

5. Since, this policy is not mandatory for all borrowers of the Company. Those who have been impacted by COVID-19 crisis wish to avail benefit of the moratorium period, may intimate to the Company.

6. The Company shall continue to send dues to the customer as per the normal process during moratorium period.

7. During the said deferred period, the Company shall not charge penalties / other charges on delayed / default payment of principal amount along with interest.

8. Other terms and conditions contained in loan agreement of the credit facility would remain unchanged.

9. Customers already categorized as NPA will not be covered within the ambit of the policy.

10. Customers requesting for moratorium/deferment will be informed about financial implications of such moratorium/deferment including the applicable interest on such action.

11. The moratorium/deferment granted to borrowers will not qualify as default on the part of borrowers for the purposes of supervisory reporting and reporting to credit information companies (CICs).

12. The reliefs 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, the usual asset classification and provisioning norms will apply.

4. APPROVAL PROCESS

This policy shall be implemented by Country Head of the Company.

5. VALIDITY OF THE POLICY

This policy shall be valid up to 31st May 2020 or further period as may be extended by RBI.