



POLICY ON MORATORIUM

(pursuant to the Reserve Bank of India's circular on "COVID-19 – Regulatory Package" dated March 27, 2020)

Version 1	31 st March 2020
Version 2	9 th May 2020

1. PREAMBLE

- 1.1 Vivriti Capital Private Limited ("**VCPL**") is a non-banking financial company ("**NBFC**") registered with the Reserve Bank of India ("**RBI**").
- 1.2 VCPL has provided financial assistance to various persons in the form of Loans (as defined below) including through co-lending arrangements with other Lending Institutions (as defined below). VCPL has also purchased receivables in respect of certain identified Loans originated by the other Lending Institutions through direct assignment transactions with such Lending Institutions.
- 1.3 The RBI has prescribed certain regulatory measures to mitigate the financial stress caused by the COVID-19 pandemic in its circular on "*COVID-19 – Regulatory Package*" dated March 27, 2020 ("**RBI Circular**"). The RBI Circular, *inter alia*, requires Lending Institutions (including NBFCs) to have a comprehensive policy approved by its board of directors ("**Board**") for providing a moratorium in respect of Loans to eligible borrowers, and the eligibility criteria in relation to providing such moratorium to such eligible borrowers.
- 1.4 Unless otherwise defined, capitalised terms have the meanings given to them in the "legend" provided at the end of this policy.

2. OBJECTIVES

- 2.1 To prescribe the framework for providing a moratorium in respect of Loans to eligible borrowers of VCPL ("**VCPL Borrowers**").
- 2.2 To prescribe the mechanism for VCPL Borrowers to avail a moratorium pursuant to the RBI Circular.

3. MORATORIUM

- 3.1 Pursuant to the RBI Circular, VCPL may provide a moratorium in respect of identified Instalments (as defined below) of identified Loans to VCPL Borrowers. The Instalments specified in Paragraph 3.2 below shall be dealt in accordance with this policy.
- 3.2 This policy shall apply in respect of the following:

(a) Loans

- (i) If any Instalments of any Loans provided by VCPL are due between March 1, 2020 and May 31, 2020, a VCPL Borrower is entitled to request VCPL to grant a moratorium until May 31, 2020 in respect of such Instalments, subject to:
- (A) such Instalments not having been paid by the VCPL Borrower or the VCPL Borrower has expressed an inability to pay such Instalment; and
- (ii) VCPL Borrower shall in a manner/mode acceptable to VCPL, request VCPL for the grant of a moratorium.
- (iii) On receipt of such request, the Designated Personnel will review the request received from the VCPL Borrower, wherein:
- (A) if the Designated Personnel is satisfied with the request received,

VCPL will provide a confirmation to the VCPL Borrower along with a format of the addendum letter ¹ required to be accepted and uploaded by the VCPL Borrower immediately on CredAvenue™. VCPL Borrower shall submit the signed and accepted copy of the addendum letter in original to VCPL on or before April 15, 2020;

(B) the revised repayment schedule will be determined by VCPL taking into account the interest payable by the VCPL Borrower during the moratorium period and the requirements prescribed by the RBI Circular²;

(C) the addendum letter in the form prescribed in Annexure I of this policy will, *inter alia*, contain the repayment schedule and the key provisions specified herein below:

(i) the interest payable on the Loans as shall continue to accrue during the Moratorium Period and shall become due and payable after the expiry of the Moratorium Period in accordance with the repayment schedule specified in the addendum letter, or as otherwise provided in accordance with the underlying documents.

(ii) VCPL shall have the right to require the VCPL Borrower to furnish the bank account statements and such other information, reports and documents on monthly basis and at any time during the moratorium period and thereafter until the Final Settlement Date; and

(iv) during the subsistence of the Moratorium, VCPL Borrower shall not make payment of any amounts due to any of its RBI regulated creditors, with respect to any other term loans and working capital loans (of whatsoever nature) availed by VCPL Borrower, without the prior written consent of VCPL. In the event VCPL Borrower makes any payment in violation of the conditions stipulated above, the Moratorium shall cease with immediate effect and the Original Repayment Schedule(s) shall stand re-instated with respect to the Facility(ies) availed from VCPL. Further, in such an event, VCPL Borrower shall pay the unpaid instalment, if any, on account of the Moratorium granted along with the immediately succeeding instalment payable in accordance with the Original Repayment Schedule.

(b) **Co-lending Arrangements**

(i) VCPL has entered into various co-lending arrangements with other Lending Institutions ("**Co-lending Partner**") wherein either the whole or a part of various Loans is provided by VCPL, and all monitoring and servicing of such

¹ Paragraph 29(1) of the RBI's Master Direction issued on September 1, 2016 on "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" prescribes as follows: **29. Disbursement of loans including changes in terms and conditions** (1) Applicable NBFCs shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.".

² Paragraph 2 of the RBI Circular prescribes that "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".

Loans is undertaken by the Co-lending Partner.

- (ii) VCPL and Co-lending Partners shall jointly frame the policy(ies) with respect to the moratorium pursuant to the RBI Circular.
- (iii) If any Instalments of a Loan provided by VCPL as a part of a co-lending arrangement with a Co-lending Partner are due between March 1, 2020 and May 31, 2020, any moratorium in respect of such Instalments will be provided in accordance with the joint policy framed by VCPL and its relevant Co-lending Partner pursuant to the RBI Circular.

(c) **Direct Assignment transactions**

- (i) VCPL has entered into various direct assignment transactions to purchase portions of certain identified Loans originated by other Lending Institutions pursuant to assignment agreements/deeds of assignment and related documents thereto ("**Direct Assignment Documentation**"). In these direct assignment transactions, the originator Lending Institution continues to act as the servicer ("**Servicer**") of the purchased/assigned Loans on behalf of VCPL. VCPL may not have any direct contact/relationship with the borrowers of such Loans.
- (ii) VCPL shall obtain copies of the policy(ies) framed by all the Servicers (pursuant to the RBI Circular), inter alia, in respect of direct assignment transactions where VCPL is the purchaser.
- (iii) If any Instalments of the Loans purchased by VCPL as a part of a direct assignment transaction are due between March 1, 2020 and May 31, 2020, any moratorium in respect of such Instalments to the relevant obligor ("**Relevant Obligor**") can be provided in accordance with the policy framed by the relevant Servicer, subject to:

(A) such Instalments not having been paid by the Relevant Obligor or the Relevant Obligor having expressed an inability to the Servicer to pay such Instalment; and

(B) the Servicer, in a manner/mode acceptable to VCPL, requesting VCPL for the grant of a moratorium in respect of the Instalments of the Loans purchased by VCPL as a part of a direct assignment transaction are due between March 1, 2020 and May 31, 2020.

(iv) On receipt of such request, the Designated Personnel will review the request received from the Servicer, wherein:

(A) if the Designated Personnel is satisfied with the request received, VCPL will provide a confirmation to the Servicer. The form the amendments to the Direct Assignment Documentation to be executed by and among VCPL and the Servicer will be uploaded by the VCPL on CredAvenueTM . The Servicer shall submit the signed and accepted copy of the amendments to the Direct Assignment Documentation within the time period prescribed by VCPL; and

(B) the revised cash flow schedules for the Direct Assignment Documentation will be determined by the Servicer taking into account the interest payable by the Relevant Obligors during the moratorium period and the requirements prescribed by the RBI Circular and in accordance with the policy(ies) framed by the Servicer (pursuant to the RBI Circular).

(C) Collection(s), if any, during the Moratorium Period done by the Servicer, from the underlying borrower, shall be held on behalf of and in trust for VCPL and the collected amount shall, on the subsequent agreed pay out date, be deposited in the Collection and Payment Account or directly paid to VCPL as per the agreed waterfall mechanism.

(d) Securitisation transactions

- (i) (i) VCPL is an investor in pass-through-certificates ("**PTCs**") issued by a special purpose vehicles that have purchased receivables in respect of Loans originated by other Lending Institutions, The documentation for each such securitisation transaction comprises a trust deed to constitute the special purpose vehicle, assignment agreements/deeds of assignment and related documents thereto ("**Securitisation Documentation**"). In these securitisation transactions, the originator Lending Institution continues to act as the servicer ("**Servicer**") of the purchased/assigned Loans.
- (ii) If any Instalments of the Loans underlying a securitisation transaction where VCPL is an investor are due between March 1, 2020 and May 31, 2020, any moratorium in respect of such Instalments to the relevant obligor ("**Relevant Obligor**") can be provided in accordance with the policy framed by the relevant Servicer, subject to:
 - (A) such Instalments not having been paid by the Relevant Obligor or the Relevant Obligor having expressed an inability to the Servicer to pay such Instalment; and
 - (B) the Servicer, in a manner/mode acceptable to VCPL, requesting VCPL for the grant of a moratorium in respect of the Instalments of the Loans underlying a securitisation transaction where VCPL is an investor.
- (v) On receipt of such request, the Designated Personnel will review the request received from the Servicer, wherein:
 - (A) if the Designated Personnel is satisfied with the request received, VCPL will provide a confirmation to the Servicer. The form the amendments to the Securitisation Documentation to be executed by and among VCPL and the Servicer will be uploaded by the VCPL on CredAvenue™. The Servicer shall submit the signed and accepted copy of the amendments to the Securitisation Documentation within the time period prescribed by VCPL; and
 - (B) the revised cash flow schedules for the Securitisation Documentation will be determined by the Servicer taking into account the interest payable by the Relevant Obligors during the moratorium period and the requirements prescribed by the RBI Circular and in accordance with the policy(ies) framed by the Servicer (pursuant to the RBI Circular.³

³ Paragraph 2 of the RBI Circular prescribes that "*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*".

- (C) Collection(s), if any, during the Moratorium Period done by the Servicer, from the underlying borrower, shall be held on behalf of and in trust for VCPL and the collected amount shall, on the subsequent agreed pay out date, be deposited in the Collection and Payment Account and distributed by the Trustee to VCPL and other investors (if any) as per the agreed waterfall mechanism.

(iii) VCPL shall mutually discuss, for each such series of PTCs, with the other investors, the Servicer, and the trustee on the most commercially viable way forward, including without limitation, revising cash flows to take into account any moratorium prescribed in respect of the underlying Loans, and any extension of any maturity date of such PTCs.

3.3 Paragraph 5 of the RBI Circular prescribes that a moratorium prescribed in accordance with the RBI Circular "*will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower*" and "*shall not result in asset classification downgrade*".

4. POLICY REVIEW

4.1 This Policy shall be reviewed periodically on such basis as may be prescribed by the Board.

LEGEND:

S. NO.	TERM	PARTICULARS
1.	Designated Personnel	means the personnel specified in the governance matrix
2.	Instalment	means any payment of: (a) any principal instalment and/or any interest amounts; (b) any amounts for bullet repayments; and (c) any amounts for equated monthly instalments, that are due between March 1, 2020 and May 31, 2020.
3.	Loan	means any loan that is eligible for a moratorium pursuant to the RBI Circular
4.	Lending Institution	has the meaning given to the term "lending institution" in the RBI Circular

ANNEXURE I

[On the letterhead of VCPL]

Addendum Letter

To,

Date:

[_____]
< _____ >

Dear Sir/ Madam,

1. This Addendum Letter is in continuation to the facility letter dated _____ and ("Facility Letter") the standard terms and conditions applicable to term loan facility ("Standard Terms") (the Facility Letter and the Standard Terms are together referred to as "Facility Agreement") executed between Vivriti Capital Private Limited ("Lender") and _____ ("Borrower") regarding sanction of rupee term loan facility of INR _____ to the Borrower on the terms and conditions set out in the Facility Agreement (*Capitalized terms used but not defined in this Addendum Letter shall have the meanings ascribed to such term in the Facility Agreement*).

2. Pursuant to the Reserve Bank of India ("RBI") Notification bearing number DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and request of the Borrower, the Lender hereby, at its sole and absolute discretion, agrees to grant the Moratorium for the payments due in relation to the Facility for the period from _____, 2020 to May 31, 2020 ("Moratorium Period") subject to unconditional acknowledgement and acceptance by the Borrower of the following terms and conditions:

i. The Repayment Schedule as provided under Schedule III (*Repayment Schedule*) of the Facility Agreement/ as provided by the Lender to the Borrower ("**Original Repayment Schedule**"), shall stand deleted in its entirety and replaced as follows (the "**Repayment Schedule**"):

***"Schedule III
Repayment Schedule***

[•]⁴"

It is hereby clarified that the term 'Repayment Schedule' as defined in the Facility Agreement shall, on and from the Effective Date, mean the Repayment Schedule as provided hereinabove, or as provided by the Lender from time to time thereafter.

⁴ Please incorporate the new repayment schedule.

ii. During the subsistence of the Moratorium, the Borrower shall not make payment of any amounts due to any of its RBI regulated creditors, with respect to any other term loans and working capital loans (of whatsoever nature) availed by the Borrower, without the prior written consent of the Lender. In the event the Borrower makes any payment in violation of the conditions stipulated above, the Moratorium shall cease with immediate effect and the Original Repayment Schedule shall stand reinstated with respect to the Facility. Further, in such an event, the Borrower shall pay the unpaid instalment, if any, on account of the Moratorium granted along with the immediately succeeding instalment payable in accordance with the Original Repayment Schedule.

iii. The Borrower shall furnish to the Lender its bank account statements and such other information, reports and documents on a monthly basis or as required by the Lender from time to time during the Moratorium Period and thereafter until the Final Settlement Date.

iv. The Borrower hereby agrees, acknowledges and confirms that the interest payable on the Facility as stipulated in the Facility Agreement shall continue to accrue during the Moratorium Period and shall become due and payable after the expiry of the Moratorium Period in accordance with the Repayment Schedule specified hereinabove, or as provided from time to time.

3. This Addendum Letter forms an integral part of the Facility Agreement. Unless stated otherwise in this Addendum Letter, all terms and conditions stipulated in the Facility Documents (subject to the revised Repayment Schedule provided above) shall continue to bind the Borrower and Security Provider (if applicable) during the Moratorium Period and until the Final Settlement Date.

Thanking you,
Yours sincerely,

For Vivriti Capital Private Limited

Authorised Signatory

Name:

Terms and Conditions set above are hereby unconditionally acknowledged and accepted by

For _____

Authorised Signatory

Date: