

Effective date-31st March 2020

AYE FINANCE – MORATORIUM POLICY¹

(in-line with RBI “COVID-19 Regulatory Package” dated March 27,2020 and May 23,2020)

The pandemic Covid-19 has disrupted routine commerce and financial activities across all types of businesses in India including MSMEs and micro enterprises. Government of India has taken various swift actions (including nation-wide lockdown of 21 days announced on 25th March 2020) – AYE Finance fully supports these efforts and stands together with the Country in its fight against Covid-19.

Delays in repayment of loans and credit facilities can be expected to rise due to inability of borrowers to deposit cash proceeds into their bank accounts and also due to the financial disruption of their businesses. Considering the economic impact, the Reserve Bank of India (RB) announced various measures including moratorium on EMI payment for term loans/ deferment of interest in working capital facilities vide RBI Notifications Ref: no RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 “COVID-19 – Regulatory Package” dated March 27, 2020) and Ref no. RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 “Covid-19 – Regulatory Package” dated May 23,2020.

Given these exceptional circumstances, Aye Finance Private Limited (herein after referred to as “Aye Finance”) wants to support its customers and has formulated a Board approved policy for providing appropriate relief measures (in line with the requirements of the above mentioned RBI notification). Accordingly, the following specific points of the Board approved Policy of Aye Finance is placed for the information of its customers:-

1. Among other things, the regulatory package by RBI (as mentioned above) states / implies:
 - a. RBI has permitted NBFCs (therefore Aye Finance) to grant a moratorium of six months on payment of all instalments falling due between March 1, 2020 and August 31, 2020.
 - b. The discretion of granting the moratorium or deferment is at the sole discretion of the lending NBFC or Bank.
 - c. Any type of moratorium / deferment is not (and should not be construed as) waiver of either EMI or Principal or Interest or any other charges as may be applicable.
 - d. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.
2. Aye Finance Policy on Moratorium:
 - a. Aye Finance’s right of evaluation: If a customer’s inability to temporarily service the EMI is estimated by Aye Finance or if the customer proactively requests Aye Finance for EMI moratorium, Aye Finance, at its sole discretion without assigning any reason thereof, will decide whether moratorium may be permitted for the loan repayment.
 - b. Eligible Customers
 - i. All customers except the following would be eligible for moratorium:
 - a. Customers whose loans have been written off prior to 1 Mar 2020 but recovery is being pursued

¹ This Moratorium Policy was approved on 02/04/2020 and amended on 26/06/2020 by the Board of Directors of the company.

- b. Customers with whom we are engaged in litigation or arbitration as on 1 Mar 2020, under our recovery process.
- ii. The Company will encourage customers to pay their EMIs as normal, so as to avoid payment of additional interest. It will provide moratorium to all the customers who are unable to make EMI payments falling due between 1st March 2020 and 31st August, 2020 and shall communicate the same to customers. In case any customer do not wish to avail the moratorium facility he/she can communicate it to the Company and continue making the repayment as per the loan agreement.
- iii. Aye Finance shall communicate the offer of moratorium through any mode of communication i.e. by letter, email, SMS, other digital forms, voice message, recording or such other form as may be accepted in the court of law.
- iv. In case of a loans that are bundled in the Securitised portfolio of Aye Finance, any offer of moratorium will also require prior consent of the Investor/Trustee
- c. Moratorium period and interest rate
 - i. Under the Moratorium upto 6 monthly payments or EMIs can be deferred provided if the of EMI or repayment is falling due from the 1st March 2020 to 31st August 2020.
 - ii. Every installment unpaid under the moratorium offer will be called "Deferred Installment"
 - iii. Payment of part EMI by Customer shall be allowed and the remaining due but unpaid part of EMI may be considered as Deferred Installment, under the moratorium by Aye Finance.
 - iv. For every EMI (or part EMI) deferred under the moratorium agreement, the tenor of the term loan will get correspondingly extended beyond the original term of the loan. The Deferred Instalments shall be collected after the end of original tenor, along with the interest on the specific outstanding amount for the deferred period.
 - v. On each EMI (or part EMI) deferred under this moratorium policy, as a standard, for each month of moratorium, a new repayment schedule shall be drawn by capitalizing the accrued interest. The new repayment schedule shall have the same EMI amount and interest rate, therefore increasing the tenor. This shall however be different if the customer choses to pay upfront or requests for increased EMI amount.
- d. Instalment Presentments during 1st Mar 2020 and 31st August 2020
 - i. Aye Finance may continue to present its ACH or Cheques through the bank clearing systems for monthly EMI during the captioned period even for customers who are eligible for deferment of instalment and may continue its customer contact to encourage customers to repay the installment. This will assist customers in not incurring additional interest cost due to the deferment of the instalments.
 - ii. In lieu of the deferment interest to be levied on Deferred Installments, Aye Finance has further decided to not charge any Bounce Charges or Late Payment Fees for delayed or dishonored installments for the Eligible Customers (#2b) during the period 1st March 2020 and 31st August,2020
- e. Payment during the time of moratorium
 - i. Given the Covid-19 situation is ever evolving, if the customer having availed the moratorium, choses to pay any amount (full or in part of the Deferred Instalment) during this time, Aye Finance will accept such payment. The Deferred Instalment will then get reduced by this customer payment after adjusting for the interest accrued from its original due date up to the payment date.

- ii. No pre-payment charges will be recovered for such advance / full / part payment of the Deferred Instalment.

NOTE: This moratorium, if granted, will be without prejudice to rights of Aye Finance contained in agreements.