



Utkarsh Small Finance Bank

Frequently Asked Questions (FAQs)

**RBI Guidelines on Covid-19 Regulatory Package: Utkarsh SFBL Moratorium Scheme
("Scheme")**



RBI Guidelines on Covid-19 Regulatory Package: Utkarsh SFBL Moratorium Scheme **("Scheme")**

The ongoing COVID-19 crisis has not only created a worldwide health emergency but has also stressed the financial situation of individuals and businesses alike.

While the Government has announced various relief measures, the Reserve Bank of India (RBI) had also permitted banks to grant moratorium to their customers in line with its guidelines issued on the COVID19 regulatory package, for instalments falling due between March 1, 2020 and May 31, 2020.

Further, RBI vide its circular ref. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 has allowed Financial institutions to extend the moratorium for another three months i.e. from June 01, 2020 to August 31, 2020.

The existing repayment schedule of term loan will shift upto the moratorium period granted and the tenure of the Term loan may be further extended to cover the interest accrued on the loan outstanding during the moratorium period. This may also result into change in instalment amounts/ EMIs as well.

The Bank will continue to accrue and recognize interest income as per IRAC norms for agreements where moratorium is provided.

Utkarsh Small Finance Bank's customers will also continue to have the option to make regular repayments towards their loan accounts held with the Bank, without opting for moratorium.

FAQs on the Scheme

1. What is the moratorium provided for loans under the Scheme?

Moratorium implies that customers can defer the payment of their loan instalments for a limited period as defined under the Scheme. The interest, at the applicable rate, shall continue to accrue on the outstanding portion of the loan during the moratorium period. RBI had permitted all Indian Banks / Indian Financial Institutions to offer their customers up to 3 months moratorium on their loan instalments falling due between March 1, 2020 and May 31, 2020. Further, RBI has allowed financial institutions to extend the moratorium for another three months i.e. from June 01, 2020 to August 31, 2020.



2. Who is eligible?

All Utkarsh Small Finance Bank customers whose repayment of principal and / or interest falls due between March 1, 2020 and August 31, 2020. However, the decision to offer moratorium to a customer will be at the sole discretion of the Bank.

3. What will happen if I decide to avail the moratorium granted under the Scheme?

If you avail moratorium under the Scheme,

- You will not be required to pay any instalment till August 31, 2020 or upto the month for which you have opted the moratorium, whichever is earlier.
- Interest will continue to accrue on the principal outstanding for the period of the moratorium at the applicable rate of the loan.
- The existing repayment schedule of term loan will shift upto the moratorium period granted and the tenure of the Term loan may be further extended to cover the interest accrued on the loan outstanding during the moratorium period. This may also result into change in instalment amounts/ EMIs as well.

4. I am a Retail Assets customer. How will I apply for the Moratorium?

In case you want to avail the moratorium during this extended period, please visit the Bank's website www.utkarsh.bank for submitting your application.

5. If I do not want to avail the moratorium being granted under the Scheme, what should I do?

If you do not want to avail the moratorium being granted under the Scheme, no action is required from your side. We will continue to act upon your existing repayment instructions.

For JLG loan customers, the moratorium is being extended by default to all customers. However, JLG loan customers who do not wish to avail the moratorium, can continue to deposit the repayment instalments at their loan servicing branch as per the original repayment schedule.

We encourage customers with adequate funds to continue paying during this period to avoid the extra interest charges and tenor extension of the loan.



6. What charges will I pay, if I avail moratorium under this Scheme?

If you avail moratorium under the Scheme, there will be a levy of interest at the applicable rate of the loan for the period of the moratorium on the loan outstanding. Such interest will be collected by extending the original tenor of the loan and / or increasing the instalment accordingly. No other penal charges will be levied towards availing the moratorium.

7. I am a Wholesale Lending Customer. How do I avail moratorium under the Scheme?

All Wholesale Lending customers are requested to contact their Relationship Manager to obtain more details to enable them exercise their option of availing moratorium under the Scheme, or otherwise.

8. I have more than one loan from Utkarsh Small Finance Bank. Can I get moratorium under the Scheme for both the loans?

Yes, you can opt for moratorium for each loan that you have availed from us and is currently outstanding. Please remember that additional interest for the moratorium period will be applicable for each loan separately.

9. What if I have already paid my instalments and would like to avail the moratorium till August 31, 2020?

You can avail of the moratorium benefits for the unpaid instalments.

10. Does the moratorium affect my Credit Score ?

No. Opting for the moratorium will not affect your Credit Score. Bank shall not report the details of the accounts to Credit Bureaus which have opted for moratorium between March 01, 2020 to August 31, 2020.

11. Will the terms and conditions of sanction/loan agreement change?

No. Since the moratorium/deferment/recalculation of the instalment is being provided specifically to enable you to tide over the economic fallout arising from COVID-19, the same will not be treated as concession or change in terms and conditions of the loan agreement.



12. I have availed credit shield insurance for my loan. Will it also get extended?

Credit shield insurance is for the original loan tenor only and it will not be extended beyond the original loan tenor. In case you want the insurance cover to be extended for the increased tenor on account of having availed moratorium, you have to pay additional premium. For more details about such insurance coverage, you can contact your loan servicing branch.

Note:

- Kindly note that the moratorium is a deferment of payment and not a waiver of instalment falling due during the moratorium period. You are required to pay the instalment amount due or total outstanding along with accrued interest charges on the due date after August 31, 2020 as per the revised repayment schedule.
- While the Utkarsh SFBL Moratorium Scheme covers all eligible customers as stated above, the Bank reserves the discretion to refuse granting moratorium to any of the customers under the Scheme without assigning any reason/s therefor.
- For any clarification / additional information about the Scheme, please address your queries to the email id loan.moratorium@utkarsh.bank giving details of your loan account with the Bank.
- These FAQs may undergo changes based on regulatory clarifications issued from time to time.
