



UNACCO FINANCIAL SERVICES PRIVATE LIMITED

Policy for Restructuring of Advances

Approved by the Board on 28/12/2020.

The RBI Circular dated 6th August 2020, number- DOR.No.BP.BC /4/21.04.048/2020-21 on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances allowed room for restructuring of loans which may allow extension of the residual tenor of the loan, with or without payment moratorium, by a period not more than two years. As per the Circular mentioned above, existing loans to MSMEs classified as 'standard' may be restructured without a downgrade in the asset classification, which is relevant for the Loans given by the NBFC-MFI's subject to the following conditions:

- i. The aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed Rs.25 crore as on March 1, 2020.
- ii. The borrower's account was a 'standard asset' as on March 1, 2020.
- iii. The restructuring of the borrower account is implemented by March 31, 2021
- iv. The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration. This shall be determined on the basis of exemption limit obtaining as on March 1, 2020.
- v. Asset classification of borrowers classified as standard may be retained as such, whereas the accounts which may have slipped into NPA category between March 2, 2020 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan. The asset classification benefit will be available only if the restructuring is done as per provisions of this circular.
- vi. As hitherto, for accounts restructured under these guidelines, banks shall maintain additional provision of 5% over and above the provision already held by them

Therefore it was proposed to frame a Policy in line of the Circular and restructure the loans with due approval of the Board. The Policy is framed with following points–

1. Accounts will be identified for restructuring as per the following category
 - i. Those accounts which are Standard as on March 1, 2020, but having overdue, and which have already slipped or may slip into NPA on the date of Implementation of Restructure plan.



2. Following will be the new Repayment Tenure of Restructured Accounts
 - i. 12 Months for those loans outstanding which are upto INR 30000, combining both Principal and Interest as on the date of Implementation of Restructure Plan.
 - ii. 24 Months for those loans outstanding which are above INR 30000, combining both Principal and Interest as on on the date of Implementation of Restructure Plan.
 - iii. Repayment of Restructured Accounts will start from 2nd May, 2021
3. Special Focus to be given for the recovery drive from the accounts which are NPA as on 1st March 2020. For this various Teams will be formed for Recovery Drive in Area wise.
4. Company may bear the Insurance extension fee for the restructuring period in deserving cases as per recommendation of the respective Branch Team.
5. Any other applicable guidelines of RBI will be followed in this regard.
6. A Board Resolution for approval of the Implementation of the Resolution Plan to be placed with the Board.
7. Proper Operational Guidelines for the Restructuring will be issued.

**For and On Behalf of the Board of
Unacco Financial Services Pvt Ltd**

**Shri N. Irabanta Singh
Managing Director**

**For,
UNACCO Financial Services Pvt. Ltd.**

Managing Director