

VERSION CONTROL:

VERSION CONTROL: Version	Date of Adoption	Change Reference	Owner	Custodian	Approving Authority
1.0	29-Jun-2020	Adoption of the Policy of Providing Relief to Businesses Disrupted on Account of Covid-19 Pandemic	Credit Team	Compliance Team	Board of Directors

**POLICY DETAILING GUIDELINES ON PROVIDING RELIEF TO BUSINESSES DISRUPTED ON ACCOUNT OF
COVID – 19 PANDEMIC**

SECTION A:

RBI vide circular No. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 had permitted all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and microfinance institutions) (referred to hereafter as “lending institutions”) to allow a moratorium of three months (From Mar 1, 2020 to May 31, 2020) on payment of instalments in respect of all term loans outstanding as on March 1, 2020.

RBI vide circular No. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 permitted lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020.

Rescheduling of Payments

In view of the extension of lockdown and continuing disruption on account of COVID-19, all commercial banks (including regional rural banks, small finance banks and local area banks), cooperative banks, All-India Financial Institutions, and Non-banking Financial Companies (including housing finance companies) (“lending institutions”) are permitted to extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans). Accordingly, the repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.

Asset Classification

- (i) As the moratorium/deferment is being provided specifically to enable borrowers to tide over COVID-19 disruptions, the same will not be treated as changes in terms and conditions of loan agreements due to financial difficulty of the borrowers and, consequently, will not result in asset classification downgrade.
- (ii) As earlier, the rescheduling of payments on account of the moratorium/deferment will not qualify as a default for the purposes of supervisory reporting and reporting to credit information companies (CICs) by the lending institutions. CICs shall ensure that the actions taken by lending institutions in pursuance of the announcements made today do not adversely impact the credit history of the borrowers.
- (iii) In respect of accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted in respect of term loans, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms. The asset classification for such accounts shall be determined on the basis of revised due dates and the revised repayment schedule.

The first round of moratorium i.e. from Mar 1, 2020 to May 31, 2020 was provided to eligible borrowers as per Board approved policy dated Mar 31, 2020.

SECTION B:

As per the circular, RBI has asked the lenders to provide the above-mentioned relaxations to all “eligible borrowers” to enable them to tide over economic fallout from COVID-19. Accordingly, following guidelines/processes are defined under the proposed framework.

I. ELIGIBLE FACILITIES TO BE CONSIDERED: The following facilities shall be covered under the relief framework:

- i) Term Loans
- ii) Working Capital Term Loans
- iii) Bill Discounting facilities

II. DEFINITION OF ELIGIBLE BORROWERS: The proposed framework shall broadly cater to the following types of Borrowers:

- a) SME Loan
- b) Business Loan (financial based and banking surrogate)
- c) Cluster Loan
- d) MFI/BC/NBFC-MFI/NBFC- Fintech Loans
- e) Direct Assignment – Borrowers - Lendingkart
- f) Loans through partnerships – Finwego, FT cash

Covid 19 pandemic has posed an extraordinary and unprecedented challenges to the society and economy at large. It is expected to leave a mark on every section of society and all sort of economic activity irrespective of its size and scale. Since IntelleGrow as an organisation is focused on lending in SME space and have varied kind of borrowers in its portfolio like small manufacturing/trading/service set ups as well as small establishments like Shopkeepers/Kirana Stores/retailers/merchants along with MFI and small NBFCs. Many of our customers have also started opening up their businesses and resuming their normal business activity and moving towards normalcy. However, there are certain other customers who continue to face genuine business challenges because of reasons like containment zone area, labour issues, disruption in supply chain, they may take little more time to restart their businesses and resumption of their cash flows. To support them in this tough time we will be giving them further moratorium. The customer will have to “Opt in” for the moratorium.

The economic impact of Covid 19 will be assessed on a case to case basis through a customer survey and a customer application request. For this round of the moratorium to be granted as per RBI guidelines i.e. from June 1, 2020 to August 31, 2020 the Board hereby empowers the CEO to decide in consultation with CRO. The CEO in consultation with CRO will also be empowered to accept the customer request in the form as feasible, given the operational difficulties due to covid 19 on a case to case basis.

Borrowers to be eligible for receiving the reliefs/relaxations should satisfy the following criteria's:

- i) Account should be Standard as on February 29, 2020;
- ii) Overall satisfactory dealings/conduct with IntelleGrow



Relief eligible, moratorium of EMI/interest deferment due from month of June 2020 to Aug 2020(up to 3 months).

III.MONITORING & SUPERVISION:

- i) Borrowers who have been provided with the reliefs/relaxations under the framework shall be monitored by review of their business activity level, bank account and financial statements, other documents etc. as and when required by Intellegrow.
- ii) Wherever Intellegrow's exposure to a borrower is ₹ 5 crore or above as on March 1, 2020, the relevant team shall develop an MIS on the reliefs provided to its borrowers which shall inter alia include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.

The instructions in this circular come into force with immediate effect.

The customer communication is attached as Annexure 1 & 1A as part of the note.



Annexure 1- Customer Communication (Other than Onlending)

Dear Customer,

Hope you and your family is in good health.

Covid- 19 Pandemic is an exceptional and unprecedented situation. It is affecting life and work of all of us. We have taken cognizance of the Reserve Bank of India's Covid-19 regulatory package which can be made available to eligible borrowers. Intellegrow would like to extend this support by offering the moratorium relief for the month of June 2020/ July 2020/ August 2020. We have worked out a framework which will help us evaluate the COVID19 impact on your business operations. We would request you to fill in a **customer survey (web link will be provided)** form for us to assess the said request.

As per RBI guidelines, you may take the benefits under this package if there is a disruption in your cash flows or adverse impact on business operations due to COVID 19 pandemic. However, you must take into account that the interest on the loans, though not payable immediately continues to accrue on your account. Therefore, we urge you to apply for it only if absolutely necessary.

There can be no moratorium on overdues prior to 1st March 2020. Hence in case you have any overdue instalments /other dues, we request you to kindly pay the same to avoid penal charges and avoid reporting to the bureau.

Since the moratorium is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, the same 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/ deterioration in the credit bureau score.

The economic impact of Covid-19 will be evaluated based on information submitted for providing you the moratorium.

Feel free to write us at customersupport@intellegrow.com.

We look forward to supporting each other in these uncertain times.

Take care and stay healthy.

Warm Regards,

Intellegrow



Annexure 1A- Customer Communication (Onlending)

Dear Customer,

As we head into the first phase of unlocking, I hope your business operations have started to normalize and you, your families and teams are safe.

We have taken cognizance of the Reserve Bank of India's Covid-19 regulatory package which can be made available to eligible borrowers. We have worked out a framework which will help us evaluate the short-term inability, if any, caused by COVID19 on your repayment obligations. We would request you to fill in a **customer survey (web link will be provided)** form for us to assess the said request.

This exercise will help us in evaluating your request. Please feel free to reach out to your respective Relationship Managers in case you need any guidance. You can also reply back to this email id and we will get back to you as soon as possible.

As per RBI guidelines, you may take the benefits under this package if there is a disruption in your cash flows or there is loss of income. However, you must take into account that the interest on the loans, though not payable immediately continues to accrue on your account. Therefore, we urge you to apply for it only if absolutely necessary.

Since the moratorium is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, the same 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/ deterioration in the credit bureau score.

The economic impact of Covid-19 will be evaluated based on information submitted for providing you the moratorium

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We look forward to supporting each other in these uncertain times.

Take care and stay healthy.

Warm Regards,

IntelleGrow

Annexure 2 - Customer Survey

A customer survey will be conducted to analyse the impact of Covid 19 on the customer business and cash flows and ability to continue to serve our loan obligations. The customer survey to cover the following points as follows -

- The Business is running or operational - Y/N, If “Yes” since when, If “No” the reason for the same (basis location)
- The Activity level in % of the business enterprise
- The numbers of existing lenders and moratorium if any provided by the customer’s existing lenders
- The Cash and Bank position (In Amount)
- The Monthly loan Obligation/ Repayment (In Amount)
- The Estimated number of months for full recovery (business recovery)
- The Office/ Shop / Factory rent paid – Y/N
- Does the business require any additional funds for working capital – Y/N
- Has the business been impacted due to Covid 19 – Y/N, Name Top Factors: Economic impact: Labour: Supply Chain: Raw Material
- Does the customer need further Moratorium needed Y/N
- Business transactions and repayment status of other obligations
- For On-lending customers, additionally:
 - Current collection efficiency in %
 - Total number of branches and number of branch operational
 - % of portfolio covered under operational branches
 - Number of months for which Cash and Bank balance available to cover opex

Annexure 3 - Collection Summary

For the month of June 20

Product	Demand	Collection	Collection %
Business Loan (BS)	4.72	1.81	38%
Business Loan (Fin)	1.64	0.96	59%
SCF	2.97	0.00	0%
Cluster Loan	0.32	0.18	55%
Essel DA	0.10	0.06	57%
Finwego	0.04	0.04	82%
Personal Loan	0.06	0.02	43%
SME	7.66	3.87	50%
Onlending - MFI	8.35	6.70	80%
Onlending -NBFC	6.75	5.93	88%
Onlending -BC	0.10	0.10	100%
Grand Total	32.72	19.67	60%

For the month of April 20 and May 20

Months	Apr-20	May-20
Current Month Demand	37.21	43.59
Current Month Collection	8.48	15.51
Current Month Efficiency	22.79%	35.57%