

COVID – 19 POLICY

Reference is made to the circular DOR.No.BP.BC.47/21.04.048/2019-20 on ‘COVID-19 – Regulatory Package’ issued by the Reserve Bank of India on Mar 27, 2020 and DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020, (the “**RBI COVID Regulatory Package**”) on the captioned subject, in terms of which all “lending institutions” (as specified in the RBI COVID Regulatory Package, including non-banking finance companies) have been directed to put in place a board approved policy to implement certain regulatory measures to mitigate the burden of debt servicing by its borrowers on account of the disruptions due to the COVID-19 pandemic

In view of the foregoing, the following shall be IFIN’s policy for extending the relief measures to borrowers of IFIN (“**IFIN COVID Relief Policy**”), where specific request has been received from the ‘Eligible Borrowers’, defined below:

(I) Coverage of the Policy:

- (1) All borrowers of IFIN (including exposure to group companies of Infrastructure Leasing & Financial Services Limited (“**Group Companies**”)), who have availed term loans from IFIN and which are current in repayment of its dues (i.e. both principal and interest outstanding, but excluding penal interest, delay payment charges, security shortfall charges and other similar charges) as on February 29, 2020 under any term loan facility provided by IFIN would be considered as “**Eligible Borrowers**” to whom the reliefs would be available in terms of the IFIN Policy
- (2) To clarify, in this IFIN COVID Relief Policy:
 - (a) The term “**Eligible Borrowers**” shall include:
 - (i) all borrowers of IFIN who have availed term loans from IFIN and who have, as on the date of (i) making an application to IFIN or (ii) on approval of the application by IFIN, has cleared all overdue/ defaulted amounts (principal and interest) outstanding under the terms of the loan as of February 29, 2020
 - (ii) a borrower with whom settlement agreements have been executed, providing for repayment of outstanding facilities in pre-agreed instalment, subject to such borrower having, as on the date of making an application to IFIN or (ii) on approval of the application by IFIN, has cleared all overdue/ defaulted amounts (principal and interest) outstanding under the terms of settlement agreement as of February 29, 2020; and

Notwithstanding the provisions of sub-paragraphs (i) and (ii) above, not include borrowers: (i) accounts which are classified as wilful defaulters or fraud cases, in each case prior to March 1, 2020; and (ii) accounts which have been recalled prior to March 1, 2020 and for which no settlement has been reached

- (b) The term “**Moratorium Period**” shall mean time period granted by IFIN during which reliefs contemplated under this IFIN COVID Relief Policy shall be made available to Eligible Borrower
- (3) Re-schedulement of term loans:
- (a) Eligible Borrowers who seek to avail the moratorium in terms of this Policy may send a written request to IFIN along with their respective date of sanction/ facility agreement and the settlement agreement (if applicable) In the request, the borrower/ customer should also clearly mention:
- (i) whether the moratorium is being sought for only interest, or principal instalments or both;
- (ii) whether the moratorium is being sought for instalments falling between March 1, 2020 – August 31, 2020 or for a shorter period. Clarification, if borrowers/ customers have already paid the instalments which fell due in March 2020, they can request for a moratorium on the instalments falling due between April and August 2020. Please note that no refund requests will be considered under the IFIN COVID Relief Policy for amounts that may have been paid prior to the date of request by the relevant Borrower
- (iii) Confirmation that:
- that such a moratorium is being sought on account of disruptions and financial stress being faced by that borrower on account of the COVID-19 outbreak
 - an undertaking that the borrower is current or will be at the time of approval by IFIN on outstanding under the respective term loan/ settlement agreement instalment as on February 29, 2020
 - an undertaking that the borrower will sign appropriate documentation including post-dated cheques to effect the moratorium if granted and
 - an undertaking that the borrower is acceptable to the terms set out in the IFIN COVID Relief Policy
- (b) In terms of such a request, IFIN may consider granting the Eligible Borrower a Moratorium Period of up to 6 months on payment of all instalments (principal and/or interest) falling due between March 1, 2020 and August 31, 2020. It is clarified that this moratorium will not be automatically provided to all Eligible Borrowers

- (c) Repayment schedule under the original loan/ restructured/ settlement terms for all such term loans where a request has been made by the relevant borrower would be deferred by the Moratorium Period from the date of the instalment falling due within the specified period such that the overall maturity period of the facility would be increased by the Moratorium Period. For instance – Principal payment due on March 1, 2020 would now be due on September 1, 2020 where Moratorium Period is granted for six months. Similarly, in case where the principal payment for March has been paid and Moratorium Period is granted for five months, the principal payment due on April 1, 2020, would be due on September 1, 2020. Please note that where the financial facility contemplates a bullet repayment on or after September 1, 2020 (i.e. where the instalment did not fall due during the specified period), there would be no change in repayment schedule of such instalment
- (d) Interest shall continue to accrue on the outstanding portion of the relevant facilities as per the contractual terms during the Moratorium Period and such accrued interest (together with the principal due during this period but for the moratorium) would be payable immediately on completion of respective the Moratorium Period. For instance, the interest instalment due on March 1, 2020 would now be due on September 1, 2020, similarly the interest instalment due on April 1, 2020 would now be due on October 1, 2020 and so on

Necessary documentation would be executed with borrowers to reflect the revised repayment schedule (including necessary changes to ECS instructions/ updated post-dated cheques and other documentation required to reflect the revised payment schedule(s)). In interim, confirmation vide mail would be undertaken with respective Eligible Borrowers who intend to avail this relief measures

(II) Classification of accounts as NPA or SMA under Prudential Framework:

- (1) The granting of relief measures pursuant to the IFIN COVID Relief Policy shall not result in further asset classification downgrade or be treated as concession or change in terms & conditions of loan agreements due to financial difficulty of the borrower. The asset classification will be determined on the basis of revised repayment schedule
- (2) The deferment of instalments in terms of the IFIN COVID Relief Policy will not tantamount to a default for the purpose of supervisory reporting and reporting to credit information companies

(III) Other conditions:

- (1) this policy is available till 31 August 2020 unless further extended and notified by IFIN in writing to its borrowers or by publication on its website
- (2) where an Eligible Borrower has availed more than one financial facility from IFIN, such Eligible Borrower will have to request (if required) a moratorium for

each such financial facility (and grant of a moratorium for one financial facility should not be construed as a waiver for all such financial facilities)

- (3) while this policy outlines the broad guidance that IFIN will follow to take decisions regarding the moratorium, IFIN retains the discretion to take decisions regarding this policy depending on case specific issues or nuances, and in this respect, IFIN reserves the right to amend the policy within the framework of various circulars and regulations issued by the Reserve Bank of India
- (4) IFIN is entitled to consider the stress on/ disruption caused to the relevant borrower/ customer on account of the COVID-19 outbreak