

## COVID – 19 POLICY

(I) Background :

Infrastructure Leasing & Financial Services Limited (IL&FS) is currently registered as a Systemically Important Non Deposit Taking Core Investment Company (CIC-ND-SI) with the Reserve Bank of India (RBI) vide its certificate dated September 11, 2012 and its lending operations are confined to the group companies due to its classification as “Core Investment Company”

(II) Objective :

Reserve Bank of India (RBI) has on March 27, 2020 vide its circular DOR.No.BP.BC.47/21.04.048/2019-20 on ‘COVID-19 – Regulatory Package’ notified all lending institutions including non-banking finance companies 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 IL&FS COVID Relief Policy is framed with the objective of outlining the broad guidance that IL&FS will follow to take decisions regarding the relief/moratorium to be offered within the guidelines and framework issued by the RBI

(III) Scope and applicability :

The IL&FS COVID Relief Policy shall be applicable to all eligible borrowers (as defined below) of IL&FS who have availed credit from IL&FS 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 credit facility extended by IL&FS

This policy shall be applicable till May 31, 2020 unless further extended and notified by IL&FS in writing to its borrowers or by publication on its website

(IV) Definitions :

(a) Eligible Borrowers shall include :

- (i) all borrowers of IL&FS who have availed credit from IL&FS and who have cleared all overdue/ defaulted amounts (principal and interest) outstanding under the terms of the credit as on 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 cleared all overdue/

defaulted amounts (principal and interest) outstanding under the terms of settlement agreement as of February 29, 2020

The provisions under para (i) and (ii) above shall not include the following :

- borrowers which are classified as wilful defaulters or fraud cases, in each case prior to March 1, 2020
- borrowers whose credits which have been recalled prior to March 1, 2020 and for which no settlement has been reached
- borrowers who have agreed to specific conditions as part of restructuring of the loans earlier and would continue to be governed by the said contractual stipulations

- (b) Moratorium Period shall mean time period granted by IL&FS during which reliefs contemplated under this IL&FS COVID Relief policy shall be made available to Eligible Borrower

(V) IL&FS COVID Relief Framework :

- (1) All Eligible Borrowers who seek to avail the moratorium in terms of this Policy may send a written request to IL&FS along with their respective date of sanction/ facility agreement and the settlement agreement (if applicable)

Where an Eligible Borrower has availed multiple credits from IL&FS, such Eligible Borrower will have to request (if required) a moratorium for each such credit. Grant of a moratorium for one credit shall not be construed as a grant for all such credits extended

- (2) The request should clearly include the following:

- (a) Whether the moratorium is being sought for only interest, or principal instalments or both;
- (b) Whether the moratorium is being sought for instalments falling between March 1, 2020 to May 31, 2020 or for a shorter period

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 in April and May 2020

It may be made clear that no refund requests will be considered under the IL&FS COVID Relief Policy for amounts that may have been paid prior to the date of request by the relevant Borrower

- (c) The Eligible Borrower shall provide a confirmation 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

- (d) Eligible Borrower shall provide an undertaking to the effect that :
- The borrower is current or will be at the time of approval by IL&FS on outstanding under the credit/ settlement agreement instalment as on February 29, 2020
  - The borrower will sign appropriate documentation including post-dated cheques to effect the moratorium if granted
  - The borrower is acceptable to the terms set out in the IL&FS COVID Relief Policy

- (3) In terms of such a request, IL&FS may consider granting the Eligible Borrower a Moratorium Period of up to 3 months on payment of all instalments (principal and/or interest) falling due between March 1, 2020 and May 31, 2020

It is clarified that this moratorium will not be automatically provided to all Eligible Borrowers

- (4) Repayment schedule under the original loan/settlement terms for all such credit(s) 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 June 1, 2020 where Moratorium Period is granted for three months. Similarly, in case where the principal payment for March has been paid and Moratorium Period is granted for two months, the principal payment due on April 1, 2020, would be due on June 1, 2020. Please note that where the financial facility contemplates a bullet repayment June 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

- (5) 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 the Moratorium Period. For instance, the interest instalment due on March 1, 2020 would now be due on June 1, 2020 and so on
- (6) 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))

As an interim measure, confirmation vide mail would be undertaken with respective Eligible Borrowers who intend to avail this relief measures

(7) Classification of accounts as Non Performing Assets (NPA) or Special Mention Account (SMA) under Prudential Framework

- (a) The granting of relief measures pursuant to the IL&FS 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.
- (b) The deferment of instalments in terms of the IL&FS COVID Relief Policy will not tantamount to a default for the purpose of supervisory reporting and reporting to credit information companies

(8) Other conditions:

- (a) While this policy outlines the broad guidance that IL&FS will follow to take decisions regarding the moratorium, IL&FS retains the discretion to take decisions regarding this policy depending on case specific issues or nuances, and in this respect, IL&FS reserves the right to amend the policy within the framework of various circulars and regulations issued by the Reserve Bank of India considering that most of the group companies were classified as Red or Amber companies and were already availing the benefit of moratorium per the order of NCLT
- (b) IL&FS is entitled to consider the stress on/ disruption caused to the relevant borrower/ customer on account of the COVID-19 outbreak