

Policy for Moratorium/ Deferment/ Re-scheduling of Loan Repayments due to COVID19

Approvals

Date	Approving Authority
October 27, 2023	Board of Directors
July 30, 2022	Board of Directors
November 02, 2021	Board of Directors
June 10, 2020	Board of Directors
April 01, 2020	Board of Directors

Version Control

Version	Date	Change History
2.0	October 27, 2023	No Change
1.3	July 30, 2022	No Change
1.2	November 02, 2021	No Change
1.1	June 10, 2020	<ul style="list-style-type: none"> - Extension of Moratorium - Changes to keep flexibility to either extend tenure or increase EMI or both - Other cosmetic changes
1	April 01, 2020	NA

Policy Owner: Finance Department

Disclaimer

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**Policy for Moratorium/ Deferment/ Re-scheduling of Loan Repayments
due to COVID19**

Introduction	<p>Pursuant to outbreak of COVID19 Reserve Bank of India (RBI) has announced several regulatory measures to provide relief to the borrower facing stress on account of the economic fallout of the pandemic which <i>inter alia</i> include that lending institutions may declare moratorium of three months on payment of instalment in respect of term loans outstanding as on Mar 1, 2020. In continuation to this RBI have decided to permit lending institution to extend the moratorium period by another three months i.e. from June 1 2020 to Aug 31, 2020. RBI has allowed to Financial Institution to reschedule the payment of these loans without downgrading their asset classification.</p> <p>This policy aims to provide uniform relief to eligible borrowers who are unable to pay their dues by deferment of their arrear (towards EMI/PEMI due in March 1, 20 to Aug 31, 2020) through rescheduling of payment of their loans.</p> <p>Further, policy aims to set guiding principles to determine asset classification of loans during the period March 1, 2020 to Aug 31, 2020</p>
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<p>Definition</p>	<p>Asset Classification – Classification of term loan in any of the prescribed category such as standard, sub-standard, doubtful and loss</p> <p>Eligible Borrowers –Borrowers who are fulfilling following criteria</p> <ul style="list-style-type: none"> - Any of the instalment falling due between during the period March to Aug 2020; and - Accounts having classification as : <ul style="list-style-type: none"> a) Standard as on March 1, 2020; or b) Sub-Standard as on March 1, 2020 but get regularised before Aug 31, 2020; and - Customers who <ul style="list-style-type: none"> a) have given acceptance to moratorium/deferment of EMI/PEMI either by calling in to company helpline number or in writing (email or letter) or on Company Website or on recorded calls to customer (or any other mode acceptable to the Company) or b) have not communicated their option and whose instrument (ECS/NACH/DDM etc) presented for collection are not cleared, shall be deemed to have given acceptance for availing moratorium. <p>Eligible Amount: EMI/PEMI due between March 1, 2020 to Aug 31, 2020 but not paid by client. Arrear outstanding as on Feb 29, 2020 will not be subject to Moratorium or rescheduling.</p> <p>Effective Date: Rescheduling will be effective from March 1, 2020. However, in case customer has already paid the EMI for any of the month between March'20 to Jul 2020, effective date will be shifted to subsequent month.</p>
<p>Guiding Statement</p>	<p>India Shelter believes that RBI has released these guidelines as an ameliorative measure to help those borrowers who are suffering due to COVID 19 outbreak and is not aimed at stopping the scheduled re-payments and thus, this policy is geared towards helping those who have suffered from COVID 19 and allow those who wish to make repayments voluntarily to not go under moratorium scheme.</p>

Operating guidelines	<ol style="list-style-type: none"> 1. Customers will be informed about the decision of company to extend the facility of moratorium/ deferment/ rescheduling on voluntary basis through upload on website or electronic messages. 2. In communications, customers will be educated and advised about the adverse impact of moratorium on their future EMIs and tenure. Further, customer will be given option to confirm through allowed mode, whether they are willing to opt for moratorium and if done so no demand shall be made to the customer for making payment. 3. NACH will be placed as per schedule for customers who do not make any request for moratorium. However, considering the exceptional situation, no bounce charges will be levied for transactions during this period. 4. For customers who have given acceptance (including deemed acceptance) to moratorium/ deferment/ rescheduling, loan accounts will be rescheduled from the Effective Date as under: <ol style="list-style-type: none"> a. Eligible Amount shall be adding back to unbilled principal loan amount outstanding on the Effective Date. b. Revised repayment schedule will be finalised basis revised unbilled Principle & contractual rate of Interest. c. Revised repayment schedule may result in extension of residual tenure and/or change in EMI. d. Revised repayment schedule will be effective from Sep, 2020 5. Loans sanctioned on or after April 1, 2020 will remain covered by these guidelines.
Asset Classification and Provisioning	<p>Taking consideration of the RBI circular and clear intent of the company to provide relief to all eligible borrowers by way of deferment / rescheduling of EMI/PREMI generated during the impacted period, period between March 1, 2020 to Aug 31, 2020 will be considered as Zero Period where there will not be any downward movement in the asset classification of the Eligible Borrower during this period.</p> <p>Similarly, considering the non-normal nature of moratorium period, downward stage movement of assets from Stage-1 and Stage-2 as at Feb 29, 2020 to lower stages will remain freeze during this period for the computation of provisioning.</p>
Reporting to Credit Bureau	<p>Defaults in repayments during March 1, 2020 to Aug 31, 2020 are eligible for deferment/ rescheduling and hence will not be reported as default.</p>
Moratorium on Borrowings	<p>MD & CEO and CFO are authorized to take a call on deferment of repayment of principal / interest on company's borrowings based on prevailing situation.</p>
Changes & Interpretation	<p>MD & CEO has right to authorize (a) changes to the policy or (b) interpret the policy</p>

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