

# **LENDINGKART FINANCE LIMITED**

**Addendum to Policy for Restructuring of Advances dated  
September 29, 2020,  
to cover Resolution Framework 2.0 guidelines announced  
by RBI on 5<sup>th</sup> May 2021**

Version	New - Dated 2 <sup>nd</sup> June, 2021
Document Reference	Restructuring of Advances - Sep 2020
Effective Date	2 <sup>nd</sup> June, 2021
Amendment	<p>This addendum request is for inclusion of the recent regulatory directive dated May 5, 2021 vide "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" and "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" ("<b>Circulars</b>").</p> <p>No other changes proposed to existing construct of the restructuring program.</p>
<p>In view of the uncertainties created by the resurgence of the Covid-19 pandemic in India in the recent weeks, Reserve Bank of India has announced directive through the Circulars to extend the <b>Restructuring of Advances</b> facility for restructuring existing loans without a downgrade in the asset classification subject to several conditions. Basis the Circulars, the Company shall follow the prescribed guidelines as under:</p> <ul style="list-style-type: none"> <li>(i) The borrower should be classified as a micro, small or medium enterprise as on March 31, 2021 in terms of the Gazette Notification S.O. 2119 (E) dated June 26, 2020.</li> <li>(ii) 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 31, 2021.</li> <li>(iii) The aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does not exceed ₹25 crore as on March 31, 2021.</li> <li>(iv) The borrower's account was a 'standard asset' as on March 31, 2021.</li> <li>(v) The borrower's account was not restructured in terms of the earlier MSME restructuring circulars.</li> <li>(vi) The restructuring of the borrower account is invoked by September 30, 2021. For this purpose, the restructuring shall be treated as invoked when the lending institution and the borrower agree to proceed with the efforts towards finalising a restructuring plan to be implemented in respect of such borrower. The decisions on applications received by the lending institutions from their customers for invoking restructuring under this facility shall be communicated in writing to the applicant by the lending institutions within 30 days of receipt of such applications. The decision to invoke the restructuring under this facility shall be taken by each lending institution having exposure to a borrower independent of invocation decisions taken by other lending institutions, if any, having exposure to the same borrower.</li> <li>(vii) The restructuring of the borrower account is implemented within 90 days from the date of invocation.</li> <li>(viii) If the borrower is not registered in the Udyam Registration portal, such registration shall be required to be completed before the date of implementation of the restructuring plan for the plan to be treated as implemented.</li> <li>(ix) All other instructions specified in the circular DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 shall remain applicable.</li> <li>(x) In respect of restructuring plans implemented as per Clause 2 above, asset classification of borrowers classified as standard may be retained as such, whereas the accounts which may have slipped into NPA category between April 1, 2021 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan.</li> <li>(xi) Individuals/ non-MSME business borrowers can be extended this facility if their eligibility status may be established under RBI guidelines.</li> </ul>	