TransUnion CIBIL

ECLGS INSIGHTS REPORT

ANALYZING FLOW OF CREDIT AND BORROWER BEHAVIOR

DECEMBER 2021

CONTENTS

EXECUTIVE SUMMARY

COVID-19 crisis and the containment measures implemented to curb the spread of infection had impact on the financial situation of MSMEs. MSMEs faced potential liquidity challenges and their businesses faced the possible threat of insolvency. In order to help MSMEs cope up with the crisis the Government of India proactively launched ECLGS under the "Atmanirbhar Bharat Abhiyan". The scheme was launched with the objective of providing additional liquidity to MSMEs with reduced cost of fundsto boost the resurgence of MSME sector. TransUnion CIBIL has analyzed the impact of the scheme on flow of credit and changes in borrower behavior. The findings of our study suggest that the scheme has been successful in helping MSMEs navigate through the crisis. Synopsis of our key findings are given below.

FLOW OF CREDIT

1. Public sector banks have played a lead role in implementing the scheme

Public sector banks were the first to recommence operations after the first wave of COVID-19 hit the country. Public sector banks with their extensive network operationalizedthe scheme as soon as it was launched.This enabled the scheme reach out to a maximum number of MSME borrowers spread across the length and breadth of the country, within a short time. Of the total loanapplications received under the scheme, the share of public sector banks is about 47%. Private sector banks took some time in implementing the scheme initially. Despite the late start,private sector banks have contributed equally in terms of amount disbursed under the scheme, with their share at around 44%. Given the fact that public and private sector banks cater to the credit needs of different MSME segments, as expected, the average ticket size of ECLGS loans extended by private banks is higherthan that for the public sector banks.

2. Very small and micro MSMEs have benefitted the most

While the COVID-19 crisis impacted MSMEs across the board, the very small and micro enterprises were the ones to be affected the most, as their ability to withstand crisis of large magnitude is limited. These were the MSMEs who needed immediate liquidity to navigate through the crisis and sustain their livelihood. Our analysis highlights that the ECLGS scheme has benefitted this class of MSME segment. Of the total number of borrowers who availed loans under this scheme, 58.5% belong to the very small category (overall credit exposure less than INR 10 Lakhs) and 32% belong to the micro category (overall credit exposure between INR 10 Lakhs and 1 Cr). In terms of value, the share of very small and micro segment is at 30% of the disbursed amount.

3. Sectors impacted more severely have received majority of the funds

COVID-19 and the containment measures implemented had a higher impact on sectors like retail trade, wholesale trader, transport, professional services, tourism, hotels & restaurants that were heavily dependent on mobility. These sectors faced immediate liquidity constraints as their operations came to a standstill. Of the total disbursements made under ECLGS 1.0 and ECLGS 2.0, theshare to sectors mentioned wasat 75%, indicating that the scheme has been able to help in revival of highly impacted sectors.

4. Industrialized states where MSME borrowers are concentrated have a higher share

The top five states of Maharashtra, Tamil Nadu, Gujarat, Uttar Pradesh, and Karnataka that are high on industrial and commercial activity and also have a significant share in overall MSME exposure, contribute to 47% of total ECLGS loan disbursement.

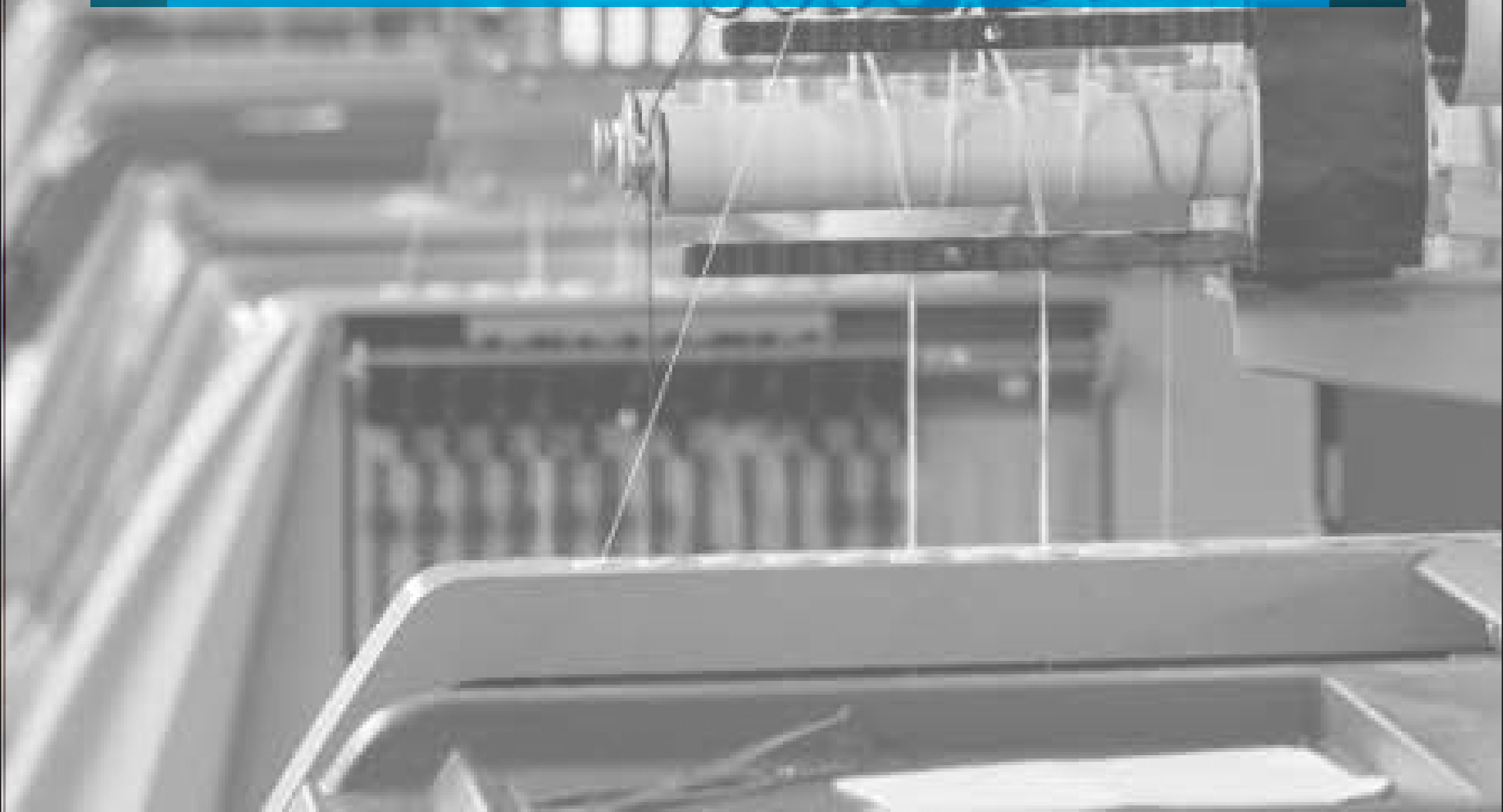
BORROWER BEHAVIOR

1. **Improvement in credit health of borrowers**
MSME borrowers with low scores (borrowers with TransUnion CIBIL CMR rank 7 to 10 / TransUnionCreditVision score 300-680) had a higher avail rate (proportion of MSME borrowers availing ECLGS loans to the total eligible base) compared to those with higher scores. These low score (high risk) borrowers were already facing financial hardship prior to COVID, and the lockdown further constrained their liquidity, making revival very difficult. ECLGS loans have helped such borrowers come out of the crisis situation. This is evident from the fact that score upgrades (movement from a higher risk bucket to a lower risk bucket) were better for those low score borrowers who availed ECLGS facility as compared to those who did not.

2. **Reduction in average credit balances**
The liquidity provided under the scheme has resulted in reduction in average credit balances for borrowers availing the scheme. Average balances have dropped by 17% between March 2020 and March 2021 for borrowers availing the scheme compared to a drop of 8% for borrowers not availing the scheme. This reduction is average balances is observed across all MSME segments.

3. **Better credit performance**
The performance of loans extended under ECLGS also seems to better. Borrower-level NPA rate (a borrower is considered NPA if at least one of the active loans of borrower is NPA) as of March 2021, is at 6% for borrowers who have availed ECLGS facility compared to 7.5% forthose who did not. Further, only 2% of the ECLGS loans extended have been reported by lenders as NPA or 90+ days past due as of March 2021.

4. **Raised confidence and created optimism**
Based on responses from 756 MSMEs that were surveyed, 65% of the respondents said the ECLGS scheme helped their business tide through financial troubles and 68% were confident about a future positive outlook. However at the same time, 57% of the respondents said it was not very easy for them to access the scheme. About 85% respondents also acknowledged that CIBIL credit history has played a critical role in facilitating ECLGS disbursals.



Background

TransUnion CIBIL Ltd has assessed the impact of Emergency Credit Line Guarantee Scheme (ECLGS) launch in 2020 for MSME sector as part of Government of India's Aatmanirbhar Bharat Initiative. The study is conducted with an objective to see the ECLGS impact from the lens of a borrower, lender and sector at large. The study is based on ECLGS 1.0 and 2.0 disbursals made till 31st Mar 2021*

Construct of the study

The ECLGS data received accounted for ₹1.7 Lakh Cr in disbursement amount of ECLGS loans till March 2021 as part of ECLGS 1.0 and 2.0. Out of these, a sample of ₹1.45 Lakh Cr in disbursed loans were sampled for the purpose of this analysis. The sampling was done to remove certain data discrepancies. ECLGS data was matched to bureau data for a more holistic view of the borrowers' credit activity. Several checks were done to make sure the sample was representative of the population in terms of lender distributions, sanction dates, sectors etc.

Exhibit 1: Analysis Base

Population/Sample	Disbursed Amount (₹ Lakh Cr)
Overall ECLGS Base	1.70
Analysis Sample	1.45
% of population	85%

In addition to the disbursement data received from NCGTC, TU CIBIL and NCGTC conducted a primary research where they reached out to MSMEs who had availed of the facility with the following questions:

1. What was the impact of the lockdown on your business?
2. Did the ECLGS facility help to ease your financial problems?
3. Where did you use the funds received via the ECLGS scheme?
4. How did you find about ECLGS scheme?
5. How easy was it to acquire the ECLGS funds?
6. Have you checked your CIBIL Rank & Company Credit Report?
7. Do you think your CIBIL Rank and credit history played a role in your loan disbursal?
8. How does monitoring your CIBIL Rank & Company Credit Report help your company? (Please select all the options that apply)
9. How would you want to know about CIBIL Rank & Company Credit Report?
10. What is the future outlook of your business?

A total of 756 responses were analyzed and also form a part of this report.

*Based on Emergency Credit Line Guarantee Scheme (ECLGS) data provided by National Credit Guarantee Trustee Company Ltd (NCGTC), TransUnion CIBIL Ltd has conducted the study to access the impact of ECLGS with an objective to see it from the lens of a borrower, lender and sector at large. The study is based on ECLGS 1.0 and 2.0 disbursals made up to 31 March 2021

Geographic distribution

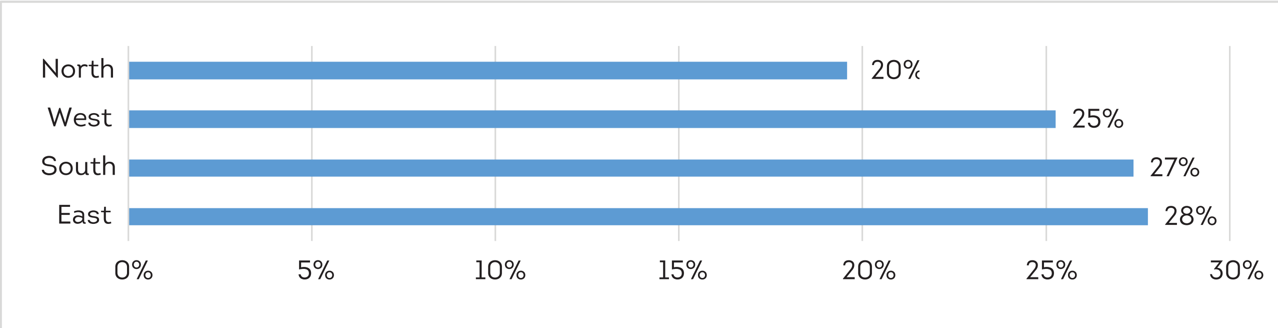
The top 10 states contributing to 73% of disbursement amount is as below.

Exhibit 2: State wise distribution of ECLGS loans and performance

STATE	% by Count	% by Amount	ATS (₹Lakh)	NPA as of MAR '21
MAHARASHTRA	9.31%	13.64%	5.8	0.01%
TAMILNADU	8.42%	11.22%	5.3	4.12%
GUJARAT	4.59%	9.60%	8.3	0.03%
UTTAR PRADESH	9.07%	6.78%	3.0	3.09%
KARNATAKA	5.26%	6.30%	4.7	8.55%
RAJASTHAN	4.61%	5.66%	4.9	0.18%
DELHI	1.72%	5.56%	12.8	7.75%
WEST BENGAL	11.77%	5.20%	1.8	0.02%
HARYANA	2.55%	4.73%	7.4	0.03%
TELENGANA	2.88%	4.34%	6.0	5.81%

Survey respondents were well distributed across regions, with a slightly lower percentage of respondents from the North region.

Exhibit 3 : Region wise distribution of respondents



New Delhi, Mumbai City and other metros have the highest average ticket size of ECLGS loans compared to non-metros. The top 20 cities accounted for over 50% of ECLGS loans disbursement by amount.

Exhibit 4: District level distribution of ECLGS loans

STATE	CITY	% BY COUNT	% BY AMOUNT	ATS (₹LAKH)
MAHARASHTRA	MUMBAI CITY	1.27%	5.46%	20.4
KARNATAKA	BENGALURU (BANGALORE) URBAN	2.07%	5.02%	11.5
TAMILNADU	CHENNAI	1.66%	4.14%	11.8
WEST BENGAL	KOLKATA	2.31%	4.08%	8.4
GUJARAT	AHMEDABAD	1.55%	3.89%	11.9
DELHI	NEW DELHI	0.94%	3.82%	19.2
MAHARASHTRA	PUNE	2.54%	3.57%	6.7
RAJASTHAN	JAIPUR	1.51%	2.83%	8.9
GUJARAT	SURAT	1.29%	2.73%	10.0
MAHARASHTRA	MUMBAI SUBURBAN	0.76%	2.29%	14.2
TAMILNADU	COIMBATORE	1.16%	2.27%	9.3
MAHARASHTRA	THANE	1.56%	1.90%	5.8
HARYANA	GURGAON	0.57%	1.65%	13.8
TAMILNADU	TIRUPPUR	0.54%	1.56%	13.7
GUJARAT	RAJKOT	0.63%	1.43%	10.7
MAHARASHTRA	NAGPUR	1.13%	1.16%	4.9
HARYANA	FARIDABAD	0.50%	1.14%	10.7
UTTAR PRADESH	GAUTAM BUDDHA NAGAR	0.43%	1.07%	11.9
GUJARAT	VADODARA	0.65%	1.02%	7.5
UTTAR PRADESH	GHAZIABAD	0.64%	0.97%	7.3

Lender relationships

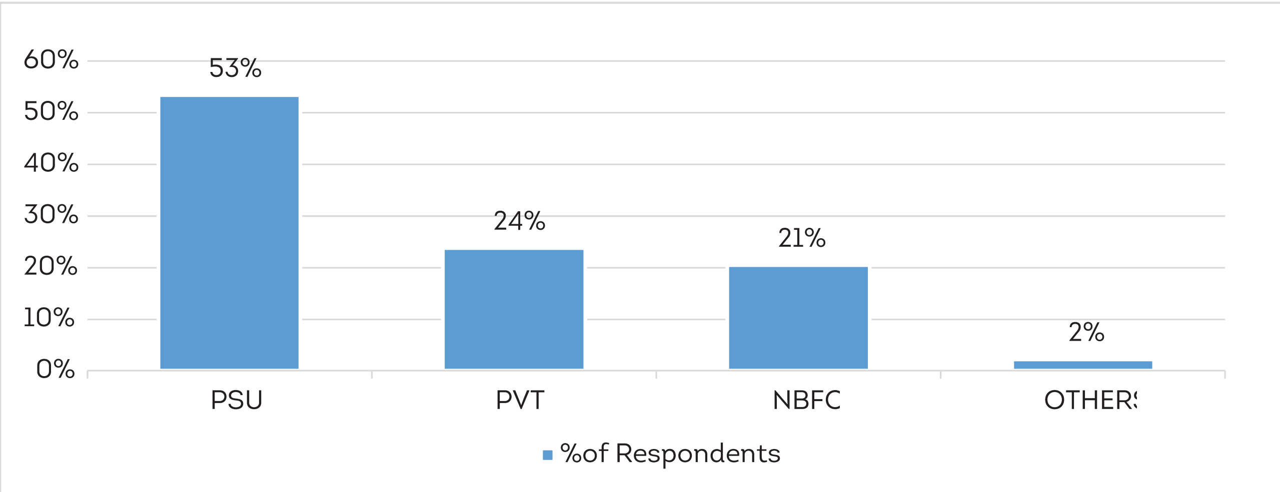
Private and Public Sector Banks contributed equally in terms of disbursed amount, however, number of applications processed by PSU Banks were 1.6 times that of Private Banks.

Exhibit 5: Distribution of applications received and disbursed amounts by lender type

Lender Type	% of Disbursed Amount	% of Applications	ATS (₹Lakh)
Private Banks	44.5%	28.5%	6.04
Public Sector Banks	43.6%	46.8%	3.59
NBFCs	10.3%	16.4%	2.42
Others	1.6%	8.3%	0.73

Distribution of survey respondents by lender type show a higher % of respondents tagged to Public Sector Banks.

Exhibit 6: Distribution of survey respondents by lender type



Borrower Profiles

In this section, we have summarized our study on the profile of the borrowers who availed of the ECLGS facility (borrowers who applied and were granted ECLGS by their respective lenders), with the objective to understand which segment of borrowers the facility was more attractive to. Across several metrics, we looked at distribution of availed borrowers (e.g. what percentage of borrowers across the different MSME sizes availed of the facility) and availed rate (e.g. of the total number of eligible borrowers in a particular segment, say Micro MSME, what percentage availed of the facility).

Borrower size category

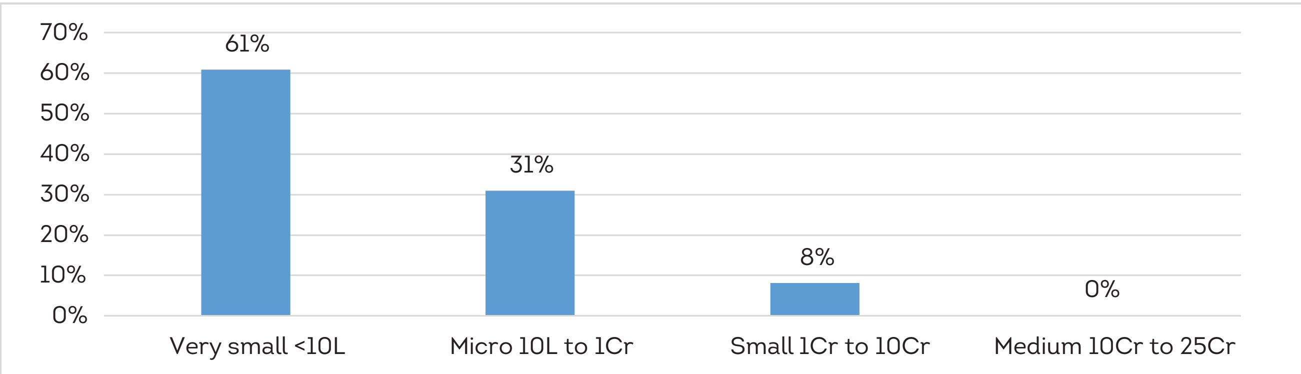
Very Small (up to INR 10 Lakhs in exposure) and Micro (between INR 10 L and 1 Cr) in exposure make up for more than 90% of disbursement by count. In the overall ECLGS base received, Mudra loans contribute to 77% by volume.

Exhibit 7: Count-wise distribution of borrowers by size

Borrower Category	Distribution of availed borrowers (by count)
VERY SMALL (<10L)	58.5%
MICRO (10L to 1Cr)	31.7%
SMALL (1 Cr to 10 Cr)	8.7%
MEDIUM (10 Cr to 25 Cr)	1.1%

A similar distribution is seen for survey respondents.

Exhibit 8: Count-wise distribution by borrower size in the survey response base



However, the percentage of borrowers who availed for the facility out of the total eligible borrowers for the segment, or the availed rate, is seen to be the highest for Medium segment of borrowers.

Exhibit 9: Availed rate by borrower size

Borrower Category	Availed Rate
VERY SMALL (<10L)	5.18%
MICRO (10L to 1Cr)	10.61%
SMALL (1 Cr to 10 Cr)	21.02%
MEDIUM (10 Cr to 25 Cr)	28.75%

Enquiries

More than 50% of the borrowers who availed of the facility had made 2 or more enquiries in the last 12 months. This indicates that borrowers who availed of the facility had a higher need for credit even before the pandemic.

The percentage of eligible borrowers who availed of the facility, or availed rate, is higher among borrowers who have been more credit hungry, as shown by their number of enquiries in the past 12 months as of Feb 2020.

Exhibit 10: Distribution of borrowers by count and availed rate for enquiries

# of enquiries in past 12 months as of February 2020	Distribution of availed borrowers (by count)	Availed Rate
0	24.1%	5.26%
1	24.9%	9.42%
2 or higher	51.0%	12.42%

Utilization

The percentage of eligible borrowers who availed of ECLGS loans, or availed rate, is much higher for borrowers with high utilization. Also, in the availed population, more than 50% had utilization of more than 78% as of Feb 2020.

Exhibit 11: Distribution of borrowers by count and availed rate for Utilization

Utilization as of Feb 2020 borrowers (by count)	Distribution of availed	Availed Rate
Up to 50%	24.7%	1%
Between 50% and 78%	23.3%	7%
More than 78%	52.0%	15%

Missed Payments

Missed Payments Ratio is defined as the number of payments the borrowers missed as a percentage of total number of payments that were due in the past 12 months. E.g. if a borrower had to make 12 monthly payments in the last 12 months, and has missed 3 of them, the missed payment ratio would be 3 divided by 12 or 25%. The percentage of eligible borrowers who availed of ECLGS loans, or availed rate, is much higher for borrowers who missed at least 1 in 3 payments as compared to borrowers who did not miss any payment in the past 12 months as of Feb 2020.

Exhibit 12: Distribution of borrowers by count and availed rate for missed payments ratio

Missed Payments Ratio as of Feb 2020	Distribution of availed borrowers (by count)	Availed Rate
0-2.8%	44.3%	4.7%
2.8%-33.3%	41.9%	9.4%
More than 33.3%	13.8%	15.5%

Risk classification

Borrowers are classified into Low, Medium and High Risk categories based on CIBIL MSME Rank and CV Score, which predicts the probability of a borrower defaulting in the next 12 months. High risk category is defined as borrowers in CMR 7-10 buckets and/or CreditVision Score in 300-680 buckets and low and medium risk category borrowers defined as CMR 1-3 and/or CreditVision Score 771-900. A higher percentage of eligible borrowers from the High Risk categories availed of the GECL facility, as compared to Low and Medium Risk category of borrowers.

Exhibit 13: Distribution of borrowers by count and availed rate for Risk classification

Risk Classification as of March 2020	Distribution of availed borrowers (by count)	Availed Rate
Low Risk	15.3%	8.01%
Medium Risk	61.5%	7.29%
High Risk	23.2%	9.13%

Information Availability and Ease of Access

In this section, we have summarized analyses and insights based on the survey responses to questions pertaining to the operational aspects of availing the loan.

When asked "**How did you find about ECLGS scheme?**"

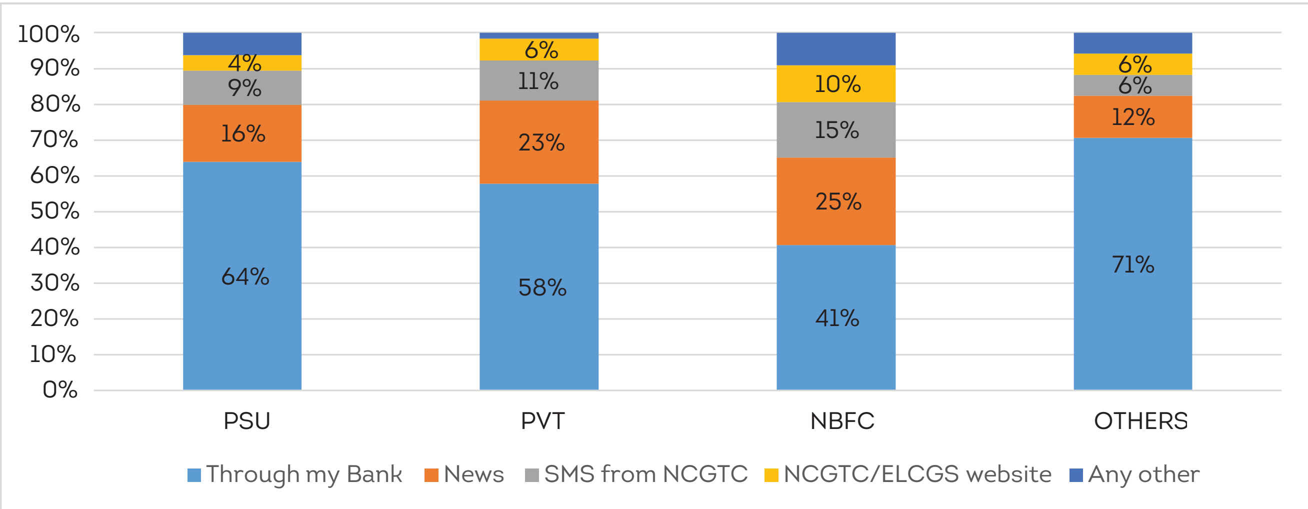
58% of the respondents said they came to know about the scheme from their lenders.

Exhibit 14: ECLGS scheme information channel

	%of Respondents (by count)	%of Disbursement (by amount)
Through my Bank	58%	65%
News	19%	20%
SMS from NCGTC	11%	6%
NCGTC/ELCGS website	6%	7%
Any other source, please mention	6%	3%

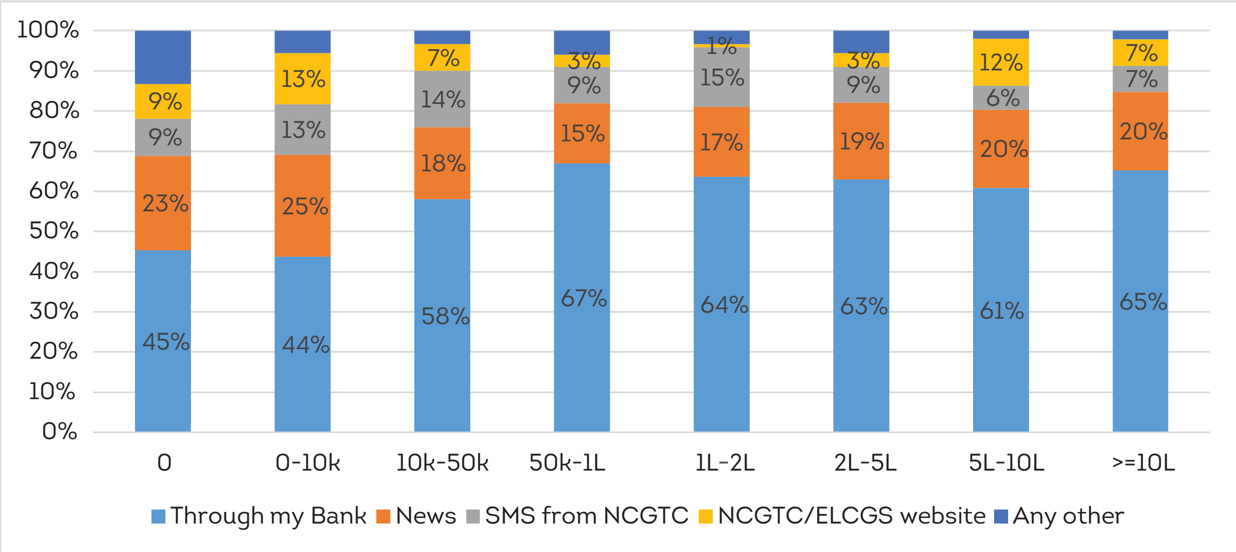
Only 41% of the NBFC respondents were informed by the lender (lowest among all lender types).

Exhibit 15: ECLGS scheme information channel across lender type



Lower proportion of respondents who either received no fund or fund below ₹10K were informed by the lender.

Exhibit 16 : ECLGS scheme information channel across disbursement buckets



When asked "**How easy was it to acquire the ECLGS funds?**"

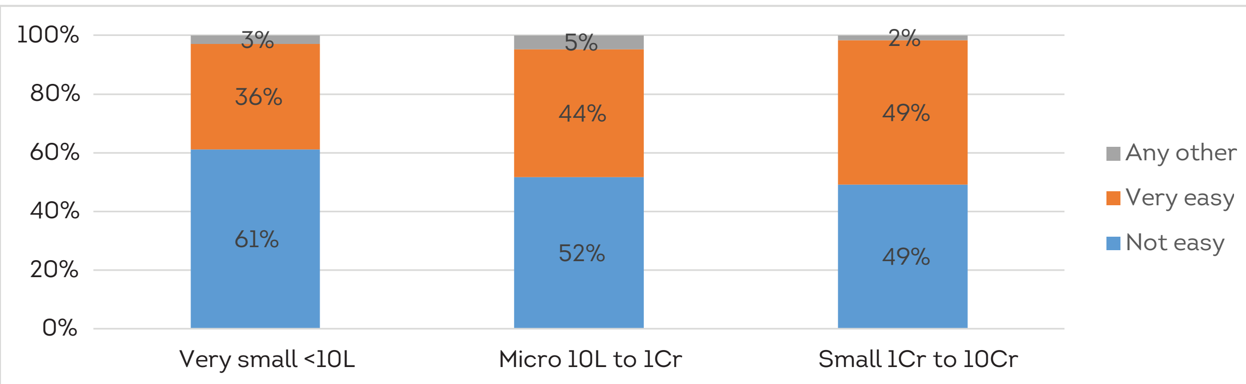
57% of the respondents found it difficult to avail of the facility.

Exhibit 17: Response to ease of availing ECLGS

	% of Respondents (by count)	% of Disbursement (by amount)
Not easy	57%	56%
Very easy	39%	43%
Any other	3%	1%

Bigger entities found it easier to avail of the facility as compared to very small entities.

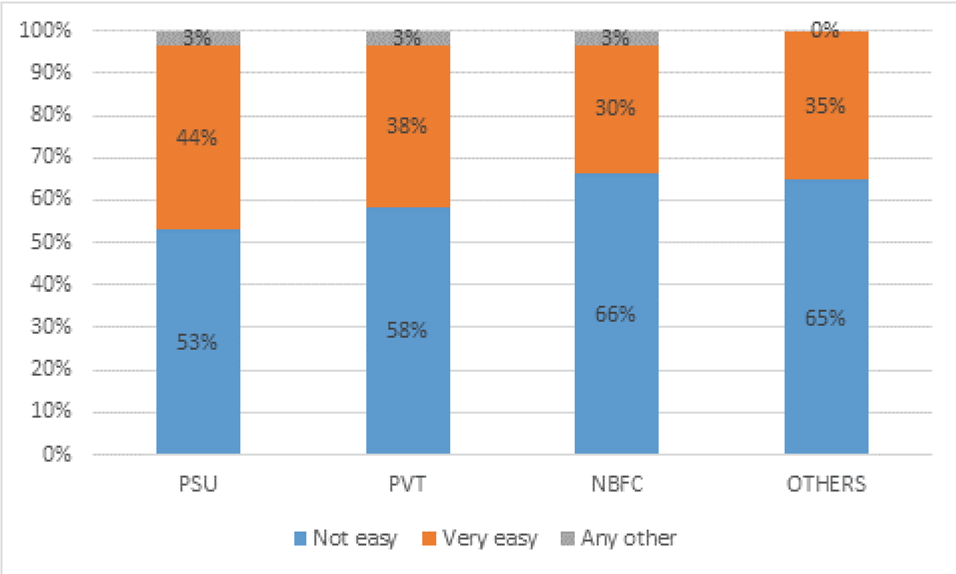
Exhibit 18: Ease of availing ECLGS across borrower size



* [10Cr to 25Cr group removed as there are only 2 respondents]

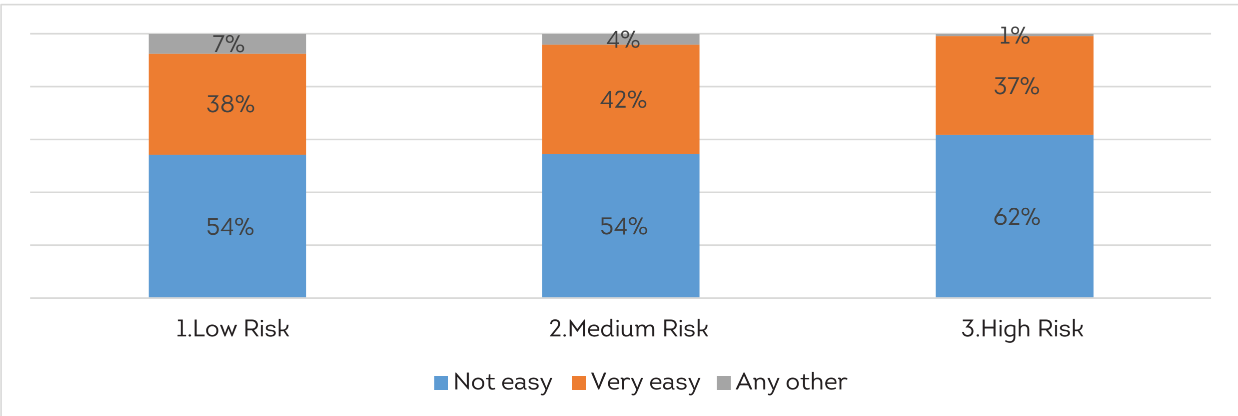
Respondents who NBFCs as their lenders had the highest negative response at 66%.

Exhibit 19 : Ease of availing ECLGS across lender type



High risk groups found it more difficult to avail of the facility.

Exhibit 20 : Ease of availing ECLGS across risk segments



When asked “**Do you think CIBIL Rank and credit history played a role in your loan disbursal?**”

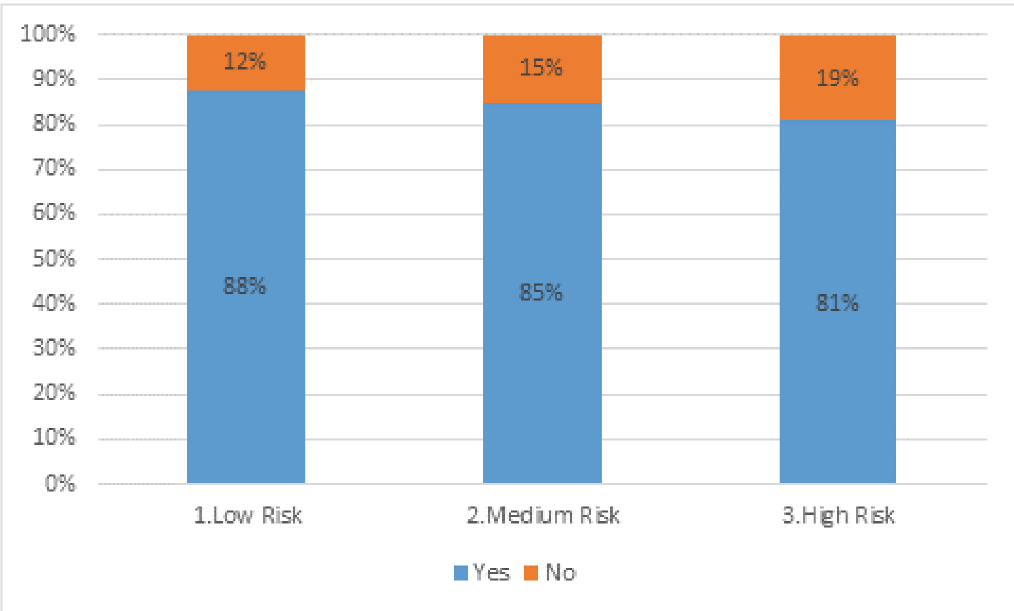
85% of the respondents thought CIBIL Rank and credit history played a role in disbursal.

Exhibit 21: Role of CIBIL Rank and credit history in disbursal

	% of Respondents (by count)	% of Disbursement (by amount)
Yes	85%	84%
No	15%	16%

Little lesser percentage of high risk respondents (81% compared to 88% in low risk segments) thought CIBIL Rank and credit history played a role in disbursal.

Exhibit 22: Role of CIBIL Rank and credit history in disbursal across risk tiers



Sector classification

Sector distribution of ECLGS 1.0 and 2.0 loans show a high distribution for retail & wholesale traders, and services industries.

Exhibit 23: Sector distribution of ECLGS 1.0 and 2.0 loans by count

Sector	
Traders	39.0%
Retail Traders	90.1%
Wholesale Traders	9.9%
Services	35.8%
Transport Operators	41.3%
Other Services	45.4%
Professional Services	8.8%
Tourism, Hotels, and Restaurants	3.7%
Commercial Real Estate	0.3%
Computer Software	0.4%
Shipping	0.1%
Food Processing	4.9%
Textiles	3.3%
Vehicles, Vehicle Parts and Transport Equipment	1.7%
Construction	1.2%
All Engineering	1.0%
Wood and Wood Products	0.6%

ECLGS 2.0 - Comparative Study

We compared overall NPA of sectors that were eligible for ECLGS 2.0 against those that were not across time periods. At an industry level, NPA increased by 4.1% as of Mar-21 for eligible sectors. We used the differential 4.1% as a benchmark to evaluate which sectors performed better than industry (NPA increase of less than 4.1%) and which sectors performed worse (NPA more than 4.1%). Gems and Jewellery, Textiles, and Iron & Steel Manufacturing had some of the highest availed rates.

The following sectors highlighted in green performed better than the industry average of NPA increase of 4.1% and the ones highlighted in amber have underperformed. Also, mentioned are the availed rates (percentage of eligible borrowers who availed of the facility) across all of these sectors.

Exhibit 24: Performance of ECLGS 2.0 eligible sectors (including delinquency and exposure criteria for eligibility)

Eligible Sectors	NPA MAR '21	AVAILED RATE
PLASTIC PRODUCTS MANUFACTURING	0.0%	38.8%
POWER	0.0%	15.0%
GEMS & JEWELLERY	0.9%	**52.8%**
CEMENT	1.5%	29.2%
TRADING-WHOLESALE	2.0%	33.0%
AUTO COMPONENTS	3.0%	48.5%
TEXTILES	3.0%	**57.0%**
COMMERCIAL REALESTATE	3.3%	36.4%
CHEMICALS	3.3%	31.9%
IRON &STEELMANUFACTURING	3.6%	**50.2%**
ROADS& OTHER INFRASTRUCTURE	4.0%	13.9%
CONSTRUCTION	4.2%	37.9%
FMCG	4.5%	22.0%
HOTEL RESTAURANTS TOURISM	6.1%	49.7%
MINING	6.3%	25.0%
LOGISTICS	8.6%	46.9%

For the sectors that were not eligible for ECLGS 2.0, some managed to maintain NPA increase around the industry average, while some were hit harder. A sample of these sectors was taken so as to filter for the eligibility criteria of delinquency (60 DPD or lesser) and exposure (above ₹50 Cr. and not exceeding ₹500 Cr.)

Exhibit 25: Underperforming ECLGS 2.0 non-eligible sectors (including delinquency and exposure criteria for eligibility)

Non - Eligible Sectors	NPA MAR '21
Machinery and Transport equipment	5.4%
Education	5.5%
All Engineering	5.5%
Retail Trade	6.4%
Leather and Leather Products	6.7%
Other Services	6.7%
Paper and Paper Products	7.3%
Agriculture and Allied Activities	7.6%
Wood and Wood Products	16.7%

Impact of ECLGS loans on borrower credit profile

Perceived impact as captured in survey responses

When asked in the survey "**Did the ECLGS facility help to ease your financial problems?**" 65% of the respondents said 'Yes'.

Exhibit 26: Survey response to efficacy of ECLGS facility

	% of Respondents (by count)	% of Disbursement (by amount)
Yes	65%	67%
No	35%	33%

When asked about ECLGS funds usage, 41% of the respondents said they used the funds to restart their business operations and 40% said they cleared existing dues of vendors.

Exhibit 27: Survey response to ECLGS credit line usage

	% of Respondents (by count)	% of Disbursement (by amount)
To restart business operations	41%	29%
Clear existing dues of vendors	40%	45%
Pay salaries	12%	13%
Any other	8%	13%

68% of the respondents were confident about positive future outlook of their business. Also, the respondents who had a negative outlook, has the lowest percentage of borrowers who actually received the funds, after they were sanctioned by the lender (measured by % Disbursed over % Sanctioned).

Exhibit 28: Survey response on future outlook of business post taking ECLGS facility

	% of Respondents (by count)	% of Disbursement (by amount)	% of Disbursement vc Sanctioned
Positive	68%	63%	82%
Not sure	24%	32%	84%
Negative	6%	3%	49%
Any other	2%	2%	91%

Outstanding Balances

Average outstanding balances have reduced for borrowers who availed of ECLGS facility. A breakup by size shows that Very Small and Micro segments of borrowers had a higher drop in average balances as compared to the larger segments. However, borrowers who didn't avail of ECLGS had a lower drop.

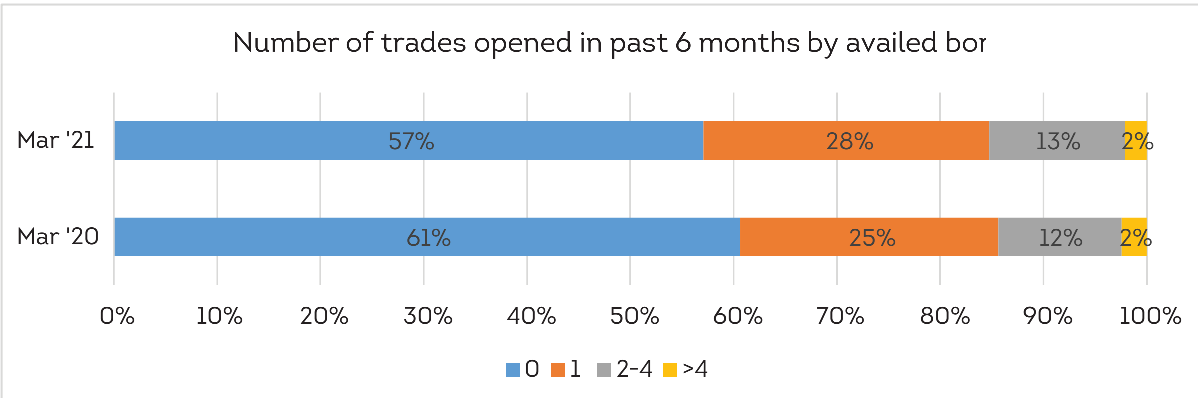
Exhibit 29: Average outstanding balance of availed base – Mar20 vs Mar21

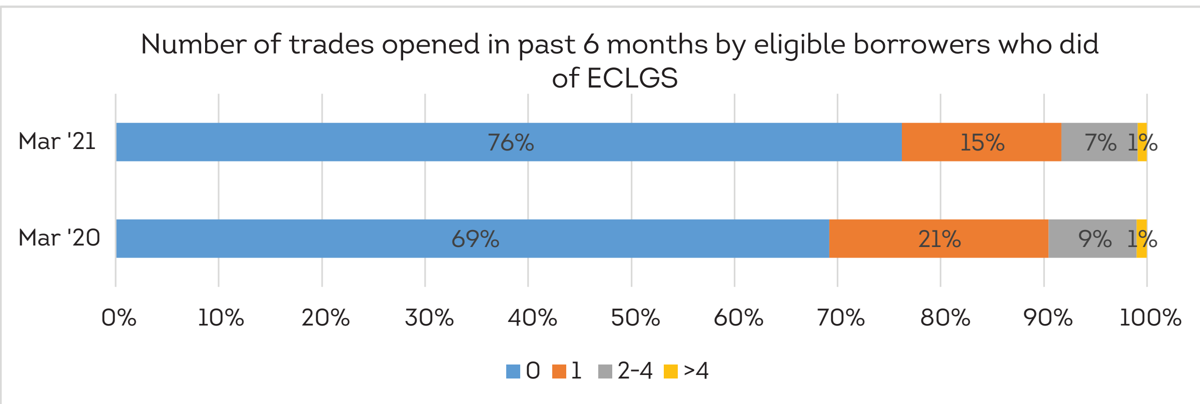
	Average outstanding balance of borrowers who availed of ECLGS (₹Lakh)			Average outstanding balance of eligible borrowers who didn't avail of ECLGS (₹Lakh)		
Borrower Size	Mar '20	Mar '21	% Decrease	Mar '20	Mar '21	% Decrease
Very Small	2.2	1.5	33%	1.6	1.6	0%
Micro	13.4	8.9	33%	10.8	10.2	6%
Small	57.5	44.7	22%	73.4	67.4	8%
Medium	180.9	155.0	14%	366.5	337.0	8%

New accounts opened

Borrowers who availed of the ECLGS facility continued to open more trades, as compared to borrowers who did not. The charts below show the distribution of new loan accounts opened by borrowers who availed of ECLGS as well as those who did not, in 6 months preceeding March 2020 and March 2021. As of March 2020, 39% of borrowers had opened at least 1 new account in the past 6 months, and that number increased to 43% as of March 2021.In contrast, for eligible borrowers who didn't avail of ECLGS, new loan accounts opened decreased from 31% as of March 2020 to 23% as of March 2021.

Exhibit 30: Trades opened in past 6 months – Mar '20 vs Mar '21 view

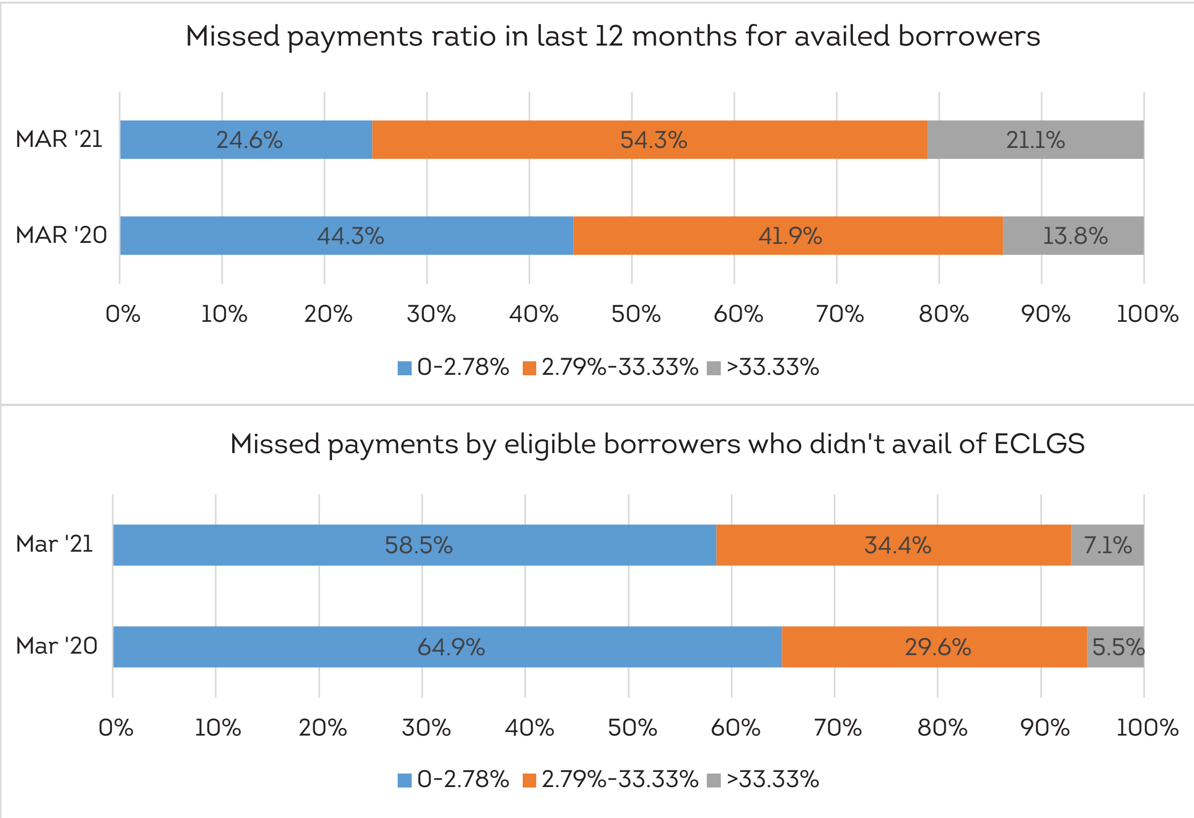




Missed Payments

Borrowers who availed of ECLGS facility showed signs of stress as a higher percentage of borrowers missed at least 1 payment in the last 12 months as of March 2021 as compared to March 2020.

Exhibit 31: Missed payments ratio – Mar '20 vs Mar '21 view



ECLGS Loan Performance

Based on 15L ECLGS accounts where performance is available with the bureau, as of March 2021, close to 2% of the loans are in NPA.

Exhibit 32: Asset classification of ECLGS loans as of Mar-21

Asset Classification	% as of MAR'21 (by count)
STD	88.00%
SMA	10.04%
NPA	1.96%

Borrower Performance

At the borrower level (including all open loan accounts), we see that 6.1% of the borrowers who had availed of the ECLGS facility, have at least one loan account which is NPA as of March 2021. The performance is better than the borrowers who were eligible but did not avail the facility. However, the % of SMA is higher for borrowers who availed of the facility, thereby indicating risk build up.

Exhibit 33: Borrower level performance

Borrowers who availed ECLGS					
	MAR '20	JUN '20	SEP '20	DEC '20	MAR '21
STD	89.30%	90.70%	84.87%	83.08%	77.96%
SMA	10.70%	8.41%	13.82%	13.49%	15.95%
NPA	0.00%	0.89%	1.32%	3.43%	6.09%
Borrowers who were eligible but did not avail of ECLGS					
	MAR '20	JUN '20	SEP '20	DEC '20	MAR '21
STD	92.70%	92.48%	88.65%	82.91%	82.46%
SMA	7.30%	6.17%	8.93%	9.88%	9.98%
NPA	0.00%	1.35%	2.41%	7.20%	7.56%

17.7% of borrowers who availed of ECLGS loans rolled forward to a worse performance status (Standard to SMA or SMA to NPA) as compared to 14.1% of borrowers who did not avail of ECLGS loans.

Borrowers who availed ECLGS						
	MAR'21STD	MAR'21SMA	MAR'21NPA	Grand Total	Roll Forward	Roll Back
MAR'20 STD	73.6%	11.6%	4.2%	89.4%	15.8%	
MAR'20SMA	4.5%	4.2%	1.9%	10.6%	1.9%	4.5%
Grand Total	78.2%	15.8%	6.0%	100.0%		
Borrowers who were eligible but did not avail of ECLGS						
	MAR'21STD	MAR'21SMA	MAR'21NPA	Grand Total	Roll Forward	Roll Back
MAR'20 STD	80.7%	7.1%	5.4%	93.2%	12.5%	
MAR'20SMA	2.9%	2.3%	1.6%	6.8%	1.6%	2.9%
Grand Total	83.6%	9.4%	7.1%	100.0%		

The rollback rates of ECLGS accounts are much better than that of other accounts for the same borrower, thereby indicating efficient collection efforts.

Exhibit 35: ECLGS account roll forward and rollback

ECLGS Accounts			
ECLGS ACCOUNTS	MAR'21STD	MAR'21SMA	MAR'21NPA
DEC'20 STD	90.97%	7.56%	1.46%
DEC'20 SMA	44.79%	47.33%	7.89%
DEC'20 NPA	36.55%	34.65%	28.80%
NON ECLGS Accounts for the same borrowers			
NON ECLGS ACCOUNTS	MAR'21STD	MAR'21SMA	MAR'21NPA
DEC'20 STD	85.7%	12.1%	2.2%
DEC'20 SMA	33.9%	53.1%	13.0%
DEC'20 NPA	14.3%	16.1%	69.6%

Risk Migration

A key indication of potential risk build up is tracked through downgrades of CV Score and CMR. Similarly, upgrades in risk ranking indicates strengthening of portfolio. A similar trend as seen with Asset Classification movement is observed when we compare CMR migration of borrowers.However, if we look at only high risk borrowers, we observe that borrowers who availed of ECLGS loans showed a higher percentage of upgrades as compared to high risk borrowers who did not avail ECLGS loans.High risk category is defined as borrowers in CMR 7-10 buckets and/or CreditVision Score in 300-680 buckets and low and medium risk category borrowers defined as CMR 1-3 and/or CreditVision Score 771-900.

Exhibit 36: Risk migration

Borrowers who availed ECLGS						
	LOW RISK MAR'21	MED RISK MAR'21	HIGH RISK MAR'21	Total	Downgrades	Upgrades
LOW RISK MAR'20	7.7%	6.3%	1.3%	15.3%	7.6%	
MED RISK MAR'20	5.8%	42.9%	12.9%	61.6%	12.9%	5.8%
HIGH RISK MAR'20	0.5%	10.5%	12.1%	23.1%		11.0%
Total	14.0%	59.6%	26.3%	100.0%		

Borrowers who were eligible but did not avail of ECLGS						
	LOW RISK MAR'21	MED RISK MAR'21	HIGH RISK MAR'21	Total	Downgrades	Upgrades
LOW RISK MAR'20	8.8%	4.6%	0.8%	14.2%	5.4%	
MED RISK MAR'20	8.6%	47.9%	9.9%	66.5%	9.9%	8.6%
HIGH RISK MAR'20	0.3%	8.0%	11.1%	19.4%		8.2%
Total	17.7%	60.5%	21.8%	100.0%		

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