

Re-structuring Policy - Resolution Framework - 2.0 for Covid 19 related stress

PART A - Loan to Individuals and Non MSMEs <=25 cr

Parameter	Description
Segment	<ul style="list-style-type: none"> • Loan to Individuals <ul style="list-style-type: none"> - HE /LAP to Individuals for personal use - Un-secured loans to Individuals - Other Individual loans <p>(All borrower & co borrowers are Individuals, No limit on exposure amount prescribed)</p> <p>HE/LAP and other loans to Individuals availed for Business/ commercial use with combined outstanding exposure =<Rs. 25 Cr. as on 31st March 2021</p>
Eligible Borrower	<ul style="list-style-type: none"> • Staff /Employee loans Not Eligible • The resolution under this facility to be extended only to borrowers having stress on income/cash flows on account of Covid 19 • The borrower accounts should not have availed of any resolution in terms of the Resolution Framework – 1.0 • Credit team to assess & validate the reason of stress and quantum of income loss by vetting pre Covid and Current financial Situation of the Borrowers’ cash flows/ income basis supporting documents like GST returns/certified provisional financials or Salary Slips and credits in Bank Statement (as applicable on case basis) • Assess the viability of the resolution plan subject to the prescribed norms • For resolution plan necessitated due to economic fallout of Covid-19 pandemic, the proposed policy under Resolution Framework for COVID-19-related stress to supersede any previous resolution framework including that (if any) adopted under guidelines of the Master Circular • The sector-specific thresholds and key ratios – ref.circular DOR.No.BP.BC/13/21.04.048/2020-21 dated September 7, 2020 on “Resolution Framework for COVID-19-related Stress – Financial Parameters” shall not be applicable to resolution plans implemented under this window. • Customer’s request received post December 20 fulfilling account classification and other norms
DPD as on 31st March; 2021	Less than 90
Account classification as on 31st Marchc2021	Standard
Last Date of	30 th Sep 2021

Invocation of Resolution Plan	
Last date of implementation of Resolution Plan	Resolution Plan to be implemented within 90 days from the date of invocation of the resolution process.
Provisioning Requirement	<p>Higher of provisions already held OR 10% on Total debt</p> <p>The provisions already maintained in respect of such borrowers, to the extent not already reversed, may be utilised for meeting the provision requirements in all cases under this facility.</p> <p>For loans under category of personal loans, Half of the above provisions may be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA post implementation of the plan and the remaining half may be written back upon the borrower paying another 10 per cent of the residual debt without slipping into NPA subsequently.</p> <p>For exposures other than personal loans, the above provisions shall not be written back before one year from the commencement of the first payment of interest or principal (whichever is later) on the credit facility with longest period of moratorium.</p>
Modes of Resolutions	<ul style="list-style-type: none"> • Modification in terms and conditions of the exposure like change or extension in residual Tenure upto 2 years / Payable amount / Amount of instalments / Rate of Interest etc • Roll over of credit facility • Sanction of additional Credit facility • Granting of moratorium of upto 2 years • Combination of above measures • In cases of loans of borrowers where the earlier resolution plans had permitted no moratorium or moratorium of less than two years and / or extension of residual tenor by a period of less than two years, this framework can be used to modify such plan only to the extent of increasing the period of moratorium / extension of residual tenor in the manner that overall caps on moratorium and / or extension of residual tenor granted under Resolution Framework – 1.0 and this framework combined, shall be two years
Approval	<p>Upto 5 crs – Joint approval of National Collections Head & National Credit Head/Product head</p> <p>>5 cr & < 25.00 crs –Committee 1</p> <p>Joint approval of National Collections Head/National Credit Head and Business head</p>
Documentations	<ul style="list-style-type: none"> • Request letter from customer • Supplementary/Addendum Loan Agreement covering revised terms. • Business team to validate pool of cases/individual cases basis collection feedback, bounce behaviour, bureau report, portfolio trends due to Covid 19 • Any other additional documentation as necessitated <p>Note- Application processing and execution to be implemented through</p>

	digital or physical mode
Fee and ROI	<ul style="list-style-type: none">• Re-structuring fee as applicable can be either upfront paid by customer or capitalised• ROI applicable on re-structured loan to be as per approved terms.