

# *dhaniloans & services*

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

### PART B Loan to Micro, Small and Medium Enterprises (MSME) sector <= 25 crs exposure

Parameter	Description
<b>Segment</b>	<ul style="list-style-type: none"> <li>• Borrowers classified as MSME as on 31<sup>st</sup> Mar; 2021</li> <li>• The Combined outstanding exposure including non-fund based facilities , of all lenders to be &lt;= Rs. 25 Cr as on 31st March; 2021</li> </ul>
<b>Eligible Borrower</b>	<ul style="list-style-type: none"> <li>• MSME entity to be primary borrower</li> <li>• End use of borrowed funds was towards deployment in business.</li> <li>• The borrower entity must be Udyam registered. If it is not already registered, it should be registered for Udyam before implementation of resolution plan.</li> <li>• The borrower/s should not have availed restructuring under any of the earlier MSME restructuring frameworks (including under the Resolution Framework 1.0)</li> <li>• The borrowing entity to be GST-registered on the date of implementation of the restructuring , however this condition will not apply to MSMEs that are exempt from GST-registration as on 31<sup>st</sup> March , 2021.</li> <li>• The resolution under this facility to be extended only to borrowers having stress on income/cash flows on account of Covid19</li> <li>• Credit team to assess the reason of stress and quantum of income loss by vetting the Pre-Covid and Current financial Situation of the Borrowers' cash flows/ income basis supporting documents like GST returns/certified provisional financials and credits in Bank Statement (as applicable case basis).</li> <li>• Business team to assess the viability of the resolution plan.</li> <li>• Customer's request received post December 20 fulfilling account classification and other norms</li> </ul>
<b>DPD as on 31<sup>st</sup> March; 2021</b>	Less than 90
<b>Account classification as on 31<sup>st</sup> March;2021</b>	Standard
<b>Last Date of Invocation of Resolution Plan</b>	30 <sup>th</sup> Sep 2021
<b>Time line for designing and implementation of Resolution Plan</b>	The restructuring of the borrower account to be implemented within 90 days from the date of invocation.
<b>Provisioning Requirement</b>	Overall Provision of 10% of the total residual exposure.

<b>Modes of Resolutions</b>	<ul style="list-style-type: none"> <li>• Modification in terms and conditions of the exposure like change in Tenure / Payable amount / Amount of instalments / Rate of Interest etc.</li> <li>• Roll over of credit facility</li> <li>• Sanction of additional Credit facility</li> <li>• Granting of moratorium of upto 2 years</li> <li>• Combination of above measures</li> </ul>
<b>Approval</b>	<p><b>Upto 5 crs</b> – Joint approval of National Collections Head &amp; National Credit Head/Product head</p> <p><b>&gt;5 crs &amp; &lt; =25.00 crs</b> –Committee 1</p> <p>Joint approval of National Collections Head/National Credit Head and Business head</p>
<b>Documentations</b>	<ul style="list-style-type: none"> <li>• Request letter from customer</li> <li>• Supplementary/Addendum Loan Agreement covering revised terms.</li> <li>• Business team to validate pool of cases/individual cases basis collection feedback, bounce behaviour, bureau report, portfolio trends due to Covid 19</li> <li>• Any other additional documentation as necessitated</li> </ul> <p>Note- Application processing and execution to be implemented through digital or physical mode</p>
<b>Fee and ROI</b>	<ul style="list-style-type: none"> <li>• Re-structuring fee as applicable can be either upfront paid by customer or capitalised</li> <li>• ROI applicable on re-structured loan to be as per approved terms.</li> </ul>