



Dhani Loans and Services Limited

(CIN:U74899DL1994PLC062407)

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

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

Segment	MSME Borrowers with Combined outstanding exposure <=25 Cr as on 1 st March 2020
Eligible Borrower	<ul style="list-style-type: none">• MSME entity to be primary borrower• End use of borrowed funds was towards deployment in business.• Value of Investment in P&M (Gross Block) to be max 10cr for Manufacturing and 5 cr for Services.• 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• The resolution under this facility to be extended only to borrowers having stress on income/cash flows on account of Covid19• 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 or Salary Slips and credits in Bank Statement (as applicable case basis).• Business team to assess the viability of the resolution plan.
DPD as on 1st March 2020	Upto 90 days
Account classification as on 1st March 2020	Standard
DPD as on date on invocation	Not defined
Time line for designing and implementation of Resolution Plan	31st March 2021
Provisioning Requirement	Additional Provision of 5% over and above already held provision.
Modes of Resolutions	<ul style="list-style-type: none">• Modification in terms and conditions of the exposure like change in Tenure /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

	<ul style="list-style-type: none"> • Combination of above measures
Approval	<p>Upto 5 cr – Joint approval of National Collections Head & Policy/Product head</p> <p>>5 cr & < 25.50 crs –Committee 1</p> <p>Joint approval of National Collections Head/National Credit Head and anyone from BH & CRO</p> <p>> 25.50 crs – Committee 2</p> <p>CEO and / or any of the following: National Credit /Collection Head Chief Risk Officer, Business Head</p> <ul style="list-style-type: none"> • Executive/ Non-Executive Director of the Group
Documentation	<ul style="list-style-type: none"> • Request letter from customer • Supplementary/Addendum Loan Agreement covering revised terms. • Business team to validate & document recommendation note covering (1) Stress on income/cash flows due to Covid 19 & (2) Viability of proposed resolution plan • Any other additional documentation as necessitated
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.