

RESOLUTION FRAMEWORK 2.00 FOR COVID-19 RELATED STRESS :
ADVANCES TO INDIVIDUALS AND SMALL BUSINESS

The following are the highlights of the Board Approved Policy guidelines adopted by Bank with regard to implementation of the Resolution Framework 2.0 for Covid-19 related stress (Personal Loans and Small Business Loans). The above guidelines are based on RBI notification No.DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021

1.	ELIGIBLE LOANS:
	<p>a) The following Loans given to individuals:</p> <ul style="list-style-type: none">i. Housing Loans and other related loansii. Education Loansiii. Auto loans (other than loans for commercial use)iv. All variants of Personal Loan – Xpress Credit etc. <p>b) Loans for Business Purpose to individuals (with aggregate exposure by lending institutions of not more than Rs.50 crores as on 31.03.2021).</p> <p>c) Loans to Small Business including those engaged in retail and wholesale trade (non-MSME) (with aggregate exposure by lending institutions of not more than Rs.50 crores as on 31.03.2021). Loans under e-DFS and e-VFS (provided they are non MSME) will also be covered under this Framework.</p> <p>d) Accounts under above categories should be classified as Standard as on 31.03.2021. Accounts classified as SMA -0, SMA1 and SMA2 as on March 31, 2021 are eligible.</p>
2.	EXCLUSIONS :
	<p>a) MSME borrowers whose aggregate exposure to lending institutions collectively, is Rs.50 crore or less as on 31.03.2021.</p> <p>b) Farm credit as listed in Paragraph 6.1 of RBI Master Direction FIDD.CO.Plan.1/04.09.01/2016-17 dated July 7, 2016 (as updated from time to time)</p> <p>c) Loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi- Purpose Societies (LAMPS) for on-lending to agriculture.</p> <p>d) Exposures to financial service providers including NBFCs. Financial service providers shall have the same meaning as in sub-section (17) of Section 3 of the Insolvency and Bankruptcy Act, 2016.</p> <p>e) Exposures to Central and State Governments; Local Government bodies (e.g., Municipal Corporations); and body corporates established by an Act of Parliament or State Legislature.</p> <p>f) Loans sanctioned to staff / banks employees.</p>

	<p>g) Borrower accounts who have availed of any resolution in terms of the Resolution Framework – 1.0* subject to undernoted exemption:</p> <p>A. In cases of loans of borrowers where resolution plans had been implemented in terms of the Resolution Framework – 1.0, and where the resolution plans had permitted no moratoria or moratoria of less than two years and / or extension of residual tenor by a period of less than two years, operating units are permitted under this Framework.</p> <ul style="list-style-type: none"> i. to modify such plans only to the extent of increasing the period of moratorium / extension of residual tenor subject to cap of 2 years and the consequent changes necessary in the terms of the loan for implementing such extension. ii. The overall caps on moratorium and / or extension of residual tenor granted under Resolution Framework – 1.0 and this framework combined, shall be two years. iii. The modifications shall follow the timelines as mentioned above under this Framework. iv. Asset Classification and Provisioning Norms as applicable under Resolution Framework 1.00 will apply. <p>B. Working Capital Loan for Small Businesses resolved under Resolution Framework 1.00 (Clause-9 of this Policy)</p> <p>* Resolution Framework for Covid-19 related stress advised by RBI vide RBI Circular dated 06.08.2020 (our e-Circular No. CRO/ CPPD-ADV/79/2020-21 dated 02.09.2020) will henceforth be referred to as Resolution Framework 1.00.</p>
<p>3.</p>	<p>ELIGIBLE BORROWERS/ DOCUMENTARY EVIDENCE REQUIRED TO ASCERTAIN BORROWER’S ELIGIBILITY:</p>
	<p>A. For Personal (non-business) Loans:</p> <p>a) The operating units to ensure that this facility is extended only in those cases where stress is on account of COVID-19 related issues like:</p> <ul style="list-style-type: none"> i. Reduction in salary/income ii. Reduction/suspension in salary during lockdown period iii. Job Loss/closure of business iv. Closure during lockdown/reduced activity of units/shops/business establishments in case of self-employed/professionals/businessmen v. Other instances where income streams/cash flow of borrowers is adversely affected on account of lockdown and other COVID-19 related issues. vi. No reduction in salary/income but the borrower/family member has been affected by Covid-19 and has incurred substantial expenditure on treatment of Covid-19. <p>b) The facility will be offered to the borrowers on request.</p>

- c) Application on the format approved for Resolution Framework 1.00 (having undertaking that they have been affected by COVID-19) – ***(Available to customers on the digital platform mentioned in g. below).***
- d) Documentary proof in the form of salary slips for pre COVID-19 period (i.e Feb 2020) and current salary slip to be obtained.
- e) Letter of termination/discharge from job (in case of job loss)
- f) Simple Declaration needs to be obtained from the self-employed professionals/ businessmen declaring that their business is affected by COVID-19.
- g) A digital platform will be hosted on our website (as used for Covid Resolution Framework-1.00) for the customers to enable them to ascertain their tentative eligibility and apply online (including submission of documentary evidence) for the relief under this framework. This will include validation of the borrower by way of OTP which will be sent to his registered mobile no and mail id.
- h) Customers shall also have the option to apply for relief under the package by visiting their home branches. The branches will use the digital platform to feed the details of customer's request.
- i) Respective Business Units (PBBU/REHBU) to devise a suitable mechanism or use the mechanism used under Covid Resolution Framework-1.00 for handling such requests at the branches.

B. For Business Loans:

- a) The facility will be offered to the borrowers on request supported by Board Resolution (in case of Companies) stating that the operations are under stress on account of Covid-19. In case of others, application along with Simple Declaration, that their operations are under stress on account of COVID-19 shall be taken.
- b) GST returns from April 2020 till the latest available month to be obtained and compared with returns for the corresponding period of the previous financial year. In case substantial decrease in the sales is observed, then those businesses can be considered to be affected by COVID-19.
- c) For new units, sales reflected in GST returns are to be compared with the estimated sales at the time of assessment.
- d) In case of units who are exempted from GST, statement of accounts for the period from Jan 2020 till 15 days prior to date of application for relief to be obtained.

4	REFERENCE DATE:
	The reference date for the outstanding amount of debt that shall be considered for the resolution shall be 31 March 2021.
5	INVOCATION:
	<p>a) The date on which Bank conveys to the Borrower, based on the application made, that Bank, in-principle, is agreeable to implement the resolution package, will be the date of invocation.</p> <p>b) In respect of applications received by the operating units from their borrowers for invoking resolution process under this Framework, the assessment of eligibility for resolution as per the instructions contained in this Policy shall be completed, and the decision on the application shall be communicated in writing to the applicant within 30 days of receipt of such applications.</p> <p>c) Resolution under this framework can be invoked not later than 30.09.2021.</p> <p>d) If there are multiple lending institutions with exposure to the borrower, the decision to invoke the Resolution Process under this Framework shall be taken by each lending institution independently.</p>
6.	TIMELINE FOR IMPLEMENTATION OF RESOLUTION PLAN (RP):
	The resolution plan should be finalised and implemented within 90 days from the date of invocation of the resolution process under this window.
7.	SCOPE OF RESOLUTION PLAN:
	<p>A. For Personal (Non-Business) Loans:</p> <p>a) Moratorium of up to 24 months may be extended to borrowers whose income has been impacted.</p> <p>b) Rescheduling of instalments and extension of tenure by a period equivalent to a maximum of 2 years (inclusive of moratorium period).</p> <p>c) LTV ratio shall not be more than 95% for Home Loan borrowers.</p> <p>d) EMI/NMI ratio (post-moratorium) not to exceed 70%. The EMI/NMI ratio shall be computed based on revised EMI and current income or estimated income at the end of the moratorium.</p> <p>e) Where Job Loss is involved, one of the parameters for estimating future income of the borrowers should be their average income for last 3 years.</p> <p>f) The moratorium period, if granted, shall come into force immediately upon implementation of the resolution plan.</p> <p>g) The repayment shall start immediately after the moratorium period.</p> <p>h) The Bank shall have to make additional provisions under this framework. The additional cost of provisions is worked out at 70 bps p.a. In order to</p>

reduce the burden on borrowers, it is proposed to charge only 50% i.e. 35 bps as additional interest on all the loans considered under this framework, remaining 50% will be absorbed by the Bank. **However, in respect of Home Loans up to Rs.30 lacs, and other loans up to Rs.10 lacs, no additional interest will be charged, and the entire cost of provisioning will be borne by the Bank.**

- i) Compromise settlements are not permitted as a Resolution Plan under this Framework.

B. For Business Loans:

For Borrowers having only Term Loans:

- a) Operating units must look into requirement of moratorium and rescheduling of Term Loans.
- b) However, the option to reschedule repayment of Principal/ Interest /both may be decided on a case-to-case basis.
- c) Moratorium of up to 2 years can be considered for repayment of instalments of principal.
- d) Increasing the tenor of the loan by up to a maximum of 2 years is permitted.
- e) Interest moratorium may be given up to a maximum of 2 years. The interest accrued during the moratorium period to be capitalized. Bullet repayment at the end of moratorium. In case of prepayment no prepayment penalty to be charged.
- f) The moratorium period shall come into force immediately upon implementation of the RP.
- g) In all the steps enumerated above, the repayment period can be extended only upto a maximum of 2 years (inclusive of moratorium).
- h) Fresh repayment schedule to be generated in case of all Term Loans.

For Borrowers having Working Capital Loans:


- i) A re-assessment of Working Capital requirement may be made by reviewing the inventory/receivable levels and/or margin requirements on a case-to-case basis.
- j) If the reassessed Fund Based WC limits are more than the existing FBWC limits but within the overall exposure, then both way interchangeability (from NFB to FB and vice a versa) may be permitted up to the extent of enhanced FB WC limits. However, interchangeability from NFB to FB facilities will be extended selectively and will have to be rolled back by 31.03.2022.
- k) Interest moratorium of up to 2 years will be considered. FITL can be repaid by the borrower within 24 months after the end of moratorium period.

	<p>l) FITL repayments will be factored for computation of DSCR for respective years and it is to be ensured that the same is not below stipulated benchmark.</p> <p>For Borrowers having both Term Loan & Working Capital Facilities:</p> <p>m) The guidelines as applicable to Term Loans and Working Capital shall apply.</p> <p>For all Business Loans:</p> <p>n) The resolution plan may provide for conversion of a portion of the debt into equity or other marketable, non-convertible debt securities issued by the borrower, provided the amortisation schedule and the coupon carried by such debt securities are similar to the terms of the debt held in the books of the Bank, post implementation of the resolution plan. The holding of such instruments by the Bank shall be subject to the Investment Policy of the Bank.</p> <p>o) The valuation of equity instruments issued, if any, shall be governed by the provisions of Para 29(d) and 29(e) and valuation of debt securities shall be governed by the provisions of Para 29(a) of Annexure-1 of e-Circular No. CCO/CPD-ADV/79/2019-20 dated 21.08.2019 on RBI's Prudential Framework for Resolution of Stressed Assets.</p> <p>p) In case any portion of the debt is converted into any other security, the same shall collectively be valued at Re.1.</p> <p>q) Compromise settlements are not permitted as a Resolution Plan under this Framework.</p>
8.	IMPLEMENTATION CONDITIONS FOR RESOLUTION PLAN:
	<p>The resolution plan shall be deemed to be implemented only if all of the following conditions are met:</p> <p>a) All related documentation, including execution of necessary agreements between the Bank and the borrower and creation of charge on collaterals provided, if any, are completed in consonance with the resolution plan being implemented.</p> <p>b) Post-implementation of the package, the accounts of the borrower should continue to be Standard.</p> <p>c) Any resolution plan implemented in breach of the above stipulated timeline / framework shall be fully governed by the Prudential Framework for Resolution of Stressed Assets issued on 7th June 2019.</p>
9.	WORKING CAPITAL LOANS FOR SMALL BUSINESSES RESOLVED UNDER RESOLUTION FRAMEWORK 1.00:
	<p>a) In respect of borrowers specified at Clause 1 (b) and (c) above where resolution plans had been implemented in terms of the Resolution Framework – 1.0, operating units are permitted, as a one-time measure,</p>

to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring.

- b) The decision with regard to above will have to be taken by 30.09.2021, with the margins and working capital limits being restored to the levels as per the resolution plan implemented under Resolution Framework – 1.0, by 31.03.2022.
- c) The above measures shall be contingent on the operating units/sanctioning authorities satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19. This will be subject to subsequent supervisory review.

APPLICATION UNDER RESOLUTION FRAMEWORK 2.00 FOR COVID-19 RELATED STRESS
(For eligible Personal Loans)

I. Name of Borrower/s	i) Mr/Mrs/Miss
a) Address:	<i>(Text)</i>
b) Mobile no. (Registered with the Bank)	<i>(10-digit Mobile No.)</i>
c) E-Mail ID (Registered with the Bank)	<i>(E-Mail ID)</i>
II. Type of Loan Sanctioned	<i>(Dropdown Options: Housing/Auto/Education/ Others)</i> If Others, please specify _____
a) A/c No.	<i>(11-digit account number)</i>
b) Branch Code	<i>(5-digit Branch Code)</i>
c) Branch Name	<i>(Text)</i>
d) Loan Amount	<i>Rs. _____ (Amount in rupees)</i>
III. Reason for non-payment	<i>(Dropdown Options: Salary cut/Job Loss/Closure of Business/Temporary disruption in business/Others)</i> if others Please specify _____
a) Source of Income	<i>(Dropdown Options: Salary/Business/Profession/Others)</i> If others please specify _____
b) Pre-Covid 19 Income Details	Month: Feb 2020 Net Monthly Income: <i>(Amount in rupees)</i>
c) Current Income Details	Month: <i>(Last Month)</i> Net Monthly Income : <i>(Amount in rupees)</i>
d) Documents Uploaded as evidence.	<i>(Dropdown Options: Salary Slips/Bank Account Statement/Termination Letter/Others)</i> If others, please specify _____
e) Whether Moratorium required. (Yes/No)	<i>(Dropdown Options: Yes/No)</i>
f) Whether Reschedule of instalments required (Yes/No)	<i>(Dropdown Options: Yes/No)</i>
	Generate OTP 
IV. Please enter OTP generated in your Registered Mobile No. \$	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

In view of the above compelling reasons/difficulties being faced on account of Covid-19 Pandemic, I/we request you to consider our request favorably. If the request is considered we will abide by the terms and conditions of the rephasing/ reschedulement stipulated by the Bank.

Date: Auto Generated

Submit Information to Bank

FOR OFFICE USE

1. Whether Documentary evidence submitted is acceptable:	<i>(Dropdown Option: Yes/No) (If 'No' go to item 7. below)</i>
2. Status as on 31.03.2021	
a) Outstanding *	Rs. _____ (Amount in rupees)
b) Whether Irregular	(Yes/No)
c) First unpaid EMI (due on)	(dd/mm/yyyy)
d) Period of irregularity (in days)	(No. of days)
e) IRAC Status*	(SMA-0, SMA-1, SMA-2)
f) Whether eligible under Covid19 Resolution Framework 2.00	Yes (If Standard as on 31.03.2021) No (If IRAC Status other than Standard as on 31.03.2021)] (If 'No' go to item 7. below)
3. Status as on (Date of Invocation)	
a) Outstanding's*	Rs. _____ (Amount in rupees)
b) IRAC Status*	(SMA-0, SMA-1, SMA-2, etc.)
4. Original Sanction Details	
a) EMI*	Rs. _____ (Amount in rupees)
b) Date of Maturity*	(dd/mm/yyyy)
c) EMI/NMI	
5. Income Details	
a) Source of Income	<i>(Dropdown Options: Salary/ Business/ Profession/ Others)</i> If others please specify _____
b) Net Monthly Income (Pre-Covid19) for Month of Feb 2020	Rs. _____ (Amount in rupees)
c) Net Monthly Income (Current) for Month of _____	Rs. _____ (Amount in rupees)
6. Details of Proposal under Covid19 Resolution Framework	
a) Extension in Tenure approved	_____ months <i>Max 24 months from original date of maturity at item 4(b) above.</i>
b) Moratorium approved	_____ months <i>Max 24 months (If reason is job loss/closure of business)</i> <i>Max 12 Months (In case of other reasons)</i>
c) Date of First Repayment as per revised repayment schedule #	<i>[(Date of Invocation (item 3) + Moratorium approved (item 6.b))]</i>
d) Date of Maturity as per revised repayment schedule. #	<i>[Date of Maturity as per original sanction (item 4.b) + Extension in Tenure approved (item 6.a)]</i>
e) Revised EMI	Rs. _____ (Amount in rupees)
7. Sanctioned/Rejected #@	<i>(Dropdown Options – Rejected (if response in 1, 2f, 3c, is 'No') / Sanctioned (if response in 1, 2f is 'Yes')</i>

Appraised by

Assessment by

Sanctioning Authority

Notes :

- 1) \$ In Application Form, after the customer enters all the details up to Field III. f, an option to generate OTP will be made available to him. The OTP received on his registered Mobile No. will be entered by him at Field IV and then only he will be given an option to submit his request.
- 2) * Data in these fields to be auto populated/fetched from CBS.
- 3) # Data in these fields will be auto calculated by the system.
- 4) @ When the request of the borrower is sanctioned/rejected at Field No.7, an SMS and e-mail advising the decision will be sent to the borrower's registered mobile and e-mail IDs.