

## Shriram City Union Finance Limited

### **Restructuring of Loan Accounts under RBI Resolution Framework 2.0 for Covid19 Stress Cases – May 2021**

The Covid19 pandemic has affected large number of people in India and also adversely impacted the businesses in both manufacturing and services sectors in the country. In order to mitigate the financial losses and suffering of individuals, small businesses and MSME, the Reserve Bank of India on 5<sup>th</sup> May 2021, announced a Resolution Framework 2.0 for restructuring of loan accounts of borrowers who have undergone severe stress on account of Covid19 pandemic. Under this framework, banks and financial institutions are allowed to restructure the loan accounts of eligible borrowers for an extended period of 24 months from the original tenure of the loan account. In view of the above developments, the Board of Directors have approved this Policy on “Restructuring of Loan Accounts under the RBI Resolution Framework 2.0 for Covid19 Stress Cases” as detailed below:-

The Resolution Framework has been broadly divided into two categories as given below:

1. Resolution of the loan accounts of individuals and small businesses.
2. Resolution of the loan accounts of MSME's.

#### Eligibility conditions for Individuals and Small businesses

1. This Resolution Framework 2.0 shall apply to all personal loans, two wheeler loans and four wheeler loans (other than those used for commercial purposes).
2. Small businesses including those engaged in retail and wholesale trade (other than MSME) shall also be eligible for restructuring under this Framework, subject to their aggregate exposure as on March 31, 2021 was not more than Rs.25 crores.
3. The maximum period of restructuring shall be 24 months only, that is, the original loan tenure can be extended by a maximum period of 24 months only. Where the Borrower has availed restructuring in terms of resolution framework 1.0, then the extended tenure shall be subject to clause 22 of Resolution framework 2.0.
4. Further, the borrower's loan accounts should be “Standard” as on 31<sup>st</sup> March 2021.
5. The proposal may be considered if only the cash flow is impacted on account of the pandemic, besides other conditions as stipulated herein.
6. The borrowers may submit their request for restructuring through E-mail addressed to the Mail Id [customercare@shriramcity.in](mailto:customercare@shriramcity.in); or may submit their application at the Branch, together with documents such as salary slips, bank statements, latest audited financials etc. for the Company to do a viability analysis and communicate the decision to the Borrower. The Company may call for additional information to examine the request.

7. The last date of invocation of the resolution process is September 30, 2021. Accordingly, the company would request the borrowers to send in their application for restructuring well in advance.

#### Eligibility conditions for MSME's

In the case of borrowers who are classified as MSME, the borrowers have to fulfil the following conditions to be eligible for restructuring of their loan accounts under the RBI Resolution Framework 2.0:-

1. The borrower should have been classified as a Micro, Small or Medium Enterprise as on March 31, 2021 in terms of the Gazette Notification S.O. 2119[E] dated June 26, 2020.
2. The borrower must be a GST registered entity, other than those MSMEs who are exempt from GST registration. This shall be determined based on the exemption limit as on 31<sup>st</sup> March 2021.
3. The aggregate exposure of the borrower including non-fund based facilities, of all lending institutions, should not be more than Rs.25 crores as on 31<sup>st</sup> March 2021.
4. The borrower's loan accounts with the Company should have been classified as Standard as on 31<sup>st</sup> March 2021.
5. The borrower's loan account should not have been restructured earlier with the Company.
6. There should have been an impact in the cash flow on account of COVID 19 pandemic.
7. The maximum period of restructuring shall be 24 months only, that is, the original loan tenure can be extended by a maximum period of 24 months only.
8. The borrowers may submit their request for restructuring through E-mail addressed to the mail Id [customercare@shriramcity.in](mailto:customercare@shriramcity.in) or may submit their application at the branch, together with documents such as bank statements, latest audited financials, ITR etc. for the Company to do a viability analysis and communicate the decision to the Borrower. The Company may call for additional information to examine the request.
9. The last date of invocation of the resolution process is September 30, 2021. Accordingly, the company would request the borrowers to send in their application for restructuring well in advance.

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