

**Policy on reliefs to eligible borrowers under
COVID 19 Resolution Framework – 2.0 announced by the
Reserve Bank of India**

Part - A

INTRODUCTION

The Reserve Bank of India vide its circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on Resolution Framework-1.0 for COVID-19-related Stress had provided a window to enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions.

With the subsequent resurgence of Covid-19 pandemic in India and the consequent containment measures to check the spread of the pandemic, the Reserve Bank of India announced a set of measures to alleviate the potential stress to individual borrowers and small businesses vide circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, which are broadly in line with the contours of the Resolution Framework - 1.0, with suitable modifications and referred as **Resolution Framework - 2.0**.

This policy is framed to cover all aspects of providing such reliefs to borrowers of Chemmanur Credits and Investments Ltd. (CCIL).

Part - B

Relief measures under Resolution Framework – 2.0 will be applicable to borrowers of CCIL as detailed below:

This policy will be applicable to borrowers of Gold Loans, Gramin Shakthi Loans, Consumption Loans and Microfinance Loans classified as Standard as on March 31, 2021, who make a request in writing to the company for deferring the repayment for a maximum period of 6 months from original due date that fall from 01-04-2021.

1. GOLD LOAN

- (i) All Gold Loans which are classified as Standard as on March 31, 2021 are eligible **on submission of written request** for extension of due date by a maximum period of 6 months.
- (ii) The borrower will be liable to pay interest for the period for which payment of principal/interest is delayed due to moratorium as above. As Gold Loans are normally repaid by bullet payments, it is sufficient to extend the tenor of Gold Loans by the period of moratorium and collect interest for the entire period till repayment is made.

- (iii) Customer will have the freedom to settle the account and release his/her ornaments any time during or after the moratorium period.

2. GRAMIN SHAKTHI LOANS (GSL), CONSUMPTION LOANS (CL) and MICROFINANCE LOANS (MFL)

- (i) Moratorium up to 6 months shall be allowed to borrowers **on their written request** thereby extending the tenor of the loan for the period requested in loans which are classified as Standard as on March 31, 2021.
- (ii) Request letters duly signed by the borrowers are to be obtained and moratorium extended accordingly.
- (iii) The borrower will be liable to pay interest on the deferred EWIs. EWIs are to be recalculated according to the request of the borrower to take care of interest for the extended period..

3. CONDITIONS

- (i) Benefit under Resolution – 2 will be applicable only to the borrowers having stress on account of Covid-19 who request in writing to the company. The company reserves the right to deny the facility if found not genuine. However the company shall take a decision on the request of the borrower within 30 days from the date of receipt of the request.
- (ii) Credit facilities provided to CCIL's own personnel/staff will not be eligible for the benefit.
- (iii) The resolution plan to be finalised and implemented within 90 days from the date of invocation of the resolution process under this window.
- (iv) The window will be limited **for a maximum period of 6 months** from original due date that falls from 01-04-2021 unless reviewed further by the board.
- (v) The last date for invocation of resolution permitted under this window is September 30, 2021.
- (vi) The borrower will be liable to pay interest for the extended period of repayment.
- (vii) The aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower should not exceed ₹50 crore as on March 31, 2021.

4. ASSET CLASSIFICATION AND PROVISIONING

In respect of restructuring plans implemented, asset classification of borrowers classified as standard may be retained as such, whereas the accounts which may have slipped into NPA category between April 1, 2021 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan.

As per RBI guidelines availing of moratorium on Gold Loans, GSLs and MFLs will not adversely affect the asset classification and provisioning norms.

5. GRIEVANCE REDRESSAL MECHANISM

Grievance if any in this regard shall be addressed to the Grievance Redressal Officer of the company as displayed in the notice board of the branches.

6. REPORTING TO CREDIT INFORMATION COMPANIES

The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies. The credit reporting of borrowers where the resolution plan is implemented shall reflect the “restructured due to COVID-19” status of the account.

7. INFORMATION TO PUBLIC

This policy shall be published in Company’s website. Availability of the resolution framework shall also be displayed on the notice board of all branches for information of the customers.

Chemmanur Credits and Investments Limited

Application for extension of due date of Gold Loan due to difficulties faced under second wave of Covid 19 pandemic

Dear Sir,

I have availed Gold Loan No. _____ from CCIL, _____ branch. The due date of Gold Loan falls on _____.*. As I have been seriously affected by the resurgence of Covid-19 pandemic and the consequent containment measures to check the spread of the pandemic, I request that the due date of the loan may be extended for a period of ___ months (maximum 6 months) from the original due date.

I understand and undertake to pay the interest for the extended period also, if my application is considered favourably by the Company.

Yours faithfully,

Name:

Mobile No.:

Date:

- The offer of extension of due date is available only for Loans falling due between 01-04-2021 and 30-09-2021.