

Resolution Framework 2.0 – COVID 19 Related Stress

Restructuring Policy 2.0 – COVID/04062021/1.1

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Section A. Documents Ownership & Review Process

Particulars	Details
Version Control	This version dated May 18, 2020 details Restructuring Policy for COVID related stress of Tata Capital Housing Finance Limited (TCHFL). This document should be read in conjunction with Circulars / Notifications issued by RBI/NHB and/or any Circulars issued in lieu of policy.
Version No.	Restructuring Policy 2.0 – COVID/18052021/1.0
Document Owner	Head – Credit and Technical Valuation, Retail Finance
Revision & Modification	Any revision or modification in the attached document to be approved by Board of Directors.
Review Timeline	Yearly. In case of any modifications same needs to be notified at Quarterly rest to the Board of Directors

Section B. Omnibus Clause

All extant & future master circulars/directions/guidelines/guidance notes issued by Reserve Bank of India (RBI) /National Housing Bank (NHB) from time to time would be the directing force for this document and will supercede the contents of this restructuring policy. In case of any conflict between these and this Policy, the former will prevail.

This includes the following circulars issued by the RBI / NHB:

Circular Ref. No.	Master Circular / Other Notifications	Dated
RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22	Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)	May 5, 2021
RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22	Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses	May 5, 2021
RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021	Feb 17, 2021
RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/ 2020- 21	Resolution Framework for COVID-19-related Stress	Aug 6, 2020
RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21	Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances	Aug 6, 2020
RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20	COVID19 Regulatory Package - Asset Classification and Provisioning	Apr 17, 2020
RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20	Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances	Feb 11, 2020
RBI/2018-19/ 203 DBR.No.BP.BC.45/21.04.048/2018-19	Prudential Framework for Resolution of Stressed Assets	June 7, 2019
RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19	Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances	Jan 1, 2019

Section C. Objective & Scope

Restructuring framework for COVID-related stress of TCHFL aims at a timely and transparent mechanism for resolution of the potentially viable entities facing problems due to COVID-19 and to maintain the economic value of assets. This policy aims at reviving the viable entities that are affected by COVID-19 and mitigating the impact on creditors and other stakeholders through an orderly and coordinated resolution.

In this regard the Reserve Bank of India issued various circulars to provide support to borrowers facing difficulties during first wave of pandemic (i.e. COVID-19) during Apr'20-Aug'20. With the resurgence of COVID-19 in India, the consequent containment measures may have further impacted various business / borrowers. Hence, with the objective of alleviating the potential stress to borrowers, RBI has issued 2 circular/guidelines namely “**Resolution Framework 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses**” vide RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 and “**Resolution Framework 2.0 - Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs)**” vide RBI/2021-22/32 DOR.STR.REC12/21.04.048/2021-22 dated 5th May, 2021.

This policy is applicable to all borrowers of TCHFL, which have faced difficulty due to COVID-19 subject to meeting all the norms as defined in this document. However, any credit facilities sanctioned/dispensed to personnel/staff of TCHFL would not be eligible for resolution under this framework in line with extant RBI Circulars.

For Personal Loans: Individuals who have availed Personal Loans (as defined in the Circular DBR.No.BP.BC.99/08.13.100/2017-18 dated January 4, 2018 on “XBRL Returns – Harmonization of Banking Statistics”), excluding the credit facilities provided by TCHFL to its own personnel/staff. Norms related to Personal Loans are defined in **Section E**

For MSME: Applicable for the borrowers who 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. Norms Related to MSME Loans are defined in **Section F**

For Individual and Small Business: Applicable for all loans which are not covered in the “Personal Loans” & “MSME Loans” including Construction Finance Loans meeting the “Small Business” criteria. Norms related to Individual and Small Business are defined in **Section G**

Section D. Key Definitions

Terms	Definition
Lending Institutions	All Commercial Banks, All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks All All-India Financial Institutions All Non-Banking Financial Companies (including Housing Finance Companies)
Invocation Date	Restructuring shall be treated as invoked when the lending institution and the borrower agree to proceed with the efforts towards finalising a restructuring plan to be implemented in respect of such borrower. The decisions on applications received from the borrower for invoking Resolution Plan (RP) under this facility shall be communicated in writing (<i>physical / online</i>) to the borrower within 30 days of receipt of such applications. Resolution Plan can be invoked by September 30, 2021. <u>Multiple lending institutions</u> : Decision to invoke the restructuring under this facility shall be taken by each lending institution having exposure to a borrower independent of invocation decisions taken by other lending institutions, if any, having exposure to the same borrower
Implementation Date	Date on which resolution plan is implemented; shall be within 90 days from the invocation date
Eligible GECL loans	<ul style="list-style-type: none"> ▪ Restructuring permitted for the borrowers of ECLGS 1.0. ▪ Moratorium can be granted for two years instead of one year ▪ Overall tenure can be increased from 4 years to 5 years. ▪ Additional finance of 10% can be provided to the Borrowers of ECLGS 1.0 or additional assistance under ECLGS 3.0 (specific relief for Hospitality sector, Travel & Tourism sector Leisure & Sporting sector Civil Aviation sector), but not both. ▪ The total outstanding credit of the Borrowers of ECLGS 1.0 should not exceed Rs 50 crore as on March 31, 2021.
Sanctioned Date	Sanction date of additional facility sanctioned between invocation date & implementation date
Exposure	Reference date for the outstanding amount of debt that may be considered for resolution shall be March 31, 2021 Outstanding Debt may include principal outstanding (due but not paid and future principal) and/or Interest due and/or overdue.
Personal loans	Personal loans refer to loans given to individuals and consist of (a) 'Consumer Credit', (b) education loan, (c) loans given for creation/ enhancement of immovable assets (e.g., housing, etc.), and (d) loans given for investment in financial assets (shares, debentures, etc.). <i>As defined in the Circular DBR.No.BP.BC.99/08.13.100/2017-18 dated January 4, 2018 on "XBRL Returns – Harmonization of Banking Statistics"</i> .
Consumer Credit	Consumer Credit is defined as loans given to individuals, which consists of loans for consumer durables, credit card receivables, auto loans (other than loans for commercial use), personal loans secured by gold, gold jewellery, immovable property, fixed deposits (<i>including FCNR(B)</i>), shares and bonds, etc., (<i>other than for business / commercial purposes</i>), personal loans to professionals (excluding loans for business purposes), and loans given for other consumptions purposes (e.g., social ceremonies, etc.). However, it excludes consumption loans given to farmers under KCC.
Micro, Small & Medium Enterprises (MSME)	Borrower should be 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
Small Business	Small business, including those engaged in Retail and Wholesale Trade, other than those classified as MSME as on March 31, 2021
Corporate persons	Corporate persons mean a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider
Residual Debt	The residual debt of the borrower entity, in this context, means the aggregate debt (fund based as well as non-fund based) envisaged to be held by all the lenders as per the proposed resolution plan

Section E. Personal Loans

Below mentioned norms are applicable for “Personal Loans”

Parameter	Norms
Applicability	Applicable to all <ul style="list-style-type: none"> Individual Home Loans Individual Home Equity Loans which are classified under “Personal Loans” Individual Unsecured Loans which are classified under “Personal Loans”
Eligibility	<ul style="list-style-type: none"> Lending institutions have aggregate exposure of not more than ₹ 50 crore as on 31st March 2021 Account should be Standard as of 31st March 2021 with TCHFL GECL Loans would be eligible
COVID Resolution 1.0	<p>For borrowers who have availed benefit under COVID Resolution Framework 1.0 subject to no moratorium or moratorium of less than two years and / or extension of residual tenor by a period of less than two years under COVID Resolution 1.0 are eligible for modification in resolution plan.</p> <p>Modification of such plans can be done only to the extent of increasing the period of moratorium / extension of residual tenor subject to overall caps on moratorium and / or extension of residual tenor granted under Resolution Framework – 1.0 and this framework combined, shall be two years.</p>
Resolution Plan	<p>Resolution plans may inter alia include any/all the following</p> <ul style="list-style-type: none"> Rescheduling of payments Modification on Tenor Conversion of existing facility in any other credit facility Sanction of additional facility Conversion of any interest accrued, or to be accrued, into another credit facility Granting of moratorium, subject to a maximum of two years. The moratorium period, if granted, shall come into force immediately upon implementation of the resolution plan
Tenure Extension	Overall cap on extension of residual tenor, inclusive of moratorium period if any permitted, shall be two years
Due Diligence / Criteria	<p>Some of the due diligence criteria may be adopted/carried out may include performance of the borrower with TCHFL, outside TCHFL through credit bureau scrub / credit report and / or personal discussion with the borrower</p> <p>Personal Discussion to be done by credit manager / centrally appointed tele-callers which could be physical / WorksApp PD / Tele-PD. PD report may cover related to impact of COVID.</p> <p>Note – Above mentioned criteria are indicative and for illustration purposes other criteria or due diligence parameters can be considered from time to time on case to case basis</p>
Additional Security	Additional security like looping of co-applicant, any collateral etc. can be explored for such accounts restructured under the scheme.
Additional Finance before Implementation	<ul style="list-style-type: none"> In respect of borrowers where the RP has been invoked, additional finance can be provided before implementation of the plan in order to meet the interim liquidity requirements of the borrower. This facility of additional finance may be classified as ‘Standard’ till implementation of the plan regardless of the actual performance of the borrower in the interim. However, if the resolution plan is not implemented within the stipulated timelines, the asset classification of the additional finance sanctioned will be as per the actual performance.
Implementation of RP	TCHFL shall ensure that the implementation of the RP i.e. Loan documentation, security creation, modification of charge etc. as applicable, shall be done within 90 days from the date of invocation as defined above
Post Implementation Performance	Post Implementation of RP, the subsequent asset classification will be governed by the criteria laid out by the Reserve Bank of India, as applicable to specific category, and as amended from time to time.

Section F. MSME Loans

Below mentioned norms are applicable for “MSME Loans”.

Parameter	Norms								
Applicability	<p>Applicable to all borrowers who are 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.</p> <p>Table of MSME category:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Classification Criteria</th> </tr> </thead> <tbody> <tr> <td>Micro Enterprise</td> <td>Where the investment in Plant & Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.</td> </tr> <tr> <td>Small Enterprise</td> <td>Where the investment in Plant & Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.</td> </tr> <tr> <td>Medium Enterprise</td> <td>Where the investment in Plant & Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.</td> </tr> </tbody> </table>	Category	Classification Criteria	Micro Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.	Small Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.	Medium Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.
Category	Classification Criteria								
Micro Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.								
Small Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.								
Medium Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.								
Eligibility	<ul style="list-style-type: none"> Aggregate Exposure (<i>fund based plus non-fund based</i>) across all lending institutions to be less than or equal to ₹ 50 Cr as on 31st March 2021 Account should be Standard as of 31st March 2021 with TCHFL. GECL Loans would be eligible 								
Exclusion	<p>Accounts which were restructured under MSME restructuring circulars. List of applicable circulars is mentioned below</p> <ul style="list-style-type: none"> DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019 								
Resolution Plan	<p>Resolution plans may inter alia include any/all the following</p> <ul style="list-style-type: none"> Rescheduling of payments Modification on Tenor Conversion of existing facility in any other credit facility Sanction of additional facility Conversion of any interest accrued, or to be accrued, into another credit facility Granting of moratorium. The moratorium period, if granted, shall come into force immediately upon implementation of the resolution plan 								
GST Norm	Borrower should 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, such exemption shall be determined based on exemption limit obtaining as on March 31, 2021								
Udyam Registration	If the borrower is not registered in the Udyam Registration portal, such registration shall be required to be completed before the date of implementation of the restructuring plan for the plan to be treated as implemented.								
Non-Applicability	The instructions contained in the circular DOR. No. BP.BC/13/21.04.048/2020-21 dated September 7, 2020 on “Resolution Framework for COVID-19-related Stress – Financial Parameters” shall not be applicable to resolution plans implemented under this window.								
Due Diligence / Criteria	<p>Some of the due diligence criteria may be adopted/carried out may include performance of the borrower with TCHFL / outside through credit bureau scrub / credit report and / or personal discussion with the borrower.</p> <p>Personal Discussion to be done by credit manager / centrally appointed tele-callers which could be physical / WorksApp PD / Tele-PD. PD report may cover related to impact of COVID.</p> <p>Note – Above mentioned criteria are indicative and for illustration purposes other criteria or due diligence parameters can be considered from time to time on case to case basis</p>								
Implementation of RP	TCHFL shall ensure that the implementation of the RP i.e. Loan documentation, security creation, modification of charge etc. as applicable, shall be done within 90 days from the date of invocation as defined above								
Post Implementation Performance	Post Implementation of RP, the subsequent asset classification will be governed by the criteria laid out by the Reserve Bank of India, as applicable to specific category, and as amended from time to time.								

Section G. Individual and Small Business Loans

Below mentioned norms are applicable for Individual and “Small Business”. These all loans would be classified under Other Loans norms in line with the RBI Circular ‘Resolution Framework for COVID-19-related Stress’ vide RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21

Parameter	Norms
Applicability	<p>Applicable to</p> <ul style="list-style-type: none"> ▪ All Individuals which are not classified under “Personal Loans” ▪ Small Business including those engaged in retail and wholesale trade, other than those classified as micro, small and medium enterprises as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than Rs.50 crore as on March 31, 2021. ▪ Construction Finance Loans meeting the “Small Business” criteria
Eligibility	<ul style="list-style-type: none"> ▪ Lending institutions have aggregate exposure of not more than ₹ 50 crore as on 31st March 2021 ▪ Account should be Standard as of 31st March 2021 with TCHFL. GECL Loans would be eligible <p>Below mentioned loans would not be eligible under</p> <ul style="list-style-type: none"> ▪ MSME borrowers whose exposure Less than or equal to ₹ 50 Cr as on March 31, 2021 ▪ Exposures to financial service providers
COVID Resolution 1.0	<p>For borrowers who have availed benefit under COVID Resolution Framework 1.0 subject to no moratorium or moratorium of less than two years and / or extension of residual tenor by a period of less than two years was given under COVID Resolution 1.0 are permitted for modification in resolution plan.</p> <p>Modification of such plans can be done only to the extent of increasing the period of moratorium / extension of residual tenor subject to overall caps on moratorium and / or extension of residual tenor granted under Resolution Framework – 1.0 and this framework combined, shall be two years.</p>
Resolution Plan	<p>Resolution plans may inter alia include any/all the following</p> <ul style="list-style-type: none"> ▪ Rescheduling of payments ▪ Modification on Tenor ▪ Conversion of existing facility in any other credit facility ▪ Sanction of additional facility ▪ Conversion of any interest accrued, or to be accrued, into another credit facility ▪ Granting of moratorium, subject to a maximum of two years. The moratorium period, if granted, shall come into force immediately upon implementation of the resolution plan
Tenure Extension	Overall cap on extension of residual tenor, inclusive of moratorium period if any permitted, shall be two years
Due Diligence / Criteria – HL/HE Loans	<p>Some of the due diligence criteria may be adopted/carried out may include performance of the borrower with TCHFL / outside through credit bureau scrub / credit report and / or personal discussion with the borrower.</p> <p>Personal Discussion to be done by credit manager / centrally appointed tele-callers which could be physical / WorksApp PD / Tele-PD. PD report may cover related to impact of COVID.</p> <p>Note – Above mentioned criteria is indicative and for illustration purposes other criteria or due diligence parameters can be considered from time to time on case to case basis</p>
Additional Finance before Implementation	<ul style="list-style-type: none"> ▪ In respect of borrowers where the RP has been invoked, additional finance can be provided before implementation of the plan in order to meet the interim liquidity requirements of the borrower. ▪ This facility of additional finance may be classified as ‘Standard’ till implementation of the plan regardless of the actual performance of the borrower in the interim. However, if the resolution plan is not implemented within the stipulated timelines, the asset classification of the additional finance sanctioned will be as per the actual performance.
Additional Security	Additional security like looping of co-applicant, any collateral etc. can be explored for such accounts restructured under the scheme.
Implementation of RP	TCHFL shall ensure that the implementation of the RP i.e. Loan documentation, security creation, modification of charge etc. as applicable, shall be done within 90 days from the date of invocation as defined above
Post Implementation Performance	Post Implementation of RP, the subsequent asset classification will be governed by the criteria laid out by the Reserve Bank of India, as applicable to specific category, and as amended from time to time.

Construction Finance – Viability Study & Due Diligence

Applicability & Eligibility

Applicable to all borrowers in Construction Finance division of TCHFL, which have faced difficulty due to COVID-19 related stress and are qualified under “Small Business” category.

All outstanding not due / due / overdue / interest outstanding, etc. can be considered for resolution and can be restructured under this policy

Viability Study

Assessment for facilities being restructured under this policy to be in adherence with below mentioned parameters. These parameters are established to mitigate the risk associated with the project & strengthen the security structure. These parameters listed below are indicative & should be considered on a best effort basis. However, depending on the transaction the credit & risk team may add / modify parameters suitably.

1. All Facilities being restructured under this framework:

- a. Security & Receivable Cover: Minimum stipulated security & receivable cover of 1.50 times to be maintained. In case of breach of cover:
 - Additional security in form of land / other project receivables, etc need to be brought in to maintain cover
- b. DSRA: Additional DSRA of one month of obligation (principal & interest) in the repayment period, over & above stipulated DSRA, to be maintained in the monitoring period
- c. Additional Comfort (if not provided earlier) to be provided as mentioned below:
 - Personal Guarantee of key promoters
 - Corporate Guarantee
 - Share Pledge
 - Any other comfort which will strengthen the existing structure
- d. Change of spread / Levying restructuring / processing fees: To be decided on case to case basis

2. Limits: Quantum of all facilities to be restructured for construction finances division should be maximum up to 15% of net owned fund of TCHFL

3. Sorting Criteria: Decision on resolution under this framework with the limit constraint should be taken on the basis of conduct of borrower in pre-COVID scenario

4. Expert Committee Recommendation: Any recommendation by the Expert committee shall be seen along with the above-mentioned parameters. The policy will be reviewed and updated as per the committee recommendation.

Due Diligence

1. Escrow Mechanism:

- a. Escrow account to be in place to route entire cash inflows / outflows of the borrower including fresh disbursements as per plan
- b. Accounts involving multiple banking arrangements or consortium shall maintain an escrow account with one of the lending institutions
- c. Formal agreement with the escrow manager detailing the duties and responsibilities of the escrow manager and the lending institutions
- d. Contractual empowerment with enforcement mechanism to ensure disbursement commitment of lending institutions

2. Invocation Conditions: Resolution plan shall be deemed to be invoked only if all the following conditions are met:

- a. Application/request letter from the customer/borrower for restructuring stating the following:
 - Request for restructuring as permitted under the RBI circular dated May 5, 2021
 - Reason for delay in project due to impact of COVID-19
- b. Sole Lender – Mail Approval from TCHFL Construction Finance team for restructuring of the facility
- c. Multiple lenders – Consent letter signed from requisite lending institutions (75% by value & 60% by number) or any other such processes / documentation as recommended by lead banker / competent authority for restructuring of the facilities to the borrower

3. Implementation Conditions: Resolution plan shall be deemed to be implemented only if all the following conditions are met:

- a. Completion of all required documentation, terms of restructuring & creation/perfection of security
- b. Revised terms of conditions of the loans duly reflected in books of the lending institutions
- c. Borrower not in default with the lending institutions as per the revised terms

4. Instructions for monitoring of facilities under this framework

a. During Monitoring Period

- Monthly review of facilities being restructured under this framework
- DSRA replenishment to be sought from the borrower

b. During Review Period

- Regular review of facilities by risk & credit team to assess cash flow mismatch
- Additional penal charges to be levied on daily basis as decided by the competent authority

5. Due Diligence Checks

- a. Credit Bureau and Internal Dedupe checks on borrower(s), its promoters, guarantors, and major group entities to be done
- b. Credit and Risk teams may carry out various other due-diligences, secondary checks etc. based on merits of the proposal
 - Secondary checks through various web-based resources to be carried out
- c. Site visit and meeting with borrower to be done by TCHFL official(s)
- d. Cross-verification of sales and collections to be carried out. Such verifications can be tallied using different means such as customers' sales MIS, sales reported and NOCs availed from lender, sales reported to RERA (if applicable), etc.
- e. Any other checks as may be rolled out as per operating guidelines for the business division or as deemed fit for the transaction

Note – Above list is indicative and other criteria or due diligence parameters can be considered from time to time.

Section H. Asset Classification Norms

Facility	Duration	Other Condition, if any	Asset Classification
Pre-Implementation			
Additional finance	Sanctioned Date to Implementation Date	NA	Standard
Additional Finance	Post Implementation Date	Plan not implemented within stipulated timeline	Worse of: <ul style="list-style-type: none"> • Actual performance • Classification of existing facilities
		Plan implemented within stipulated timeline	Standard
Existing Facilities	Post Implementation Date	Plan not implemented within stipulated timeline	As per actual performance of facilities
		Plan implemented within stipulated timeline	Standard
Post-Implementation			
Facilities under Review Period	During Monitoring period & post Review Period	Default not cured	NPA [^]
		Default Cured	Standard
All Facilities	Post Monitoring Period	NA	As per applicable norms governed by regulators

[^]Account to be classified as NPA from the date earlier of:

- Date of implementation of Resolution plan
- Date of classification as NPA before implementation of resolution plan

Section I. Provisioning

Higher of 10% of the residual debt or provisions held as per IRAC norms

Additional Provisions - Reversal

- a. Additional provisions maintained, if any, by TCHFL to the extent not already reversed, may be utilised for meeting the provision requirements in all cases under this facility.
- b. Any additional provisioning requirements on account of Paragraph 17 of Circular dated June 7, 2019, wherever applicable may be reversed at the time of invocation of the resolution plan

Reversal of Provisioning

Half of the above provisions may be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA post implementation of the plan, and the remaining half may be written back upon the borrower paying another 10 per cent of the residual debt without slipping into NPA subsequently.

Section J. Disclosures & Reporting

1. Quarterly disclosures (at minimum) for quarters ending September 30, 2021 and December 31, 2021 in format as per Annexure-A
2. Half Yearly disclosures commencing from September-21 in format as per Annexure-B till earlier of:
 - a. All exposures under resolution plan fully extinguished
 - b. Completely slips into NPA
3. Mandatory annual disclosures in the annual financial statements
4. Where resolution plan is implemented under this framework, credit reporting will be “restructured due to COVID-19” status of the account if the resolution plan involves renegotiations that would be classified as restructuring under the Prudential Framework. The credit history of the borrowers shall consequently be governed by the respective policies of the credit information companies as applicable to accounts that are restructured.

Section K. Key Process Guidelines for Restructured Accounts

Post Invocation Date:

- From the date of invocation of the resolution plan under this policy till its actual implementation any Principal or interest dues / overdues as per the original terms of payment shall not be reckoned for asset classification i.e. the asset classification shall remain standstill from the date of invocation to the date of actual implementation of resolution plan.

Post Implementation of Resolution Plan:

- A separate scheme code to be generated for restructuring cases and to named “Product – Restructured –COVID-19”
- The earlier loan to be closed in the system (closed contract to have status as re-structuring, COVID-19 related) and the principal outstanding along with accrued interest if any to be transferred to the new loan account
- Both the closed account and the restructured account need to be linked in the system

Section L. Grievance Redressal Mechanism

The Grievance redressal machinery of TCHFL constituted in line with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI, will also deal with the issues related to customer grievances emanating out of services rendered by TCHFL as per restructuring guidelines outlined in this policy. The designated officer shall ensure that genuine grievances of customers are redressed promptly.

Section M. Approval

For HL / HE

Loan Amount	Approving Authority
Up to ₹ 0.50 Cr	CM or above
₹ 0.50 Cr to ₹ 1.5 Cr	RCM or above
₹ 1.5 Cr to ₹ 2.5 Cr	ZCM or above
₹ 2.5 Cr to ₹ 3.5 Cr	NCM or above
₹ 3.5 Cr to ₹ 5 Cr	Head-Credit & Valuation or above
₹ 5 Cr to ₹ 10 Cr	CC-1
> ₹ 10 Cr	All cases to be approved by CC-2
Deviation Approval	Any deviation in terms and condition in the restructured note to be approved jointly by CFO+CRO+ Head-Credit & Valuation

For Construction Finance

Resolution Approval	All accounts being restructured as per this policy need to be approved by CC-1
Deviation Approval	Any deviation in terms and condition in the restructured note to be approved by CC 1

Section N. Annexures

Annexure A: Format for disclosures to be made in the quarter Sep-21 and Dec-21

Sr. No	Description	Individual Borrowers		Small Business
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A			
(B)	Number of accounts where resolution plan has been implemented under this window			
(C)	Exposure to accounts mentioned at (B) before implementation of the plan			
(D)	Of (C), aggregate amount of debt that was converted into other securities			
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation			
(F)	Increase in provisions on account			

Annexure B: Format for Half yearly disclosures from Sep-21

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans					
Corporate persons					
Of which, MSMEs					
Others					
Total					