

RESOLUTION FRAMEWORK FOR COVID-19

Framework Owner

Date: - 23/11/2020

Resolution Framework for COVID-19

Resolution Plan is a process in which borrower facing financial distress due to COVID-19 renegotiate and modify the terms of the loan with the lender to avoid default. It will help to maintain continuity in servicing the debt and gives borrowers a certain degree of flexibility to restore financial stability.

Object:-

Keeping the evolving situation in mind and people's struggle, The Reserve Bank of India has announced a resolution plan allowing lenders to help affected borrowers by altering certain terms of their outstanding loans.

After releases of RBI Guidelines over resolution plan for COVID-19 related stress, Digamber Capfin Limited ("herein after referred as DCL") has made this resolution framework. This will provide borrowers with a little flexibility in terms of loan repayments, interest cost, and loan tenure depending on the type of agreement with the lender.

The objective of this framework is to facilitate the borrowers and amending the loan repayment schedules or EMIs, without affecting the asset classification, in line with the revised expectation of cash flows of our borrowers.

Clients eligible under Resolution Plan:

Under the resolution plan, as permitted by RBI Notification No. RBI/2020-21/16, DOR.No.BP.BC/3/21.04.048/2020-21 dated 06.08.2020, a borrower can avail the facilities only if the loan was outstanding for not more than 30 days as on 1st March 2020. So incase borrower's loan was overdue for more than 30 days on the cut-off date or had already become an NPA prior to that date, borrower are not entitled to avail this facility.

The proposal under the resolution plans would be available only to the borrowers who are financially impacted due to Covid-19. A borrower's eligibility for the resolution plan will depend on the following:-

1. Impact of the pandemic in the form of loss of income/ business.
2. Repayment capability based on various factors including your credit history.
3. Verification of documents provided and their subsequent evaluation by the lender.
4. The lender's policy on resolution plan.

Policies and Manuals: Resolution Framework for COVID-19

Customer meeting below mentioned criteria will be eligible for resolution plan:-

- 1) All Accounts which have been disburse on or before 21st March 2020.
- 2) Borrower's income should have been impacted as a result of the COVID-19 pandemic.
- 3) Accounts should be classified as Standard as on 21st March 2020.

The loan accounts will cover under this framework only after the consent of the borrower

Following Borrowers are not eligible for this Plan:-

- 1) Those who are paying their entire installment on time.
- 2) Accounts classified as "Loss Assets*" will not be eligible for resolution plan.
- 3) Normally, accounts involving willful default, fraud and malfeasance will not be covered under this framework.

***Loss Asset will be calculated on the basis of actual payment.*

Type of Resolution Plan:-

EMI deferment with interest and increase in tenure

***Tenure will increase only for the month for which moratorium provided subject to maximum 2 years*

***Interest rate would be same as per original loan.*

Authority for Approval:-

There is simpler mechanism for resolution plan. This mechanism will be applicable to all the borrowers. Management delegates this authority to Field/ Branch Officer.

Any deviation from the norms prescribed above would need to be approved by the Credit Committee of the Company.

Resolution Plan will include following amount:-

1. Principle outstanding as on date of the resolution plan.
2. Accrued interest as on date of the resolution plan.

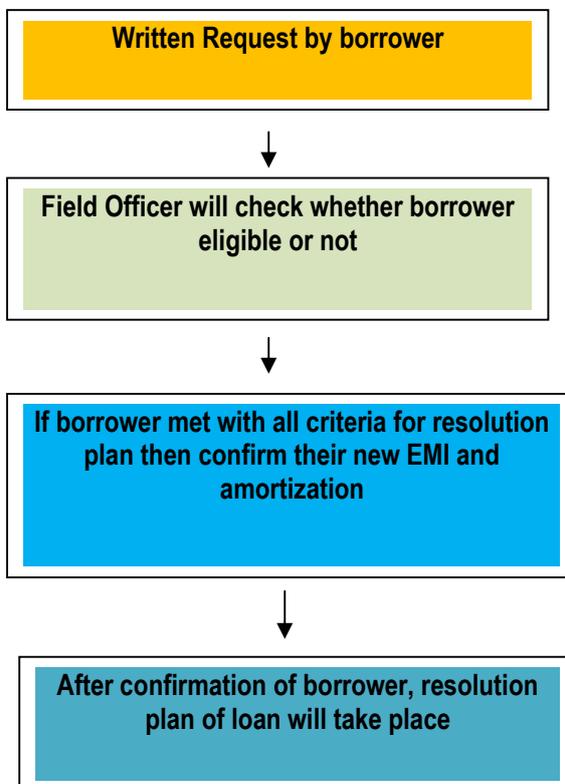
***Company do not charge any fee or additional interest for resolution plan.*

Requisite Documents for Resolution Plan:-

- 1) Borrower consent letter requesting for availment of Resolution Plan.
- 2) KYC, if change in address from the time of original Loan.
- 3) Detailed borrower statement by respective Branches.

Resolution Framework Process:

On the written request of borrower, Field Officer (“FO”) will check whether borrower eligible for resolution plan or not. If borrower eligible for this plan, FO will confirm borrower’s new EMI and amortization. After confirmation of borrower resolution plan take place.



Impact of credit history and impact on credit of the Resolution Plan

Under Resolution Plan, it will have to be reported to the bureau like CIBIL, Highmark and borrower’s credit report will reflect this loan. There may be an impact on borrower’s credit score depending on the increase in overall debt.

Until the above process is completed, borrower should continue to pay their EMIs as per their current schedule. A failure to repay EMIs will be regarded as a default and will attract to report credit bureau.

Further company will publish required disclosures in their annual financial statements, along with other prescribed disclosures.

Cut-off Date for Resolution Plan

As per the RBI circular, Resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 90 days from the date of invocation.

Additional credit facilities

As company does not provide two loans to one person at a time, accordingly question of additional credit facilities not arises.

ग्राहक सहमति पत्र प्रारूप

दिनांक:-

सेवामें,
श्रीमान शाखा प्रभारी
दिगम्बर कैपफिन लिमिटेड
ब्रांच का नाम

विषय:- लोन को रि-स्ट्रक्चर करवाने हेतु।

महोदय जी,

उपरोक्त विषयान्तर्गत नम्र निवेदन है कि हमने दिगम्बर कैपफिन लिमिटेड की शाखा.....से सेंटर नम्बर व सेंटर का नामसे लोन लिया था। हम सेंटर में कुल सदस्य.....है।

कोविड-19 की वजह से हमारे लोन की किश्तें समय पर नहीं चुका पाये। जिसकी वजह से क्रेडिट ब्यूरो में क्रेडिट डाटा सही नहीं आ रहा है। इसलिए हम सभी आपसी सहमति से यह चाहते हैं कि जो हमारा लोन चल रहा है उसको रि-स्ट्रक्चर करें ताकि हमारा क्रेडिट डाटा सही हो जाये।

सभी मेम्बरों के हस्ताक्षर

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- 13.....14.....15.....
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- 19.....20.....

DIGAMBER CAPFIN LIMITED

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