STANDARD CHARTERED INVESTMENTS & LOANS (INDIA) LIMITED

RESOLUTION FRAMEWORK FOR COVID – 19 IMPACTED BORROWERS AS PER THE GUIDELINES ISSUED BY THE RESERVE BANK OF INDIA

Sr. No	Number	Name	Date	Brief Description	Attachment
1	RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21	Resolution Framework for COVID-19 - Related Stress	6th August' 2020	This circular provides guidance under RBIs Prudential Framework to enable lenders to implement a resolution plan for borrowers under stress on account of COVID-19.	Resolution Framework for COVIL
2	RBI/2020-21/17 DOR.No.BP. BC/4/21.04.048/2020-21	Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances	6th August' 2020	This circular provides guidance on the one-time restructuring of existing loans to MSMEs permitted by RBI.	Micro, Small and Medium Enterprises (I
3	RBI/2020-21/34 DOR.No.BP. BC/13/21.04.048/ 2020-21	Resolution Framework for COVID-19-related Stress – Financial Parameters	7th September '2020	This circular comprises the expert committee recommendations on the required financial parameters with sector specific benchmark ranges for such parameters to be factored in the resolution plans in respect of borrowers eligible under the Resolution Framework.	Resolution Framework for COVIL
4	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	5th May'2021	This circular provides guidance under RBIs Resolution Framework to enable lenders to follow set of measures that are broadly in line with the contours of the Resolution Framework-1.0 with suitable modifications on account of resurgence of COVID-19.	Resolution Framework – 2.0 - Re:
5	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)	5th May'2021	This circular provides guidance under RBIs Resolution Framework to enable lenders to extend the facility for restructuring existing loans to MSMEs without a downgrade in the asset classification on account of resurgence of COVID-19.	Resolution Framework 2.0 – Resc
6	RBI/2021-22/46 DOR.STR.REC.20/21.04.048/2021-22 and RBI/2021-22/47 DOR.STR.REC.21/21.04.048/2021-22	Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals, Small Businesses and Micro, Medium and Small Enterprises (MSMEs) – Revision in the threshold for aggregate exposure	4th June' 2021	This circular detail the revision in the threshold for aggregate exposure from INR 25 crore to INR 50 crore.	Resolution Framework - 2.0 Resc Resolution Framework - 2.0 Resc

1. Background

Government of India (GOI) implemented a countrywide lockdown starting from 3rd week of March 2020 with the onset of COVID-19 pandemic. The lockdown impacted the economic activities across the country and has resulted in financial stress for the borrowers.

Multiple steps have been taken by the GOI and Reserve Bank of India (RBI) to help borrowers manage the financial stress such as easing of repayment conditions by granting moratorium on loans for a period of 6 months (in 2 consecutive phases of 3 months moratorium), providing relief through various credit guarantee schemes, announcement of special economic stimulus package of INR 20 lakh crore, reduction in the cash reserve ratio (CRR), etc.

As the lock down restrictions were eased, businesses started resuming their activities, however, the sales turnover and cash flows continue to be under stress and are running behind the pre-lockdown levels. This could potentially impact the long-term viability of certain firms and business entities, which otherwise have a good performance track record under the existing promoters or management, who due to financial stress are unable to support the debt servicing obligations. Such widespread impact across multiple firms and business entities could impair the entire post COVID-19 recovery process and pose significant financial stability risk across the banking sector.

With due recognition of the above issues & concerns and to mitigate the impact of the lockdown related stress on the businesses, RBI has vide its circulars dated 06th August and 07th September, 2020 provided a window under the Prudential Framework to enable lenders to implement a resolution plan in respect of eligible borrowers while classifying such exposures as Standard, subject to specified conditions. The Resolution Framework may be invoked for resolution of all exposures of lending institutions to eligible borrowers, including investment exposures.

In view of the uncertainties created by the resurgence of the COVID-19 pandemic in India in the recent weeks and the consequent containment measures to check the spread of the pandemic may impact the recovery process and create new uncertainties, RBI has vide its circulars dated 5th May and 4th June, 2021 provided a window under Resolution Framework 2.0 to enable lenders to extend the facility for restructuring existing loans without a downgrade in the asset classification subject to few conditions. These sets of measures are broadly in line with the contours of the Resolution Framework -1.0 with suitable modifications. A detailed Departmental Operating Instruction (DOI), defining the process to be followed by relevant units for implementing resolution plan for eligible borrowers, the monitoring, tracking, provisioning along with process controls and checks will be put in place.

2. RBI guidelines on Resolution framework for COVID-19 impacted borrowers

The eligible categories of loans that are covered under the resolution framework are:

1. Personal Loans sanctioned to Individual borrowers (other than their own personnel / staff).
2. Borrowers classified as ‘Others’.
3. MSME Borrowers whose aggregate exposure, including non-fund based facilities, to lending institutions collectively is INR 50 crore or less as on March 31, 2021.

Sector specific provisions are listed below for Personal Loans, Borrowers classified as ‘Others’ & MSME:

➢ **Personal Loans[1] and Borrowers classified as ‘Others’**

Key provisions mentioned as under are applicable to Personal loans and all other eligible exposures as covered in the circular, **Resolution Framework for COVID-19 - related Stress dated 06th August 2020 and Resolution Framework – 2.0: Resolution COVID-19 related stress of Individuals and Small Businesses dated 5th May 2021 and 4th June 2021.**

- Resolution under this facility can be extended only to borrowers having stress on account of COVID-19.
- Loans to individuals for investment in financial product and exposures other than those specified in the personal loan category will be eligible under the Resolution Framework (except MSME borrowers whose aggregate exposure, including non-fund based facilities to lending institutions collectively is INR 50 crore or less as on March 31, 2021[2]).
- Borrowers classified as ‘Standard’ and not in default for more than 30 days as on March 31, 2021 shall be eligible. Borrowers should continue to be classified as ‘Standard’ till the date of invocation of the application for restructuring.
- For personal loans, end use should be used for business or specific reasons and not for speculative purpose or reinvestment in the market.
- Small businesses, including those engaged in retail and wholesale trade, other than those classified as MSME 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.
- Borrowers who do not fulfil the eligibility conditions may continue to be considered for resolution under the **Prudential Framework for Resolution of Stressed Assets Directions 2019, dated June 7, 2019.**
- Resolution under this framework will be invoked not later than September 30, 2021. However, for personal loan it must be implemented within 90 days from the date of invocation and for ‘other exposures’ the timeline is 180 days from the date of invocation.
- The date of invocation is the date on which both the borrower and SCILL agree to proceed with the resolution plan.

Notes:
1. ‘Personal loans’, for the purpose of this policy shall have the same meaning as defined in the circular **DBR.No.BP.BC.99/08.13.100/2017-18 dated 4th January 2018 on “XBRL Returns – Harmonization of Banking Statistics”.**
2. MSME borrowers with aggregate exposure of INR 50 crore or less as on March 31, 2021 are covered under a separate policy, **Resolution Framework 2.0: Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs) – Revised in the threshold for aggregated exposure dated 4th June 2021.**

➢ **MSME (Borrowers whose aggregate exposure to lending institutions collectively is INR 50 crore or less as on March 31, 2021) as covered in circular Resolution Framework 2.0: Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs) – Revised in the threshold for aggregated exposure dated 4th June 2021.**

Key provisions mentioned below are in line with guidelines under circular **Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances dated 06th August 2020 and Resolution**

Framework 2.0 – Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs) dated 5th May 2021.

- In the MSME category, eligible borrowers account should be classified as 'standard asset' as on March 31, 2021 and restructuring of the borrower account should be implemented by September 30, 2021. The definition of MSME that would be applicable is the one that existed as on March 31, 2021.
- Borrowing entity to be GST registered on the date of implementation of the restructuring. This condition will not apply to MSMEs that are exempt from GST Registration. This shall be determined on the basis of exemption limit obtained as on March 31, 2021.
- The restructuring of the borrower account must be implemented within 90 days from the date of invocation.
- If the borrower is not registered in the Udyam Registration portal, such registration to be completed before the date of implementation of the restructuring plan for the plan to be treated as 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 01, 2021 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan. The asset classification benefit will be available only if the restructuring is done as per provisions of the above-mentioned circular.
- Date of invocation is the date on which both the borrower and SCILL have agreed to proceed with a resolution plan under this framework.
- For accounts restructured under these guidelines, lenders shall maintain additional provision over and above the provision already held by them as per IRAC norms. Lenders will have the option of reversing such provisions at the end of the specified period, subject to the account demonstrating satisfactory performance during the specified period. 'Specified Period' means a period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package. 'Satisfactory Performance' means no payment (interest and/or principal) shall remain overdue for a period of more than 30 days.

➢ **Exclusions**

The following categories of borrowers / credit facilities shall not be eligible for a resolution plan under this framework:

- All the farm credit exposures of all lending institutions, including NBFCs, of the nature listed in paragraph 6.1 of **Master Direction FIDD.CO.Plan.1/04.09.01/2016-17 dated 7th July 2016 (as updated),** except for loans to allied activities, viz., dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture are excluded from the scope of the Resolution Framework. Subject to the above, loans given to farmer households would be eligible for resolution under the Resolution Framework if they do not meet any other conditions for exclusions listed in the Resolution Framework.
- Loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi- Purpose Societies (LAMPS) for on-lending to agriculture.
- Exposures of lending institutions to financial service providers.
- Exposures of lending institutions to Central and State Governments; Local Government bodies (e.g. Municipal Corporations); and, body corporates established by an Act of Parliament or State Legislature.
- Restructuring in respect of projects under implementation involving deferment of DCCO are excluded from the scope of the Resolution Framework.

3. SCILL's approach to implementation of the resolution plan under the RBI framework

3.1 SCILL will roll out the below options under the resolution framework as per the guidelines issued by RBI to its eligible borrowers who are impacted due to COVID-19:

a) EMI Moratorium (max period of up to 2 years) – Where borrower can be offered EMI (equated monthly instalment) moratorium during the relief period for a maximum period of 2 years.
b) Interest only (i.e. principal moratorium) – In this case, borrower must pay only the interest amount of the instalment during the relief period with lenders. Tenor will be increased (period of not more than 2 years).
c) Tenor Extension – To extend the residual tenor of the loan by a maximum period of 2 years (with or without moratorium). i.e. end date of existing repayment schedule can be extended only up to 2 years. The moratorium period, if granted, shall come into force immediately upon implementation of the resolution plan.
d) Borrower can be offered conversion of any interest accrued, or to be accrued, into another credit facility.
e) The resolution plan may provide for conversion of a portion of debt into equity or other marketable, non-convertible debt securities issued by the borrower (this is to be done only where account is downgraded to CG12 or below). Amortization schedule and coupon carried by debt securities will be in line with the terms of the debt held on the books post implementation of resolution plan. The valuation of such equity or debt securities shall be guided by extant RBI regulations. Any portion of the debt converted into any other security shall be valued at Re. 1.

f) Any action / plan / reorganization including, but not limited to regularisation of the account by payment of all overdues by the borrower entity, sale of the exposures to other entities / investors, and restructuring to be clearly documented by the lenders concerned (even if there is no change in any terms and conditions). This excludes compromise settlements which shall be governed by the provisions of the Prudential Framework.
g) Sanctioning of additional credit facilities to address the borrowers financial stress on account of COVID-19 even if there is no renegotiation of existing debt. This may include re-assessment and relaxation of margin conditions, such additional facilities will need to adhere to end-use restrictions, i.e., they cannot be used to repay the existing debt. Additional finance sanctioned after invocation of resolution plan but before its implementation for meeting interim liquidity requirements can be classified as standard asset till implementation of the plan irrespective of actual performance of borrower with respect to such facilities. If resolution plan is not implemented within stipulated timelines, asset classification will be as per actual performance with respect to the additional finance or rest of the credit facilities, whichever is worse.
h) In respect of accounts of borrowers which were restructured as covered in circular **Resolution Framework – 2.0: Resolution f COVID-19 related stress of Individuals and Small Businesses dated 5th May 2021**, SCILL as a one-time measure, 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. The decision with regard to above shall be taken by SCILL before September 30, 2021. The reassessed sanctioned limit / drawing power shall be subject to review by SCILL on a half yearly basis and the renewal / reassessment on an annual basis. The annual renewal/reassessment shall be expected to suitably modulate the limits as per the then-prevailing business conditions.

Resolution plan is implemented as per RBI guidelines:

- Borrower account classified as standard before implementation can continue as such even after implementation.
- Borrower account which has slipped in to NPA between invocation and implementation can be upgraded as standard as on date of implementation.

3.2 Identification & evaluation of borrowers and the process to be implemented in line with provisions of the resolution framework has been summarized below:

➢ **Identification, Evaluation of Borrowers and Viability of the Resolution Plan:**

a) The resolution framework is applicable to those borrowers who are affected by COVID-19 and following assessment will be made to identify if the stress is due to COVID-19:

    1. Borrowers belonging to 26 impacted sectors as provided in the circular on **Resolution Framework for COVID-19-related Stress – Financial Parameters dated 07th September 2020**. However, given that COVID-19 impact is seen across sectors, clients outside these sectors may also need support which may be considered on case to case basis.
    2. Assessment of impact on financial performance, liquidity, operations and/or market standing of the borrower due to COVID-19, borrowers placed on early alert due to COVID-19.
    3. Borrower is under stress due to COVID-19 as per the assessment of other lending institution/s; however, this will be subject to SCILL assessment as well.
    4. Any other borrower, as independently assessed by Business and Credit / Collections / GSAM to ascertain COVID-19 impact.
    5. Reduction in income / suspension in salary during lockdown period.
    6. Closure during lockdown / reduced activity of units / shops / business establishments in case of self-employed / professionals / entities.

b) SCILL will assess the viability of the borrower to pay the restructured EMIs basis the documents provided before implementing the resolution plan. Such assessment should be explicitly documented in the BCA with supporting cash flows and analysis. Decision of Standard Chartered Investments and Loans (India) Limited (SCILL) with respect to eligibility of borrowers and the underlying documentation required for their assessment, will be final and binding.
c) While assessing borrowers classified under "other exposures", SCILL will factor the sector specific benchmarks recommended in the **Resolution Framework for COVID-19-related Stress – Financial Parameters dated 07th September 2020.** For sectors where the sector-specific thresholds have not been specified in above circular, SCILL shall make their own internal assessments regarding TOL/ATNW and Total Debt / EBIDTA. However, the current ratio and DSCR in all cases shall be 1.0 and above and ADSCR shall be 1.2 and above.
d) Bureau check will be mandatory to assess overall debt and borrowers with charged off history in the bureau will not be eligible.
e) Loans availed after March 31, 2021 but affected by COVID-19 pandemic, will not be eligible for the restructuring of the loan.
f) All resolution plans will be approved by SCILL Risk Committee prior to implementation.
g) SCILL may charge a revised rate of interest as may be applicable, should the borrower choose to restructure his/her loan.

- **Implementation of Resolution Plan for Eligible Borrowers:**

a) Implementation conditions for resolution plans:

Resolution plans shall be deemed to be 'implemented' only if the following conditions are met:

- All related documentation, including amendment agreements between SCILL and borrower / creation of security charge / perfection of securities are completed in consonance with the resolution plan being implemented.
- The new capital structure and/or changes in the terms of conditions of the existing loans get duly reflected in the books of SCILL.
- Borrower is not in default with any of the lenders as per the revised terms as on the date of implementation.

b) SCILL is the sole Lending Institution:

- Relationship managers along with credit approvers / GSAM account managers to review the borrower's account and decide on a resolution plan.
- Date of invocation shall be the date on which the borrower and SCILL agree on proceeding with a resolution plan under this framework.
- The agreed resolution plan must be formalized by executing the necessary documentation as mentioned in point (a) above.

c) Communication**:**

- The decisions on applications received by SCILL from their customers for invoking restructuring shall be communicated in writing to the applicant by SCILL within 30 days of receipt of such applications.

d) SCILL is not the sole Lending Institution:

- Relationship managers along with Credit approvers / GSAM account managers to review the borrower's account, engage with other lenders and decide on a resolution strategy within timelines specified in this framework.
- Date of invocation shall be the date on which lending institutions representing at least 75% by value of total outstanding credit facilities (fund as well as non-fund based) and not less than 60% by number agree on proceeding with a resolution plan under this framework.

e) Inter-Creditor Agreement (ICA):

- Where the resolution process has been invoked, the signing of ICA is a mandatory requirement for all lending institutions.
- Relationship managers to obtain concurrence on the ICA from Segment Head, Chief Credit Officer (CCO) and Head-GSAM or their delegates and also get the draft ICA approved from Head, Legal or their delegates.

f) Timeline for signing ICA:

- ICA to be signed by all lending institutions within 30 days from date of invocation.
- Where ICA is not signed by lending institutions representing 75% by value of total outstanding credit facilities and not less than 60% by number within 30 days from date of invocation, the invocation will lapse, and resolution process cannot be invoked again within this framework.

g) Implication of not signing ICA within 30 days of invocation:

SCILL to assess asset classification of the borrower in line with the Prudential Framework requirements.

h) Aggregate exposure of the lending institutions is >= INR 1500 crore at the time of invocation:

The resolution plan shall be vetted by the expert committee constituted by RBI for checking and verifying that all the processes have been followed by the concerned parties (without interfering with commercial judgements exercised by the lenders).

i) Aggregate exposure of the lending institutions is >= INR 100 crore at the time of invocation:

Independent Credit Evaluation (ICE) of the resolution plan by any one RBI authorized Credit Rating Agency (CRA) under the prudential framework will be required. Such resolution plans which receive a credit opinion of RP4 or better for the residual debt from a CRAs shall be considered for implementation under the Resolution Framework. In case credit opinion is obtained from more than one CRA, all such credit opinions must be RP4 or better.

j) Escrow Account:

In case of consortium or multiple banking arrangements, the resolution plan must provide for all receipts, repayments (to the lending institutions) and additional disbursements (if any as part of resolution plan) to be routed through an escrow account maintained with one of the lending institutions. The operations of the escrow account and the waterfall mechanism of the cash flows should be clearly documented vide an escrow account agreement between the lenders and the escrow account bank.

The various requirements of this framework including maintenance of escrow account shall be applicable at the borrower-account level, i.e. the legal entities to which the lending institutions have exposure to, which could include a special purpose vehicle having a legal-entity status, set up for a project.

k) Convergence of the norms for loans resolved previously:

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, lending institutions are permitted to use this window to modify such plans only to the extent of increasing the period of moratorium / extension of residual tenor, and the consequent changes necessary in the terms of the loan for implementing such extension. The overall caps on moratorium and / or extension of residual tenor granted under Resolution Framework – 1.0 and 2.0 combined, shall be two years.

- **Process to be followed for Restructuring and Monitoring of accounts:**

a) Borrower will be required to submit a written request for availing restructuring under the resolution plan, to their relationship manager.
b) For an eligible borrower under the resolution plan, the total outstanding exposure will be considered for restructuring.
c) An application/BCA addendum detailing future cash flows, proposed repayment plan substantiating how the borrower will comply with provisions of the RBI circulars needs to be submitted along with revised repayment schedule to credit for approval.
d) Post seeking credit approval, relationship manager to share the details with operations team who will follow the below manual process in the interim until there is a system capability in place:
   i. Manually revise the repayment schedule and upload in loan booking system for corporate borrowers.
   ii. Change the amortization schedule in the loan booking system for retail borrowers to reflect the revised repayment information.
   iii. For resolution plan implemented for Individual borrowers of Loan Against Securities, the FTP will be aligned with interest reset and put/call dates.
   iv. Intimation letters will be sent to borrowers on their registered email id with details of the restructuring along with revised repayment schedule.
   v. A manual tracker will be maintained for all such restructured accounts including the details of the loans, the existing and proposed repayment schedule and the date of final maturity. The tracker shall be used for all reporting including bureau.
   vi. Track all subsequent repayments against the revised repayment schedule.
   vii. Ensure that the revised repayment/amortization schedules are updated in the downstream systems once the data is manually uploaded/changed in the loan booking systems.
e) Post implementation performance:
   i. Any default by the borrower with any of the ICA signatories during the monitoring period shall trigger a review period of 30 days. Monitoring period is the period starting from the date of implementation of the resolution plan till the borrower pays 10% of the residual debt, subject to a minimum of one year from the commencement of the first payment of interest or principal (whichever is later) on the credit facility with longest period of moratorium.
   ii. If borrower is in default with any of the ICA signatories at the end of the review period, asset classification with all lending institutions (including non ICA signatories) shall be downgraded to NPA from date of implementation of resolution plan or date when borrower was classified as NPA before implementation of resolution plan, whichever is earlier.
   iii. Further upgradation shall be subject to implementation of a fresh restructuring under the prudential framework.
   iv. Upon completion of the monitoring period without being classified as NPA, the asset classification norms as per IRAC master circular will be applicable.
   v. Provisions maintained under this framework, to the extent not already reversed can be utilized for (i) provisioning, where any account has been classified as NPA after implementation of resolution plan and (ii) additional provisioning requirements on account of RBI prudential framework, as and when the same becomes applicable in respect of that account.

- **Provisioning Treatment:**

a) In respect of personal loans where a resolution plan is implemented, SCILL shall keep provisions from the date of implementation, which are higher of the provisions held as per the extant IRAC norms immediately before implementation, or 10% of the renegotiated debt exposure post implementation of the plan (residual debt). Residual debt, for this purpose will also include the portion of non-fund based facilities that may have devolved into fund based facilities after the date of implementation.

b) For ‘other exposures’, SCILL shall maintain higher of the provisions held as per the extant IRAC norms immediately before implementation, or 10/20 percent of the renegotiated debt as the case may be.
c) For MSME loans, SCILL shall maintain additional provision of 5% over and above the provision already held by them as per IRAC norms.
d) SCILL is required to comply with Indian Accounting Standards (IndAS) and shall continue to be guided by the guidelines duly approved by their Boards and as per ICAI Advisories for recognition of significant increase in credit risk and computation of expected credit losses. However, the various additional provisions mentioned in the circular **Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances dated 06th August 2020** would constitute the prudential floors for the purpose of paragraph 2 of the annexure to the **circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020** on Implementation of Indian Accounting Standards.
e) The relevant accounting entries will be passed manually by finance once the details are obtained from operations.
f) In case additional provisions is maintained in line with RBI circular **dated 17th April 2020 – COVID-19 Regulatory Package – Asset Classification and Provisioning** where moratorium has been granted, provisions not already reversed may be utilised for meeting the provisioning requirement.
g) Provisions may be reversed at the time of invocation of the resolution plan. However, if the resolution plan is not implemented within 180 days from invocation, provisions as per the prudential framework shall be required to be maintained, as if the resolution plan was never invoked.

RBI Prudential Framework prescribes the following provisions wrt to delay in implementation of viable resolution plan:

Timeline for implementation of viable resolution plan	**Additional provisions to be made as a % of total outstanding, if resolution plan not implemented within the timeline**
180 days from the end of review period	20%
365 days from the commencement of review period	15% (i.e. total additional provisioning of 35%)

➢ **<u>Reversal of provisions:</u>**

a) Where SCILL is an ICA signatory:
   - 50% of the above provisions can be written back where the borrower has repaid 20% of the residual debt without slipping into NPA, post implementation of resolution plan.
   - Balance 50% of the provisions can be written back when the borrower repays another 10% of residual debt without slipping into NPA.
b) Where SCILL is not an ICA signatory:
   - 50% of the above provisions can be written back upon repayment of 20% of carrying debt, subject to maintenance of applicable IRAC provisions.
   - Balance 50% of the provisions can be written back when the borrower repays another 10% of carrying debt, subject to maintenance of applicable IRAC provisions.

➢ **<u>Disclosures and Credit Reporting:</u>**

a) Disclosures as required in the circular **Resolution Framework for COVID-19-related Stress dated 06th August 2020** and **Resolution Framework 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 05th May 2021** to be part of the annual financial statements are given in annexure below.
b) If the resolution plan implemented involves renegotiation which would be classified as restructuring under the prudential framework, credit reporting for the borrower should reflect the status of account as “Restructured”.
c) The provisions of the prudential framework will apply in case of any matters not specifically covered under this framework.

Annexure

Sr. No	**Particulars**	**Attachment**
1	Format A	Format A.docx
2	Format B	Format B.docx

3	Format X	Format X.docx