



2021

Note on Resolution Framework 2.0 for COVID related stress

CapFloat Financial Services Private Limited.



Note on Resolution Framework 2.0 for COVID related stress

The below note is based on the Board approved policy on Resolution framework 2.0 for individuals, small businesses and MSMEs dated 2nd June 2021 prepared in accordance with RBI circular DOR.STR.REC.12/21.04.048/2021-22 and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 and modification therein as suggested by MPC dated 4th June 2021.

For Small business and MSMEs:

1. Who can apply?

Any borrower who has availed unsecured business loan from the company where -

- I. The account was live and standard as on 31st March 2021 and not written off by the date of invocation and not an already restructured under any of the previous schemes.
- II. The borrower has gross borrowing including fund and non-fund based limits of less than ₹50 Crore as per bureau as on 31st March 2021.
- III. The borrower entity is GST registered and with “active” status on the date of implementation. If the business is exempt from GST registration, this condition is not applicable.
- IV. If the borrower is MSME, Udyam registration certificate to be obtained before the date of implementation.
- V. The borrower is not falling under any of the following category: NCLT/DRT/Business against which there is court order for winding up/ Insolvency cases under provincial insolvency act / Arbitration cases which are in process / interim orders obtained / awards have already been obtained / suit filed against company by the borrower.

2. How to apply?

Our team member will reach out to the borrower with suitable option of resolution under the 2.0 framework, alternatively borrower can reach out to us on myloan@capitalfloat.com within stipulated time frame.

3. What documents are required?

- I. Restructure request letter indicating the impact on business and plan of recovery of the business
- II. All business bank statements
- III. GST registration and/or GST returns
- IV. Udyam registration certificate, wherever applicable
- V. Restructure agreement and its annexures (schedules to the loan, sanctions letter, key fact statement, etc.)
- VI. Latest CA certified share-holding pattern for companies or profit sharing ratio of partners for partnership firms
- VII. Any such document which may be asked for the assessment by the credit team or co-lenders
- VIII. If necessary, to avoid physical contact, the borrowers may be given the option by the company to digitally agree or be a signatory to the above documents’ acceptance, as required.

4. Assessment norms:

- a. The company will pull the CIBIL details of all the borrowers / co-borrowers / guarantors.
- b. The assessment will be based on norms including but not limited to the banking transactions, balances, financial particulars, CIBIL reports, loan details, regulatory compliances, repayment behavior, credit discussion, etc.

5. What is the time-line for resolution?

All initiation/ invocation of resolution (restructure) under this program should be carried out on or before 30th September 2021 and the implementation to be completed within 90 days from the date of the initiation.

Approval for restructuring is solely at discretion of the Company and co-lenders (in case of original loan being co-lent). The company and the co-lenders are under no obligation to provide with the reason for rejection and / or the assessment norms under any circumstances. Within 1 month of the date of application or the request letter with all necessary and complete documentation, the approval or rejection shall be informed to the borrowers and the borrower shall have 2 weeks' time to agree to the resolution option proposed by the company.

For Individual / consumer loans:

1. Who can apply?

Any borrower who has availed Personal Loan/ consumer loan / BNPL facilities from the company, where –

- I. The account was live and standard as on 31st March 2021 and not written off by the date of implementation and not an already restructured under any of the previous schemes and is in delinquency on the date of invocation.
- II. The borrower is not falling under any of the following category: NCLT/DRT/Business against which there is court order for winding up/ Insolvency cases under provincial insolvency act / Arbitration cases which are in process / interim orders obtained / awards have already been obtained / suit filed against company by the borrower.

2. How to apply?

Our team member will reach out to the borrower with suitable option of resolution under the 2.0 framework. Alternatively, borrowers can reach out to us with the request on myloan@capitalfloat.com within stipulated time frame allowed by RBI's circular.

3. What documents are required?

- I. Restructure request or declaration that income / cash-flow has been impacted due to COVID 2nd wave
- II. Restructure agreement and its annexures, either physical or digital
- III. Any such document which may be asked for the assessment by the company's credit/risk team or co-lenders

4. What is the time-line for resolution?

All initiation/ invocation of resolution (restructure) under this program should be carried out on or before 30th September 2021 and the implementation to be completed within 90 days from the date of the initiation.

Approval for restructuring is solely at discretion of the Company and co-lenders (in case of original loan being co-lent). The company and the co-lenders are under no obligation to provide with the reason for rejection and / or the assessment norms under any circumstances. Within 1 month of application with all necessary documents, the approval/ rejection shall be informed to the borrowers and the borrower shall have 2 weeks' time to agree to the resolution option proposed by the company.

Grievance Redressal: Please refer our Consumer Grievance Redressal Policy in below link

<https://capitalfloat.com/wp-content/uploads/2021/06/GrievanceRedressalPolicy.pdf>