



HOMESHREE HOUSING FINANCE LIMITED ('HHFL')

POLICY ON “WILFUL DEFAULTERS, TREATMENT OF WILFUL DEFAULTERS AND LARGE DEFAULTERS”

Following the RBI Master Direction – Non-Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021 & RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters, RBI/DoR/2024-

25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024.

HomeShree Housing Finance Limited ('HHFL' or the 'Company')**Policy on "Wilful Defaulters, Treatment of Wilful defaulters and Large defaulters"****Summary of Policy**

Policy Name	Policy on Wilful Defaulters, Treatment of Wilful defaulters and Large defaulters.
Date of Implementation	December 02, 2022
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Date of Current Review	April 29, 2025
Version No.	04
Owner/Contact	Compliance Department
Approver	Board of Directors

1. Introduction

This policy has reference to the RBI Master Direction – Non-Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021 & RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters, RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024 and serves as a comprehensive guideline delineating the procedures for identification and classification of borrowers as wilful defaulters and their treatment. It also plays a crucial role in maintaining the integrity of the financial system by outlining the measures and consequences for those borrowers who deliberately default on their financial obligations. The primary objective of the policy is to provide for a non-discriminatory and transparent procedure, having regard to the principles of natural justice, for classifying a borrower as a wilful defaulter. The policy also aims to put in place a system to disseminate credit information about wilful defaulters for cautioning other lenders to ensure that further institutional finance is not made available to them.

Accordingly, the Board of HHFL decide to adopt the Policy on Wilful Defaulters, Treatment of Wilful defaulters and large defaulters.

2. **Definitions of terms referred in the Policy:**

2.1 “Borrower” means one who has availed credit facility from the Company.

2.2 “Credit facility” means any fund based or non-fund-based facility, including off balance sheet items like derivatives, guarantees and letters of credit, which the company has extended to the borrower.

2.3 “Director” means the director of a company which was classified as a large defaulter/wilful defaulter and who was associated with the company at the time when the acts of omission or commission by the company/ its directors led to the default.

2.4 “Diversion of funds” means and includes the under- noted occurrences:

- (i) Utilization of short-term working capital funds for long-term purposes not in conformity with the terms of sanction of credit facility;
- (ii) deploying funds availed using credit facility for the creation of assets other than those for which the credit was sanctioned;
- (iii) Transferring funds availed using credit facility to the subsidiaries/group companies or other entities, by whatever modality, without approval of the lender/ all the lenders in the consortium;
- (iv) Routing of funds through any lender other than the lender or members of consortium without prior written permission of the lender or all the lenders of consortium;
- (v) investing funds availed using credit facility in other companies/entities by way of acquiring equities/debt instruments without the approval of lender or all the lenders of consortium; and
- (vi) Shortfall in the deployment of funds vis-à-vis the amounts disbursed/ drawn under the credit facility and the difference not being accounted for.

2.5 “Guarantor” is a person / entity who has guaranteed the credit facility.

2.6 “Identification committee” means the committee constituted for the purpose of identifying a wilful defaulter and shall comprise of:

An officer not more than one rank below the MD/CEO as chairperson and two senior officials, not more than two ranks below the chairperson of the committee, as members.

2.7 “Large defaulter” means a defaulter with an outstanding amount of ₹1 crore and above, and –

- (i) where suit has been filed; or
- (ii) whose account has been classified as doubtful or loss (in accordance with the instructions issued by the Reserve Bank from time to time).

2.8 “Promoter” means a person who has been named as such in a prospectus or is identified by the company in the annual return, and has (i) control over the affairs of the company, directly or indirectly, whether as a shareholder, director or otherwise; and/or (ii) in accordance with whose advice, directions or instructions, the Board of Directors of the company is accustomed to act.

2.9 “Review committee” means the committee constituted for the purpose of reviewing the proposal of the Identification Committee and shall comprise of:

The MD/CEO as chairperson with two independent directors or non-executive directors or equivalent officials serving as members.

2.10 “Siphoning of funds” shall be construed to have occurred if any funds availed using credit facility from lenders are utilized for purposes unrelated to the operations of the borrower.

2.11 “Wilful default”

(A) by a borrower shall be deemed to have occurred when the borrower defaults in meeting payment/ repayment obligations to the company and any one or more of the following features are noticed:

- (I) The borrower has the capacity to honour the said obligations;
- (II) The borrower has diverted the funds availed under the credit facility from the company;
- (III) The borrower has siphoned off the funds availed under the credit facility from the company;
- (IV) The borrower has disposed of immovable or movable assets provided for the purpose of securing the credit facility without the approval of the company;
- (V) The borrower or the promoter has failed in its commitment to the company to infuse equity despite having the ability to infuse the equity, although the lender has provided loans or certain concessions to the borrower based on this commitment and other covenants and conditions.

(B) by a guarantor shall be deemed to have occurred if the guarantor does not honor the guarantee when invoked by the lender, despite having sufficient means to make payment of the dues or has disposed of immovable or movable assets provided for the purpose of securing the credit facility, without the approval of the lender or has failed in commitment to the lender to infuse equity despite having the ability to infuse the equity, although the lender has provided loans or certain concessions to the borrower based on this commitment.

2.12 “Wilful defaulter” means

- (i) A borrower or a guarantor who has committed wilful default and the outstanding amount is ₹25 lakhs and above, or as may be notified by Reserve Bank of India from time to time, and
- (ii) where the borrower or a guarantor committing the wilful default is a company, its promoters and the director (s), subject to the provisions of para 4 (1) (c) of RBI - Master Direction on Treatment of Wilful Defaulters and Large Defaulters. In case of entity (other than companies), persons who are in charge and responsible for the management of the affairs of the entity.

Criteria for Identification of Wilful Defaulters:

S. No	Norm / Criteria	Interpretation
1	Applicability	Borrower, Co-borrowers and Guarantors
2	Exclusions	A director other than whole-time director, including an independent director/ nominee director, shall not be considered as wilful defaulter unless it is conclusively established that: (i) the wilful default by the borrower or the guarantor has taken place with their consent or connivance or (ii) he/ she was aware of the fact of wilful default by the borrower or the guarantor, as revealed from the proceedings recorded in the minutes of the meeting of the Board or a Committee of the Board, but has not recorded his/ her objections to the same.
3	Loan level/ Borrower level	Borrower level
4	Defaulter	NPA (90+ DPD)
5	If one loan is defaulting and others are performing	All non-performing borrower accounts with aggregate outstanding of ₹25 lacs or more shall be considered.

3. Treatment of Wilful Defaulters

3.1 Review of Accounts for Identification of Wilful Default

- (i) 'Wilful default' aspect will be examined in all Non-Performing Assets (NPA) accounts with outstanding amount of ₹25 lakhs and above or as may be notified by regulators on an ongoing basis. If wilful default is observed in the internal preliminary screening, the process of classification/ declaring the borrower as a wilful defaulter by following the mechanism set out in point I.2 shall be completed within 6 months of the account turning into NPA.
- (ii) In respect of accounts where 'wilful default' was not observed during the initial examination, the aspects regarding 'wilful default' shall be subsequently re- examined after 12 months

3.2 Mechanism for Identification and Classification of Wilful Defaulters

Identification and classification of a borrower as 'wilful defaulter' to be done by following the procedure enumerated below which is in line with RBI - Master Direction on Treatment of Wilful defaulters and Large Defaulters.

The identification of the wilful default should be made keeping in view the track record of the borrowers and should not be decided on the basis of isolated transactions/ incidents. The default to be categorized as wilful must be intentional, deliberate, calculated and meeting the conditions defined under "Wilful Default". Identification of wilful default will be solely at the discretion of the Company fulfilling the "criteria" mentioned above.

- (i) Cases observed as 'wilful default' in the preliminary screening along with its evidences will be examined by an Identification committee as defined above.
- (ii) The Identification Committee, if satisfied that an event of wilful default has occurred, will issue a show-cause notice to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity and call for the submissions from them within 21 days of issuance of show cause notice. All materials and information on which show-cause notice is based shall be disclosed to them.
- (iii) After considering the submissions and where satisfied, the Identification Committee shall make a proposal to the Review Committee as defined above for classification as a wilful defaulter by explaining the reasons in writing.
- (iv) The borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity is to be advised about the proposal to classify them as 'wilful defaulter' along with the reasons therefor and an opportunity shall be provided to them for making a written representation to Review Committee within 15 days of such a proposal from the

identification committee.

- (v) The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee. The Review Committee shall provide an opportunity for a personal hearing also to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity. However, if the opportunity is not availed or if the personal hearing is not attended by such persons mentioned above, the Review Committee shall, after assessing the facts or material on record, including written representation, if any, consider the proposal of the Identification Committee and take a decision and pass a reasoned order and the same shall be communicated to the wilful defaulter.
- (vi) Legal Manager will issue the show cause notice and serve the written order on behalf of the Identification Committee and the Review Committee respectively. The show-cause notice and the order served shall clearly state that it has the approval of the competent authority, i.e., Identification/ Review Committee and shall identify its members.

3.3 Measures against Wilful Defaulters.

A. Initiation of Criminal proceedings

Based on the facts and circumstances of each case, it can be examined whether initiation of criminal proceedings against wilful defaulters under the provisions of the applicable law, is warranted. In cases where criminal proceedings have been initiated, removal of the name of a wilful defaulter from the List of Wilful Defaulters (LWD) shall be without prejudice to the continuation of criminal proceedings against the wilful defaulter.

B. Publishing of photographs of wilful defaulters

In light of the circular DBR.CID.BC.No.17/20.16.003/2016-17 on Publishing of photographs of Wilful Defaulters' dated September 29, 2016, being repealed with issuance of RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters, RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024, the Company shall formulate a non-discriminatory board-approved policy that clearly sets out the criteria based on which the photographs of persons classified and declared as wilful defaulter shall be published.

C. Penal and other Measures against wilful defaulters.

- (i) The company shall not grant any new facilities/additional facilities to a wilful defaulter or to an entity with which a wilful defaulter is associated.
- (ii) The bar on additional credit facility to a wilful defaulter or any entity with which a wilful defaulter is associated shall be effective for a period of one (1) year after the name of wilful defaulter has been removed from the List of Wilful Defaulters (LWD) by the company.
- (iii) Further no additional funding would be done, for floating new ventures/to the new ventures floated by the borrower and companies (including their entrepreneurs, promoters, whole time directors etc. whose name were reported along with the entity in the wilful defaulters list) where the Company

has identified siphoning/diversion of funds, misrepresentation, falsification of accounts and fraudulent transactions. This restriction for funding new ventures shall apply for a period of 5 years or as subsequently amended by the regulator from time to time, from the date of removal of their name from the list of wilful defaulters as published/disseminated by RBI/CICs/regulators as applicable.

- (iv) Wilful defaulters or any entity with which a wilful defaulter is associated shall not be eligible for restructuring of credit facility. Subsequent to removal of the name of wilful defaulter from the LWD, the wilful defaulter or any entity with which a wilful defaulter is associated shall be eligible for restructuring, subject to the provision contained in para 3.3 (C) (ii) above.

If the wilful defaulter is a company, another company will be deemed to be associated with it, if that company is –

- (i) a 'subsidiary company' as defined under clause 2 (87) of the Companies Act, 2013.
- (ii) falls within the definition of a 'joint venture' or an 'associate company' under clause (6) of section 2 of the Companies Act, 2013.

If the wilful defaulter is a natural person, all entities in which he is associated as promoter, or director, or as one in charge and responsible for the management of the affairs of the entity shall be deemed to be associated.

The penal provisions mentioned above, shall cease to be applicable on the associated entities when they are no longer associated with the wilful defaulters.

In cases where the existing promoters are replaced by new promoters in terms of directions contained in circular 'Prudential Framework for Resolution of Stressed Assets' dated June 7, 2019 (as amended from time to time) and the borrower company is totally delinked from such erstwhile promoters/ management, the Company may take a view on restructuring such accounts based on their viability, without prejudice to the continuance of criminal proceedings against the erstwhile promoters/ management.

D. Incorporation of a Covenant

- (i) Loan agreements to include a covenant that a borrower would not induct a person on its Board or as a person in charge of and responsible for the management of the affairs of the entity, whose name appears in the list of wilful defaulters and if already appointed the borrower to take effective steps for removal of the said person from the board or being in charge of its management.
- (ii) Under no circumstances shall a renewal/ enhancement/ fresh credit facilities or restructuring of existing facilities be provided to such a borrower so long as the name of its promoter and/or the director (s) and/or the person in charge and responsible for the management of the affairs of the entity remains in the LWD.

E. Initiation of Legal Action.

Legal Action, wherever warranted, shall be initiated expeditiously against the borrowers/ Guarantors for foreclosure or recovery of dues.

3.4 Role of Internal Audit

The internal auditors shall specifically look into the adherence to instructions for classifying a borrower as a wilful defaulter.

The Audit Committee shall quarterly review the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection should these occur. The review shall focus on identifying root causes of wilful default and addressing deficiencies, if any, in the wilful defaulter classification process.

3.5 Liability of a Guarantor

- (i) When a default happens in making payment/ repayment by the principal debtor, the Company can proceed against the guarantor even without exhausting the remedies against the principal debtor. Where a claim has been made on the guarantor on account of the default made by the principal debtor, the liability of the guarantor is immediate.
- (ii) In case the said guarantor refuses to comply with the demand made by the Company, such guarantor shall also be considered for classification as a wilful defaulter by following the mechanism as set out in point 3.2.
- (iii) While dealing with the wilful default of a single borrowing company in a Group, the track record of the individual company, with reference to its repayment performance to its lenders shall be considered. In cases where guarantees furnished by the companies within the Group on behalf of the wilfully defaulting units are not honoured when invoked by the Company, such Group companies should also be considered for classification as wilful defaulter by following the mechanism set out above in point 3.2

4. Reporting of Wilful Defaulters and Large Defaulters

4.1 Reporting and Dissemination of Credit Information on Large Defaulters

- (i) Information with respect to large defaulters shall be submitted to all credit information companies (CICs) at monthly intervals in the format provided in Annex 1.

- a.** A list of suit filed accounts of large defaulters; and
 - b.** A list of non-suit filed accounts of large defaulters whose account has been classified as doubtful or loss (in accordance with the instructions issued by the Reserve Bank from time to time).
- (ii)** For calculating the threshold of ₹1 crore, the unapplied interest, if any, shall also be included. In the case of suit-filed accounts, the threshold shall relate to the amount for which the suits have been filed.
- (iii)** The term 'suit filed accounts' shall mean those accounts in respect of which all entities regulated by Reserve Bank have approached courts or tribunals (including under Insolvency and Bankruptcy Code, 2016) for recovery of their dues, and proceedings are pending. Accounts shall be treated as suit filed if any application, appeal or execution is pending in continuation of the original recovery proceedings.
- (iv)** Suit filed accounts shall be deemed to include accounts in which SARFAESI proceedings or any other proceedings for recovery of the dues from the borrower or any other person liable to make payment of a debt under Acts governing co- operative societies are initiated and pending, and shall include the account of a debtor against whom resolution or liquidation proceedings have been initiated and are continuing.

4.2 Reporting and Dissemination of Credit Information on Wilful Defaulters

- (i)** Information with respect wilful defaulters as defined above that have been transferred shall be submitted at monthly intervals to all CICs in the format provided in **Annex 2**.
 - a.** a list of wilful defaulters (LWD) in respect of suit filed accounts
 - b.** a LWD in respect of non-suit filed accounts
- (ii)** The removal of the name of the wilful defaulter from the LWD shall be informed to all CICs promptly and not later than 30 days, from the date when the outstanding amount falls below the threshold of ₹25 lakh or as notified by Reserve Bank of India from time to time and till such time as only part payment is made, name of the borrower shall not be removed from the LWD even if the outstanding amount becomes less than the threshold of ₹25 lakh or as notified by Reserve Bank of India from time to time.

4.3 Treatment of Compromise Settlements

- (i) Any account included in LWD, where a compromised settlement is initiated with the borrower, shall be removed from the LWD only when the borrower has fully paid the compromise amount.
- (ii) Till such time as only part payment is made, name of the borrower shall not be removed from the LWD even if the outstanding amount becomes less than the threshold of ₹25 lakh or as notified by Reserve Bank of India from time to time.
- (iii) The compromise settlement shall be without prejudice to the continuation of criminal proceedings against the wilful defaulter.
- (iv) OTS/ compromise settlement with the wilful defaulter shall be in terms of procedures set out in the Board approved **Credit Recovery Policy**. This policy shall include guidelines on staff accountability examination, reporting of the compromise/ settlement to the board, higher upfront payment if any, etc.

4.4 Treatment of defaulted loans sold to the other lenders and ARCs

- (i) Before transferring a defaulted loan with outstanding of ₹25 lakhs and above, irrespective of its classification as NPA, to other transferees, a comprehensive investigation shall be conducted internally from a wilful default perspective. This process should ensure a thorough examination of wilful default aspects for each defaulted loan.
- (ii) In a case where wilful default is observed, the process of classification of the borrower as wilful defaulter as per mechanism set out above should be completed, and reported it in the LWD to CICs, before selling the asset to other lenders/ ARCs.
- (iii) While transferring a Wilful default loan to a lender/ ARC the same is to be communicated to the Lender/ ARC to which the loan is being transferred.
- (iv) Sale to other lenders/ARCs shall not be treated as recovery for the purpose of calculating the threshold limit for classification as wilful defaulter and reporting to CICs, as the loan amount is not yet fully recovered.

4.5 Treatment of accounts where resolution is done under Insolvency and Bankruptcy Code (IBC)/ Resolution framework guidelines issued by the Reserve Bank

- (i) In case an account which is included in LWD and has subsequently undergone liquidation or where the resolution [either under IBC or under the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 (as amended from time to time) issued by the Reserve Bank] results in a change in the management and control of the entity/ business enterprise, the name of such a borrower or guarantor who were classified as wilful defaulter [which includes in case of a company, its promoters and the director (s), and in case of entity (other than companies), persons who are in charge and responsible for the management of the affairs of the entity], shall be removed from the LWD after implementation of the resolution plan under IBC or aforesaid prudential framework.

- (ii) The penal measures as detailed in point 3.3 (C) shall not be applicable to such entities/ business enterprises after implementation of the resolution plan under IBC or aforesaid prudential framework.
- (iii) The penal measures detailed in point 3.3 (C) shall continue to apply to the erstwhile promoter(s)/ director(s)/ guarantor(s)/ persons who were in charge and responsible for the management of the affairs of the entity/ business enterprise, and to the entities they are associated as a promoter or director or as one in charge and responsible for its management.

4.6 Responsibility for Correct Reporting

The Company shall be responsible for reporting correct information and also ensuring the accuracy of facts and figures to CICs of the particulars of the directors, and wherever possible, by cross-checking with the database maintained by the Registrar of Companies.

4.7 Reporting of Guarantors

The details of guarantors who have failed to honour the commitments thereunder when invoked, as large defaulters/ wilful defaulters, as the case may be, are to be reported to CICs. The details shall be reported as per **Annex I and II**.

4.8 Reporting of Directors

- (i) In case of business enterprises registered as companies under the Companies Act, 2013, the full names of the directors are also to be reported in the Director column of **Annex I and II**, to facilitate better identity of persons concerned.
- (ii) In order to ensure that directors are correctly identified and in no case, persons whose names appear to be similar to the names of directors appearing in the LWD are wrongfully denied credit facilities on such grounds, the Director Identification Number (DIN) is to be included as one of the fields in the data submitted in **Annex I and II**, to the CICs.

5. Preventive Measures and Role of Auditors

5.1 Preventive Measures

A. Credit Appraisal

- (i) While carrying out the credit appraisal, it should be verified as to whether the name of any of the directors of a company/ guarantors/ persons in charge of the management of affairs of the entity appears in the list of large defaulters/ LWD by way of reference to DIN/ PAN, etc.
- (ii) In case of any doubt arising on account of identical names, independent sources shall be used for confirmation of the identity of directors rather than seeking a declaration from the borrowing company.

B. Monitoring End Use of Funds

- (i) The end-use of funds is to be monitored and certificates from the borrowers are to be obtained certifying that the funds have been utilised for the purpose for which they were obtained. In case of the wrong certification by the borrowers, wherever necessary, initiation of appropriate legal proceedings, including criminal proceedings against the borrower can be considered.
- (ii) The requirements and related appropriate measures in ensuring the end-use of funds by the company shall form a part of its loan policy document. An illustrative list of measures for monitoring and ensuring end-use of funds by the company are:
 - (a) Meaningful scrutiny of quarterly progress reports/ operating statements/ balance sheets of the borrowers;
 - (b) Regular inspection of borrowers' assets charged to the company as security;
 - (c) Periodic scrutiny of borrowers' books of accounts and the 'no-lien' accounts maintained with other lenders;
 - (d) Periodic visits to the assisted units;
 - (e) Periodic comprehensive management audit of the 'credit' function of the company, so as to identify the systemic weaknesses in its credit administration.
- (iii) In cases of project financing, end use of funds should be ensured by, inter alia, obtaining certification from the Chartered Accountants for the said purpose. The company must, however, not just depend on the certificates issued by the Chartered Accountants but also strengthen its credit risk management system and internal controls to enhance the quality of its loan portfolio. Further, in all cases, especially in the case of short-term corporate/ clean loans, such an approach must be supplemented by 'due diligence' on the part of the company itself, and to the extent possible, such loans must be limited only to those borrowers whose integrity and reliability are above board.
- (iv) With a view to monitoring the end-use of funds, if any specific certification from the borrowers' auditors is desired regarding diversion/siphoning of funds by the borrowers, a separate mandate can be awarded to the auditors for the purpose. To facilitate such certification by the auditors, it shall be ensured that

appropriate covenants in the loan agreements are incorporated to enable the award of such a mandate to the auditor.

- (v) In addition to the above and with a view to preventing diversion/ siphoning of funds by the borrowers, engagement of own auditors for such specific certification can be done without relying on certification given by borrowers' auditor.

5.2 Role of Statutory Auditors

- (i) In case any falsification of accounts on the part of the borrowers is observed and the auditors are found to be negligent or deficient in conducting the audit, lodging a formal complaint against the statutory auditors of the borrowers with the National Financial Reporting Authority (NFRA)/ Institute of Chartered Accountants of India (ICAI) can be considered to enable them to examine and fix accountability of the auditor.
- (ii) Pending disciplinary action by NFRA/ ICAI, the complaints shall be forwarded to the Reserve Bank (Department of Supervision, Central Office) and Indian Banks' Association (IBA). Before reporting to the Reserve Bank and IBA, the company shall satisfy itself of the involvement of concerned auditors and the concerned auditors shall be provided an opportunity to be heard. In this regard, normal procedures and processes shall be followed, which shall be suitably recorded.
- (iii) Depending upon the nature of the borrowers' acts underlying the wilful default and the quality of evidence available with the company in the normal course, the company shall consider commissioning a forensic audit of the affairs of the borrowers and their books of accounts, in respect of accounts with an outstanding of ₹1 Crores and above.

5.3. Role of Third Parties

- (i) As prescribed in para 4.2 of the Master Directions on Frauds Risk Management in Commercial Banks (including RRBs) and AIFIs/ UCBs, State Cooperative Banks, Central Cooperative Banks/ NBFCs (including Housing Finance Companies) dated July 15, 2024 (as updated from time to time), in case of wilful defaults also there should be some accountability for the third parties engaged by the Company, if they have played a vital role in credit sanction/ disbursement and are found negligent or deficient in their work or have facilitated the wilful default by the borrower.
- (ii) The Company shall forward the details of these third parties to the Indian Banks' Association (IBA) for records. Before reporting to IBA, the Company shall satisfy itself of the involvement of concerned third parties and also provide them with an opportunity of being heard.
- (iii) Before reporting to IBA, the company shall satisfy itself of the involvement of concerned third parties and also provide them with an opportunity of being heard. In this regard, the company shall follow due process, which shall be suitably recorded.

Annexures**Annex-I**

Format for submission of List of Large Defaulters of ₹1 crore and above (suit filed and non-suit filed accounts) to all CICs on monthly basis.

Field	Field Name	Type	Max Field Length	Description	Remarks
1.	Reporting Cycle	Alpha Numeric	5	Month for which the data is reported	The reporting cycle data for month of January 2024, should be filled as 'JAN24'
2.	Member ID	Alpha Numeric	10	The field is required to include Reporting Member Code as assigned by CICs.	Contains ID of the member reporting the data
3.	Member Name	Character	200	Name of the member	Must contain the name of the member who is reporting the data.
4.	Member Branch	Character	30	Branch name of the member	Name of the branch should be fed.
5.	STATE	Character	35	Name of state	Name of state in which branch is situated.
6.	Borrower Name	Alpha Numeric	1000	Minimum length of the Name should be 2 characters for individual borrowers and 4 characters for non-individual.	The legal name of the borrower to be reported.

7.	Borrower PAN	Alpha Numeric	10	Must be 10 characters. The first five characters must be letters, followed by four numbers, and followed by a letter.	Permanent Account Number (PAN) as defined by the Income Tax Department
8.	Borrower Address	Alpha Numeric	1000	Permanent Address / Registered address of the borrower	
9.	Outstanding Amount	Numeric	8	Should be a Numeric Value	Outstanding amount in ₹ lakh (rounded-off)
10.	Suit Status	Numeric	2	Valid Values 01 - Suit filed 02 – Non-Suit Filed	Indicates whether suit has been filed or not.
11.	Asset Classification	Character	5	Valid Values For Non-Suit Filed Accounts. 'DOUBT' for doubtful accounts. 'LOSS' for loss accounts. For Suit Filed Accounts 'DOUBT' for doubtful accounts. 'LOSS' for loss accounts. 'SUBST' for substandard accounts. 'STD' for standard accounts.	Asset classification
12.	Asset Classification Date	Alpha Numeric	5	Month in which the account was classified as 'DOUBT'/'LOSS'/SUBSTD/STD' in the format 'mmmyy' where mmm stand for the first 3 characters of the month. The date of classification, 'march 2000' should be filled up as 'MAR00'.	Indicates the date of asset classification
13.	Other Member	Character	1000	The names may be fed in abbreviated form e.g., BOB for Bank of Baroda, SBI for State Bank of India	The names of other lenders from whom the borrower has

				etc.	
					availed credit facility should be indicated.
14.	Director/ Promoter Name	Character	1000	Minimum length of name should be 2 characters	Name of Director/Promoter.
15.	Director/ Promoter DIN	Alpha Numeric	8	DIN Number length should be 8	DIN of the Director/Promoter.
16.	Director/ Promoter PAN	Alpha Numeric	10	Must be a minimum of 10 characters. The first five characters must be letters, followed by four numbers, and followed by a letter.	PAN of the Director/Promoter.
17.	Guarantor Name	Character	1000	Minimum length of name should be 2 characters	Full name of the Guarantor should be indicated.
18.	Guarantor CIN	Alpha numeric	21	Corporate identification number of guarantor entity	Only in case of legal entities
19.	Guarantor PAN	Alpha Numeric	10	Must be a minimum of 10 characters. The first five characters must be letters, followed by four numbers, and followed by a letter.	In case of individual /legal entities

Note:

- Reporting structure of the data would be row level, which would enable members/ lenders to report multiple directors and guarantors of the borrower.
- A director other than whole-time director, including an independent director/ nominee director shall not be included.
- In case of Government undertakings, instead of giving names of Chairman/Director, etc., a legend 'Govt. of _____ undertaking' should be mentioned.
- Separate files for suit filed and non-suit filed accounts shall be submitted.

Format for submission of data on cases of wilful default (suit-filed and non-suit filed accounts) to all CICs on a monthly basis.

Field	Field Name	Type	Max Field Length	Description	Remarks
1.	Reporting Cycle	Alpha Numeric	5	Month for which the data is reported	The reporting cycle data for month of January 2024, should be filled as 'JAN24'
2.	Member ID	Alpha Numeric	10	The field is required to include Reporting Member Code as assigned by CICs.	Contains ID of the member reporting the data
3.	Member Name	Character	200	Name of the member	Must contain the name of the member who is reporting the data.
4.	Member Branch	Character	30	Branch name of the member	Name of the branch should be fed.
5.	STATE	Character	35	Name of state	Name of state in which branch is situated.
6.	Borrower Name	Alpha Numeric	1000	Minimum length of the Name should be 2 characters for individual borrowers and 4 characters for non-individual.	The legal name of the borrower to be reported.

7.	Borrower PAN	Alpha Numeric	10	Must be 10 characters. The first five characters must be letters, followed by four numbers, and followed by a letter.	Permanent Account Number (PAN) as defined by the Income Tax Department
8.	Borrower Address	Alpha Numeric	1000	Permanent Address / Registered address of the borrower	
9.	Outstanding Amount	Numeric	8	Should be a Numeric Value	Outstanding amount in ₹ lakh (rounded-off)
10.	Suit Status	Numeric	2	Valid Values 03 - Suit filed 04 – Non-Suit Filed	Indicates whether suit has been filed or not.
11.	Other Member	Character	1000	The names may be fed in abbreviated form e.g., BOB for Bank of Baroda, SBI for State Bank of India etc.	The names of other lenders from whom the borrower has availed credit facility should be indicated.
12.	Director/ Promoter Name	Character	1000	Minimum length of name should be 2 characters	Name of Director/Promoter.
13.	Director/ Promoter DIN	Alpha Numeric	8	DIN Number length should be 8	DIN of the Director/Promoter.
14.	Director/ Promoter PAN	Alpha Numeric	10	Must be a minimum of 10 characters. The first five characters must be letters, followed by four numbers, and followed by a letter.	PAN of the Director/Promoter.
15.	Guarantor Name	Character	1000	Minimum length of name should be 2 characters	Full name of the Guarantor
16.	Guarantor CIN	Alpha numeric	21	Corporate identification number of guarantor entity	Only in case of legal entities

17.	Guarantor PAN	Alpha Numeric	10	Permanent account number	In case of individual / legal entities
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Note:

- Reporting structure of the data would be row level, which would enable members/ lenders to report multiple directors and guarantors of the borrower.
- The data / information should be submitted through Secure File Transfer Protocol (SFTP).
- Separate files for suit filed and non-suit filed accounts shall be submitted.