



INDRAPRASTHA SEHKARI BANK LTD.

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Policy - Resolution Frame Work - 2.0' (related with for Covid-19 stress of individuals & small businesses and MSMEs

This Policy has been framed with regard to 'Resolution Frame Work - 2.0' for Covid-19 related stress - Loans & Advances, in terms of RBI Circulars, both dated 05.05.2021 mentioned below: -

1. RBI/2021-22/31 DOR.STR.REC.11 / 21.04.048/2021-22, RBI/2021-22/31 DOR.STR.REC.11 / 21.04.048/2021-22 - individuals & small businesses AND
2. RBI/2021-22/32 DOR.STR.REC.12 / 21.04.048/2021-22 - Micro, Small & Medium Enterprises (MSMEs)

Individual & Small Business

1. The Resolution / benefit shall be provided only to the borrowers having stress due to Covid-19.
2. The accounts of the borrowers applying for benefit under the resolution framework, should be Standard as on 31.03.2021.
3. The credit facilities/loans provided to the staff members of the bank shall not be eligible for resolution under this frame work.
4. The Resolution under this frame work shall be invoked by 30.09.2021 and be implemented within 90 days from the date of invocation.
5. Under the Resolution frame work, the bank may consider rescheduling of payments by way of granting moratorium, maximum of two years or conversion of interest accrued or to be accrued, in to another credit facility on making assessment of the income / financials / security(ies), of the respective borrowers.
6. The aggregate exposure of applicant should not be more than Rs. 25.00 Crores, as on 31.03.2021.
7. It shall be ascertained / established the necessity of implementing a resolution plan in respect of concerned borrower(s), while accepting or considering requests under resolution framework, vis-à-vis nature of Business / occupation, circumstances etc. of the applicant.
8. If a resolution plan is implemented as per the guidelines of the RBI circular, the asset classification of borrowers' accounts classified as Standard may be retained as such upon implementation, whereas the borrowers' accounts which may have slipped into NPA between invocation and implementation may be upgraded as Standard, as on the date of implementation of the resolution plan.
9. The Bank 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 percent of the renegotiated debt exposure of the lending institution post implementation (residual debt including non-funded facility).

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10. Requisite documents / Agreements be obtained and got executed between the borrower and the bank.
11. The application under the framework may be submitted in person at branches or through e-mail or by post on the prescribed format as available on Bank's Website, as well as, at branches.
12. The revised terms and conditions shall be conveyed to the respective borrowers and Guarantors/Sureties. Accordingly the banks record/books be updated.

Micro, Small & Medium Enterprises (MSMEs)

1. The 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.
2. The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration. This shall be determined on the basis of exemption limit obtaining as on March 31, 2021.
3. The borrower shall be registered in the Udyam Registration portal, if not registered such registration shall be required to be completed before the date of implementation of the restructuring plan.
4. The working capital limits, already restructured may be taken up for one time review for re-assessment of working capital cycle, margin, interest rates etc. However, the reassessed sanctioned limit / drawing power shall be subject to review on a half yearly basis and the renewal / reassessment on an annual basis and the limits / drawing power could be revised / changed, taking into account the then prevailing business conditions.
5. The aggregate exposure of applicant should not be more than exposure ceiling of the Bank as on 31.03.2021.
6. The restructuring of the borrower account shall be invoked by September 30, 2021 and the restructuring shall be treated as invoked when the Bank and borrower agree to proceed for finalising the restructuring plan for implementation. The decisions on applications received by the Bank from its customers for invoking restructuring under this facility shall be communicated within 30 days of receipt of such applications.
7. The restructuring of the borrower account shall be implemented within 90 days from the date of invocation.
8. Upon implementation of the restructuring plan, a provision of 10 percent of the residual debt of the borrower shall be made.
9. Asset classification of borrowers classified as standard may be retained as such, whereas the accounts which may have slipped into NPA category between April 1, 2021 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan.

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10. The application under the framework may be submitted in person at branches or through e-mail.
11. Requisite documents / Agreements be obtained and got executed between the borrower and the bank.
12. The revised terms and conditions shall be conveyed to the respective borrowers and Guarantors / Sureties. Accordingly the banks record/books be updated.



(Chief Executive Officer)

The policy was approved vide Board resolution No. 18(i) dated 28.05.2021



(C.E.O.)