

# जालोर नागरिक सहकारी बँक लिमिटेड, जालोर

## POLICY ON COVID-19 REGULATORY PACKAGE

### ALLOWING MORATORIUM, ASSET CLASSIFICATION, PROVISIONING

(Reference: BOD excursion-Bhraman resolution No.77 dt.03.06.2020)

SI.	HEADS		PARTICULARS
1	OBJECTIVES	i	Reserve Bank of India has announced certain regulatory measures on account of Covid-19 pandemic to relax repayment pressure and mitigating the burden of servicing instalment and interest during the pandemic period. The instructions for asset classification and provisioning norms were also issued connected with regulatory measures. In this connection, instructions were circulated by the RBI on 27.03.2020, 17.04.2020, 23.05.2020 and so on.
		ii	The main objective is to provide financial relief by way of providing extension in repayment tenure by relaxation in original terms and conditions of repayment to ensure continuity of viable businesses and households.
		iii	Bank will offer the opportunity to the Borrowers to streamline their defaults with new repayments schedule by way of recast credit facilities of the borrowers. This can be done by rescheduling the repayment schedule.
		iv	Loan will be paid over a longer period to accommodate the borrower in financial difficulty to avoid any default.
		v	In view of the above, all the Urban Co-operative Banks were permitted to extend the following relief measures to their existing borrowing accounts classified as standard as on 29.02.2020, even if overdue including SMA.
		vi	The measures are necessitated on account of economic fallout from COVID-19.
2	RELIEF MEASURES	a.	Extend the moratorium period by 6 months (01.03.20 to 31.08.2020) on all types of term loans.
		b.	Deferment of recovery of interest on cash credit accounts by six months.
		c.	Allowing temporary irregularity to the extent of interest debited during the moratorium period in working capital limits which is required to be recovered by March 31, 2021.
		d.	Review the working capital limit upto March 31, 2021.

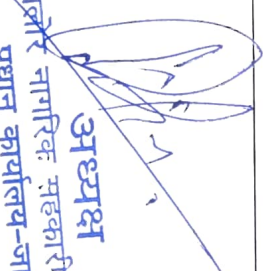
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3	BOARD POLICY	
	There is a need to put in place a Board approved policy to implement the relief measures. Therefore, the Bank's Board of Directors has approved to implement certain relief measures in the BOD Brahman/ Excursion resolution NO. 77 dated 03.06.2020 as a regulatory package announced by the RBI.	
	The salient features of the Board approved policy are as under.	
1	Moratorium period of 6 months are allowed. Accordingly, the repayment schedule for loan account as also the residual tenor, will be shifted across the board in respect of all EMI based loan account classified as standard as on 29.02.2020.	
2	Interest shall continue to accrue on the outstanding portion of the term loan during the moratorium period. Therefore, interest debited in the account during March to August 2020 either to be recovered or capitalize the interest portion for recovery during the residual repayment period by way of resetting of future EMIs. The exercise is required to be completed on case to case basis.	
3	Recovery of interest applied in respect of cash credit (working capital facilities) will be deferred for six months.	
4	Accumulated interest for the deferment period upto 31 August 2020 may be converted into a funded interest term loan (FITL) in deserving cases. The FITL amount will be repayable not later than 31st March 2021.	
5	Additional provisions @ 10% on SMA accounts at instructed by the RBI.	
6	The accounts put under the relief measures will not result in assets classification downgrade.	

  
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