

Decided to include the following clauses also after clause 21 of the existing Loan Policy

## **22. Exposure limits:**

The exposure limit for a single borrower shall be 15% of the bank's Tier-1 capital. For groups of connected borrowers or parties who are businesses with common partners engaged in the same line of business, the exposure limit shall not exceed 25% of the bank's Tier-1 capital.

The limit for loans related to housing, real estate and commercial real estate shall be 10% of the bank's total assets. The ceiling of 10% can be exceeded by an additional 5% of the total assets for the purpose of grant of housing loans to individuals as per the eligibility limits for priority sector classification. Further, subject to the above aggregate caps, the ceiling for the individual housing loans shall be ₹140 lakh.

The limit for unsecured loans shall be 10% of the bank's total assets as of March 31 of the previous financial year, subject to the other restrictions imposed by the RBI.

At least 50% of Bank's loans should be small loans, capped at ₹25 lakh or 0.4% of Tier-I capital, whichever is higher subject to the ceiling of ₹300 lakh per borrower. Aggregate exposure of the Bank to housing loans to individuals other than those eligible to be classified as priority sector, shall not exceed 25% of the total loans and advances. Aggregate exposure of the Bank to real estate sector, excluding housing loans to individuals shall not exceed 5% of the total loans and advances.

The Bank shall calculate exposure limits every year after the finalization and audit of the balance sheet.

In case of SAF restrictions/PCA frame work, there will be reduction in exposure limits for fresh loans and advances as per the directions of RBI from time to time. The Bank should ensure that the exposures are not in excess of the prescribed ceiling.

## **23. Criteria for sanctioning of loans to stressed borrowers:**

A 'stressed borrower' refers to a borrower who is experiencing financial difficulty and is struggling to make timely repayments as scheduled on the borrower's loan. This could include missed payments, overdue interest, declining credit score, and may have a significant drop in the value of the asset offered as collateral by the borrower. The defaulted loan might be classified as 'Special Mention Accounts' (SMA) or even 'Non-Performing Assets' (NPA) depending on the severity of payment issues.

In case a stressed borrower, having a credit facility in the SMA stage or even in the NPA stage for reasons beyond the control of the borrower, and if the borrower clears the accrued arrears and continue repayment of monthly instalments and close the credit facility, requires a fresh credit, the Bank may allow a fresh loan to help the customer. But the fresh credit shall be sanctioned only after assessing the borrower's earlier repayment history and the repayment capacity at the time of application. The bank may also sanction fresh loans to NPA borrowers, provided they close the credit facility availed by them and if they offer additional collateral having enough value and or applying with a co-signer. In such cases also, the borrower shall have sufficient repayment capacity as assessed in detail by the concerned Branch Manager.