



संदर्भ सं. सिडबी : आईएफवी / OUT / 00907 / एसएफसी / नीति
Ref. No. SIDBI : IFV / OUT / 00907 / SFCs / Policies

अप्रैल 24, 2019
April 24, 2019

सभी राज्य वित्त निगमों के अध्यक्ष एवं प्रबंध निदेशक / प्रबंध निदेशक
CMDs / MDs of all SFCs.

परिपत्र एफआई सं. / Circular FI No. 01 / 2019-20

महोदया / प्रिय महोदय,
Madam / Dear Sir,

एमएसएमई घटक - अग्रिमों की पुनःसंरचना
MSME Sector - Restructuring of advances

भारतीय रिज़र्व बैंक ने 01 जनवरी, 2019 के अपने परिपत्र सं. डीबीआर. सं.बीपी.बीसी.18 /21.04.048/2018-19 द्वारा एमएसएमई घटक - अग्रिमों की पुनःसंरचना विषय पर अनुदेश जारी किए हैं। इस पत्र की प्रतिलिपि सुलभ संदर्भ के लिए संलग्न की जा रही है। यह भारतीय रिज़र्व बैंक की वेबसाइट पर नीचे दिए गए लिंक पर भी उपलब्ध है।

Reserve Bank of India vide its circular No. DBR.No.BP.BC.18/ 21.04.048 /2018-19 dated January 01, 2019 has issued instructions on MSME Sector - Restructuring of Advances. A copy of the letter is enclosed herewith for ready reference. The same is also available at the website of RBI on the link given below.

https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=11445&fn=2&Mode=0

आपसे अनुरोध है कि इस संबंध में भारतीय रिज़र्व बैंक द्वारा जारी अनुदेशों / दिशानिर्देशों का सख्ती से पालन / कार्यान्वयन करें। इस मामले में दिए गए दिशानिर्देशों को सूचना एवं आवश्यक कार्रवाई के लिए निदेशक मंडल की अगली बैठक में रखा जा सकता है।

You are requested to strictly follow / implement / adhere to the instructions / guidelines issued by RBI in this regard. The guidelines in the matter may be placed at the next meeting of the Board of Directors for information and necessary action.

भवदीया / Yours faithfully,

[प्रफुल्ला शेनॉय / Prafulla Shenoy]
महाप्रबंधक / General Manager

संलग्नक : यथोक्त

Encl: As above

बैंक हिन्दी में पत्राचार का स्वागत करता है।

भारतीय लघु उद्योग विकास बैंक

एमएसएमई विकास केन्द्र, सी - ११, जी ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051. दूरभाष: +91 22 6753 1100, फैक्स: +91 22 6755 1377

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

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भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2018-19/100

DBR.No.BP.BC.18/21.04.048/2018-19

January 1, 2019

All banks and NBFCs regulated by the Reserve Bank of India

Dear Sir/ Madam,

Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

1. Please refer to the [circulars DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018](#) and [DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018](#).

In this regard, with a view to facilitate meaningful restructuring of MSME accounts {MSME as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006} that have become stressed, it has been decided to permit a one-time restructuring of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification, subject to the following conditions:

- i. The aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed ₹250 million as on January 1, 2019.
- ii. The borrower's account is in default but is a 'standard asset' as on January 1, 2019 and continues to be classified as a 'standard asset' till the date of implementation of the restructuring.
- iii. 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.
- iv. The restructuring of the borrower account is implemented on or before March 31, 2020. A restructuring would be treated as implemented if the following conditions are met:
 - a. all related documentation, including execution of necessary agreements between lenders and borrower / creation of security charge / perfection of securities are completed by all lenders; and

- b. the new capital structure and / or changes in the terms and conditions of the existing loans get duly reflected in the books of all the lenders and the borrower.
- v. A provision of 5% in addition to the provisions already held, shall be made in respect of accounts restructured under these instructions. Banks will, however, have the option of reversing such provisions at the end of the specified period, subject to the account demonstrating satisfactory performance during the specified period as defined at paragraph 5 below.
- vi. Post-restructuring, NPA classification of these accounts shall be as per the extant IRAC norms.
- vii. Banks and NBFCs shall make appropriate disclosures in their financial statements, under 'Notes on Accounts', relating to the MSME accounts restructured under these instructions as per the following format:

| No. of accounts restructured | Amount (₹ in million) |
|------------------------------|-----------------------|
| | |

- viii. All other instructions applicable to restructuring of loans to MSME borrowers shall continue to be applicable.

2. Banks and NBFCs desirous of adopting this scheme shall put in place a Board approved policy on restructuring of MSME advances under these instructions within a month from the date of this circular. The policy shall, *inter alia*, include framework for viability assessment of the stressed accounts and regular monitoring of the restructured accounts.

3. It is clarified that accounts classified as NPA can be restructured; however, the extant asset classification norms governing restructuring of NPAs will continue to apply.

4. As a general rule, barring the above one-time exception, any MSME account which is restructured must be downgraded to NPA upon restructuring and will slip into progressively lower asset classification and higher provisioning requirements as

per extant IRAC norms. Such an account may be considered for upgradation to 'standard' only if it demonstrates satisfactory performance during the specified period.

5. 'Specified Period' means a period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package. 'Satisfactory Performance' means no payment (interest and/or principal) shall remain overdue for a period of more than 30 days. In case of cash credit / overdraft account, satisfactory performance means that the outstanding in the account shall not be more than the sanctioned limit or drawing power, whichever is lower, for a period of more than 30 days.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

DBOD No.FID 6753/03.01.11/2006-07

January 18, 2007

The Chairman and Managing Director
Small Industries Development Bank of India
SME Development Centre, 8th floor
C-11, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

Dear Sir,

Prudential norms for SFCs

On the instructions of the Board for Financial Supervision (BFS) it has been decided that the guidelines issued by SIDBI for SFCs on prudential norms on asset classification, income recognition, etc. as also on accounting standards would have to be in line with the guidelines issued by RBI to banks in this regard.

2. SIDBI may please confirm the position at the earliest.

Yours faithfully,


(Shripal),
General Manager

बैंकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, निवेश संख्या प्रभाग, 2री मंजिल, सिविल ल्याबर केन्द्र, बक परेड, मुंबई 400005
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टेलि टैल: 221 89131-39 विस्तार हत 280 डि. 221 85723 फैक्स: Fax 22183579 ई-मेल: shripal@rbi.org.in

हिन्दी आखन है, इसका प्रयोग कदापि