



The Reserve Bank of India vide its notification Ref No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048 /2021-22 dated May 5, 2021 has allowed to extend the facility for restructuring of existing loans of micro, small and medium enterprises (MSMEs) without a downgrade in the asset classification under the “Resolution Framework 2.0” given the uncertainties created by the resurgence of the Covid-19 pandemic.

The following are the policy guidelines adopted by Bank with regard to implementation of the Resolution Framework as per the Board approved policy of the Bank as per RBI Notification dated 05.05.2021

A. Restructuring of existing MSME borrower accounts under the scheme	
Eligibility and Applicability	<ul style="list-style-type: none"> • The borrower should be classified as a micro, small or medium enterprise as on March 31, 2021 as per new definition of MSME in line with the Gazette Notification S.O. 2119 (E) dated June 26, 2020. • 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 • The aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does not exceed ₹25 crore as on March 31, 2021. • The borrower’s account was a ‘standard asset’ as on March 31, 2021. • The borrower’s account was not restructured in terms of the MSME restructuring circulars issued before. • The restructuring of the borrower account is invoked by September 30, 2021. The decisions on applications received by Bank from the customers for invoking restructuring under this facility shall be communicated in writing within 30 days of receipt of such applications. • The restructuring of the borrower account is implemented within 90 days from the date of invocation. • If the borrower is not registered in the Udyam Registration portal, such registration shall be required to be completed before the date of implementation of the restructuring plan for the plan to be treated as implemented.

	<ul style="list-style-type: none"> • In respect of restructuring plans implemented, 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.
<p>B. Review of the Working Capital sanctioned limits and / or drawing power in respect of MSME borrowal accounts that have already been restructured in terms of MSME Restructuring Circulars issued before</p>	
<p>Eligibility and Applicability</p>	<ul style="list-style-type: none"> • The facility is permissible to such eligible MSME borrower accounts (in terms of Working Capital facilities only) that have already been restructured previously. • It is permitted, as a one-time measure, to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring. • The decision with regard to above shall be taken by sanctioning authority by September 30, 2021
<p>Unit should be under stress on account of Covid-19 economic fallout and should be viable for considering under resolution plan.</p>	

Above information is gist of the Resolution Framework 2.0 implemented by Bank for MSMEs, which are subject to RBI/Bank's guidelines in the matter. Customers are requested to contact their branch for further details.