

Summary of Important RBI Circulars 2020-21

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Date	Circular No	Subject	Brief
01.1.2019	RBI/2018-2019/100 DBR.No.BP.BC.18/21.04.048 /2018-19	Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances	- Allowed a one-time restructuring of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification, subject to conditions
11.2.2020	RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20		- Aggregate exposure including NFB - ≤ Rs. 25 Crore as on March 01, 2020
06.08.2020	RBI/2020-2021/17 DOR.No.BP.BC/4/21.04.048 /2020-21		- Borrower account standard as on - March 01, 2020 and continues to be classified as a "Standard Asset" till the date of implementation - Restructuring is implemented on or before March 31, 2021

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27.03.2020	RBI/2019-20/186/ DOR.No.BP.BC.47/21.04.04 8/2019-20	COVID-19 – Regulatory Package	Relief to mitigate the debt burden:
17.04.2020	RBI/2019-2020/220 DOR.No.BP.BC.63/21.04.04 8/2019-20		<p>(i) Rescheduling of Payments –</p> <ul style="list-style-type: none"> - Interest and / or installment falling due between March 1, 2020 and August 31, 2020 - Conversion of accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan (FITL) which shall be repayable not later than March 31, 2021.
23.05.2020	RBI/2019-2020/244 DOR.No.BP.BC.71/21.04.04 8/2019-20		<p>(i) Easing of Working Capital Financing –</p> <ul style="list-style-type: none"> - The Lenders may recalculate “Drawing Power” by reducing the Margins - Reduction in Margin and / or reassessment of working capital cycle - This relief shall be available in respect of all such changes up to August 31, 2020.

Date	Circular No	Subject	Brief
31.03.2020	RBI/2019-2020/202 FIDD.CO.FSD.BC.No.23/05.0 2.001/2019-20	Short Term Crop Loans eligible for Interest Subvention Scheme (ISS) and Prompt Repayment Incentive (PRI) through KCC	The Banks may convert the existing Short Term Crop Loans including agriculture gold loans into KCC loans by June 30, 2020 with commensurate extension of Interest Subvention (IS) and Prompt Repayment Incentive (PRI) benefit against such accounts till June 30, 2020.

Date	Circular No	Subject	Brief
17.4.2020	RBI/2019-2020/220 DOR.No.BP.BC.63/21.0 4.048/2019-20	COVID19 Regulatory Package - Asset Classification and Provisioning	<p>(i) Asset Classification under the Prudential norms on Income Recognition, Asset Classification (IRAC)- Moratorium period should be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms.</p> <p>(ii) Provisioning</p> <p>The lending institutions shall make general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters as under:</p> <p>(i) March 31, 2020 – not less than 5 per cent</p> <p>(ii) June 30, 2020 – not less than 5 per cent</p>

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17.4.2020	RBI/2019-2020/219 DOR.No.BP.BC.62/21.04.04 8/2019-20	COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	The detailed instructions relating to extension of resolution timelines including accounts within the review period, accounts in which the review period was over and implementation of resolution plan.
21.04.2020	RBI/2019-2020/224 FIDD.CO.FSD.BC.No.24/05.0 2.001/2019-20	Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Crop Loans during the years 2018-19 and 2019-20: Extended Period on account of Covid-19	Banks are advised to extend the benefit of IS of 2% and PRI of 3% for short term crop loans upto ₹3 lakh to farmers whose accounts have become due or shall become due between March 1, 2020 and August 31, 2020.
04.6.2020	RBI/2019-2020/250 FIDD.CO.FSD.BC.No.25/05.0 2.001/2019-20	Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Loans for Agriculture including Animal Husbandry, Dairy and Fisheries for extended period on account of Covid-19	

Date	Circular No	Subject	Brief
21.6.2020	RBI/2019-2020/255 DoR.BP.BC.No.76/21.06.201/2019-20	Assignment of Risk Weights on Credit Facilities (Guaranteed Emergency Credit Line) under the Emergency Credit Line Guarantee Scheme	Member Lending Institutions shall assign zero percent risk weight on the credit facilities extended under this scheme to the extent of guarantee coverage

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02.7.2020	RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31 /2020-21	Credit flow to Micro, Small and Medium Enterprises Sector	New criteria for classifying the enterprises as Micro, Small and Medium enterprises. The new criteria will come into effect from July 1, 2020
21.08.2020	RBI/2020-2021/26 FIDD.MSME & NFS.BC.No.4/06.02.31 /2020-21	New Definition of Micro, Small and Medium Enterprises – clarifications	<ol style="list-style-type: none"> 1) Classification of enterprises 2) Composite criteria of investment and turnover for classification 3) Calculation of investment in plant and machinery or equipment 4) Calculation of turnover
06.08.2020	RBI/2020-2021/16 DOR.No.BP.BC/3/21.0 4.048/2020-21	Resolution Framework for COVID-19-related Stress	Any resolution plan implemented under guidelines of “Prudential Framework” which involves granting of any concession on account of financial difficulty of the borrower entails an asset classification downgrade, except when it is accompanied by a change in ownership, which allows the asset classification to be retained as or upgraded to Standard, subject to the prescribed conditions.

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05.9.2020	RBI/2020-2021/33 Ref.No.DOS.CO.PPG./SEC.01 /11.01.005/2020-21	Long Form Audit Report (LFAR) - Review	Revision in format of LFAR
07.9.2020	RBI/2020-2021/34 DOR.No.BP.BC/13/21.04.04 8/2020-21	Resolution Framework for COVID-19-related Stress – Financial Parameters	Recommendations of Expert Committee to be mandatorily considered by all lending institutions in finalizing the resolution plans in respect of eligible borrowers
14.9.2020	RBI/2020-2021/37 Ref. No. DoS.CO.PPG./SEC.03/11.01. 005/2020-21	Automation of Income Recognition, Asset Classification and Provisioning processes in banks	Guidelines for automation of processes for NPA identification, income recognition, provisioning and generation of related returns latest by June 30, 2021

Date	Circular No	Subject	Brief
27.10.2020	RBI/2020-2021/61 DOR.No.BP.BC.26/21.04.048/2020-21	Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)	Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the ‘Scheme’) on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions.



Thank You !

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