

RBI circular no. RBI/2021-22/32 DoR.STR.REC.12/21.04.048/2021-22 dated 5th May, 2021 and RBI/2021-22/47 DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution framework 2.0 for COVID-19 related stress of MSMEs

Category of borrowers	MSME
Purpose	Restructuring /rescheduling of loans to MSME borrowers having stress on account of pandemic Covid19
Facility Offered	Review and reassessment of Working capital limits on case to case basis
Eligible borrower /Criteria	<ul style="list-style-type: none"> • Borrower should be Classified as MSME as on 31st March, 2021 as recent RBI guidelines • Borrower should be GST registered as on date of implementation of restructuring (Except units exempted from GST registration) • Aggregate exposure including non-fund based facilities of all lending Institutions does not exceed Rs. 50 Crores as on 31st March, 2021 • Account should be Standard as on 31st March, 2021 • Borrower account was not restructured earlier
Validity of scheme	Restructuring of the borrower account is to be invoked by 30 th September, 2021
Timeline for implementation	Restructuring is to be implemented within 90 days from date of invocation with all the required compliances as per sanction
ROI	Additional ROI @ 2% p.a. over & above applicable rate for the loan may be charged from the date of implementation
Process fee	0.25% of loan amount restructured
Documents to be submitted by borrower	<ol style="list-style-type: none"> 1. Loan Application Form 2. KYC documents of borrower(s) and guarantor(s) (if not updated) 3. Declaration from applicant about total aggregate exposure with lending institutions 4. Udyam Registration certificate and other documents as detailed in circular on revision in classification norms of MSMEs (circular no 50/169 dated 31st August, 2020). In case Borrower is not registered in Udyam Registration portal, such registration shall be required to be completed before date of implementation of restructuring plan 5. Bank Statement of business account for last 12 months for loan accounts with other FI (if any) 6. Audited financials along with I.T. returns for F.Y.2018-19 & F.Y.2019-20 and provisional financials for F Y 2020-21 alongwith GSTR. 7. GST returns for FY 2020-21 and April 2021 onwards till date 8. Future business plan & estimated cash flow 9. Any other document as may be required by bank.

Loan Documentation	<ul style="list-style-type: none"> • Acceptance of sanction Letter • LAD 20/21 • Any other document/agreement as suggested by Banks’s panel Advocate/Legal cell
Key points for assessment	<ol style="list-style-type: none"> 1. While assessing the proposal of borrower for restructure, it is required to ensure that the resolution under this facility is extended only to borrowers having stress on account of Covid19. 2. There has to be a clear evidence of the borrower’s business or source of funds or income being directly impacted by COVID-19 and the same are to be ascertained from documentary evidence viz. comparison of bank credits in pre & post Covid19 scenario to the satisfaction of bank or any other document in case to case basis. 3. The reduction of income and its financial impact on the borrower(s) will be reviewed by the Bank on the basis the documents submitted and information provided. The Bank will also assess the ability of the borrower to pay the restructured EMIs before restructuring the loan facility.
Other mandatory compliance	<p>The resolution plan shall be deemed to be implemented only if all of the following conditions are met:</p> <ol style="list-style-type: none"> a) All related required documentation, including execution of necessary documents between bank and borrower and collaterals provided, if any, are completed in all respect b) The changes in the terms of conditions of the loans get duly reflected in the books of the bank; and, c) Borrower is not in default with the lending institution as per the revised terms.
Post Implementation Performance	<p>In case of Default in payment, after implementation of the resolution plan in terms of this facility, the account will be classified as NPA and will be governed by the Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015 or other relevant instructions as applicable from time to time.</p>

RBI circular no RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021 and RBI/2021-22/46 DOR.STR.REC.20/21.04.048/2021-22 dated June 4, 2021 on Resolution of Covid-19 related stress of Individuals and Small Businesses

Category of borrowers	Non MSME Borrowers / Individual
Purpose	Restructuring /rescheduling of loans to borrowers having stress on account of pandemic Covid19
Facility Offered	Term Loans & Working Capital Limits: Rephasing of loans as per RBI guidelines stated in above circular with Maximum extension of 2 years including moratorium, if any
Eligible borrower /Criteria	<ul style="list-style-type: none"> • Non-MSME / Individuals as on 31st March, 2021 as per recent RBI guidelines • Aggregate exposure including non-fund based facilities of all lending Institutions does not exceed Rs. 50 Crores as on 31st March, 2021 • IRAC status Standard as on 31st March, 2021 • Borrower account was not restructured earlier
Validity of scheme	Restructuring of the borrower account is to be invoked by 30th September, 2021
Timeline for implementation	Restructuring is to be implemented within 90 days from date of invocation
ROI	Additional ROI @ 2% p.a. over & above applicable rate for the loan may be charged from the date of implementation & modifications in CBS Omni.
Process fee	0.25% of loan amount restructured
Documents to be submitted by borrower	<ol style="list-style-type: none"> 1. Loan Application Form 2. KYC documents of borrower(s) and guarantor(s) (if not updated) 3. Declaration from applicant about total aggregate exposure with lending institutions 4. Bank Statement of business account for last 12 months for loan accounts with other FI (if any) 5. Audited financials along with I.T. returns for F.Y.2018-19 & F.Y.2019-20 and provisional financials for F Y 2020-21. 6. GST returns for FY 2020-21 and April 2021 onwards till date 7. Future business plan & estimated cash flow 8. Any other document as may be required by bank.
Loan Documentation	<p>In case of restructuring of existing limits:</p> <ul style="list-style-type: none"> • Acceptance of sanction Letter • LAD 20/21 • Any other document/agreement as suggested by Banks's panel Advocate/Legal cell <p>In case of sanctioning of new loan, all the fresh documents as per existing practice to be obtained</p>

<p>Key points for assessment</p>	<ol style="list-style-type: none"> 1. While assessing the proposal of borrower for restructure, it is required to ensure that the resolution under this facility is extended only to borrowers having stress on account of Covid19. 2. There has to be a clear evidence of the borrower’s business or source of funds or income being directly impacted by COVID-19 and the same are to be ascertained from documentary evidence viz. comparison of bank credits in pre & post Covid19 scenario to the satisfaction of bank or any other document in case to case basis. 3. The reduction of income and its financial impact on the borrower(s) will be reviewed by the Bank on the basis the documents submitted and information provided. The Bank will also assess the ability of the borrower to pay the restructured EMIs before restructuring the loan facility.
<p>Other mandatory compliance</p>	<p>The resolution plan shall be deemed to be implemented only if all of the following conditions are met:</p> <ol style="list-style-type: none"> d) All related required documentation, including execution of necessary documents between bank and borrower and collaterals provided, if any, are completed in all respect e) The changes in the terms of conditions of the loans get duly reflected in the books of the bank; and, f) Borrower is not in default as per the revised terms.
<p>Post Implementation Performance</p>	<p>In case of Default in payment, after implementation of the resolution plan in terms of this facility, the account will be classified as NPA and will be governed by the Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015 or other relevant instructions as applicable from time to time.</p>