



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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DOR.No.BP.BC.34/21.04.048/2019-20

February 11, 2020

All banks and NBFCs regulated by the Reserve Bank of India

Dear Sir/ Madam,

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

Please refer to the [circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019](#). It has been decided to extend the one-time restructuring of MSME advances permitted in terms of the aforesaid circular. Accordingly, a one-time restructuring of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification is permitted, subject to the following conditions:

- i. The aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed ₹25 crore as on January 1, 2020.
- ii. The borrower's account was in default but was a 'standard asset' as on January 1, 2020 and continues to be classified as a 'standard asset' till the date of implementation of the restructuring.
- iii. The restructuring of the borrower account is implemented on or before December 31, 2020.
- iv. 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 January 1, 2020.

2. It is clarified that accounts which have already been restructured in terms of the [circular dated January 1, 2019](#) shall be ineligible for restructuring under this circular.

3. All other instructions specified in the [circular dated January 1, 2019](#) shall be applicable.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge