



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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April 17, 2020

All Scheduled Commercial Banks (excluding Regional Rural Banks);
All India Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI);
All Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and Deposit taking Non-Banking Financial Companies (NBFC-D).

Madam/Dear Sir,

COVID19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets

Please refer to the [Governor's Statement of April 17, 2020](#) announcing certain additional regulatory measures aimed at alleviating the lingering impact of Covid19 on businesses and financial institutions in India, consistent with the globally coordinated action committed by the Basel Committee on Banking Supervision. In this regard, the detailed instructions relating to extension of resolution timelines under the [Prudential Framework on Resolution of Stressed Assets dated June 7, 2019](#) ('Prudential Framework') are as under:

2. In terms of paragraph 11 of the Prudential Framework, lenders are required to implement a resolution plan in respect of entities in default within 180 days from the end of Review Period of 30 days.
3. On a review, it has been decided that in respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to May 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from June 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution.
4. In respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 90 days from the date on which the 180-day period was originally set to expire.

5. Consequently, the requirement of making additional provisions specified in paragraph 17 of the Prudential Framework shall be triggered as and when the extended resolution period, as stated above, expires.

6. In respect of all other accounts, the provisions of the Prudential Framework shall be in force without any modifications.

7. The lending institutions shall make relevant disclosures in respect of accounts where the resolution period was extended in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years FY2020 and FY2021.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge