RBI/2019-20/245
DOR.No.BP.BC.72/21.04.048/2019-20   May 23, 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 Circular DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 relating to extension of resolution timelines under the Prudential Framework on Resolution of Stressed Assets dated June 7, 2019 ('Prudential Framework'). Given the continued challenges to resolution of stressed assets, in partial modification of the above, as announced in the Governor's Statement of May 22, 2020, the timelines are being extended further as under:

2. In respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 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 September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution.

3. 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 180 days from the date on which the 180-day period was originally set to expire.

4. 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.

5. All other provisions of the circular dated April 17, 2020 shall continue to remain applicable.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge