**Rural Banking Operations**

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| --- | --- |
| **S.No.** | **RBI Notification** |
|  | Provisioning Requirement for Investment in Security Receipts (SRs) |
|  | Processing of e-mandates for recurring transactions |
|  | Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture |
|  | Section 24 and Section 56 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) |
|  | Master Circular - Management of Advances – UCBs |
|  | Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances |
|  | Master Circular – Lead Bank Scheme |
|  | Master Circular - Guarantees, Co-Acceptances & Letters of Credit – UCBs |
|  | Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 |
|  | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |

**Provisioning Requirement for Investment in Security Receipts (SRs)**

RBI/2022-23/78  
DOR.STR.REC.51/21.04.048/2022-23

June 28, 2022

All Primary (Urban) Co-operative Banks/State Co-operative Banks/ District Central Co-operative Banks  
All Local Area Banks and Regional Rural Banks  
All All-India Financial Institutions  
All Non-Banking Financial Companies

**Provisioning Requirement for Investment in Security Receipts (SRs)**

Please refer to clause 77 of the [Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12166) (“MD-TLE”).

2. In order to provide a glide path to the entities which were kept out of the ambit of [circular “Guidelines on Sale of Stressed Assets by Banks” dated September 1, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10588&Mode=0) and ensure smooth implementation of clause 77 of the MD-TLE, it is advised as under in respect of valuation of investments in SRs outstanding on the date of issuance of MD-TLE (September 24, 2021):

1. The difference between the carrying value of such SRs and the valuation arrived at as on the next financial reporting date after the date of issuance of MD-TLE, in terms of clause 77 of the MD-TLE, may be provided over a five-year period starting with the financial year ending March 31, 2022 - i.e. from FY2021-22 till FY2025-26.
2. Subsequent valuations of investments in such SRs on an ongoing basis shall, however, be strictly in terms of the provisions of MD-TLE.

3. All lending institutions shall put in place a board approved plan to ensure that the provisioning made in each of the financial years in compliance of clause 2(a) above is not less than one fifth of the required provisioning on this count.

4. Valuation of investments in SRs made after the issuance of MD-TLE shall be strictly in terms of the provisions thereunder.

5. All other provisions of the MD-TLE shall continue to be applicable, as hitherto.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12346&Mode=0>

**Processing of e-mandates for recurring transactions**

RBI/2022-23/73  
CO.DPSS.POLC.No.S-518/02.14.003/2022-23

June 16, 2022

The Chairman / Managing Director / Chief Executive Officer  
All Scheduled Commercial Banks, including Regional Rural Banks /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks / Payments Banks /  
Small Finance Banks / Local Area Banks /  
Non-bank Prepaid Payment Instrument Issuers / Authorised Card Payment Networks /  
National Payments Corporation of India

Madam / Dear Sir,

**Processing of e-mandates for recurring transactions**

A reference is invited to our circulars [DPSS.CO.PD.No.447/02.14.003/2019-20 dated August 21, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11668&Mode=0), [DPSS.CO.PD No.1324/02.23.001/2019-20 dated January 10, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11784&Mode=0), [DPSS.CO.PD No.754/02.14.003/2020-21 dated December 04, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12002&Mode=0) and [CO.DPSS.POLC.No.S34/02-14-003/2020-2021 dated March 31, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12051&Mode=0) (collectively referred to as “e-mandate framework”). The e-mandate framework prescribed an Additional Factor of Authentication (AFA), inter alia, while processing the first transaction in case of e-mandates / standing instructions on cards, prepaid payment instruments and Unified Payments Interface. For subsequent transactions with transaction values up to ₹5,000/- (AFA limit), prescription of AFA was waived.

2. On a review of implementation of the e-mandate framework and the protection available to customers, it has been decided to increase the aforesaid AFA limit from ₹5,000/- to ₹15,000/- per transaction.

3. This circular is issued under Section 10 (2) read with Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect immediately.

Yours faithfully,

(P. Vasudevan)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12341&Mode=0>

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

RBI/2022-23/51  
FIDD.CO.FSD.BC.No.6/05.05.010/2022-23

May 18, 2022

The Chairman/Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(including Small Finance Banks and  
excluding Regional Rural Banks)

Madam/ Dear Sir,

**Kisan Credit Card Scheme - Eligibility criteria for farmers engaged in fisheries/ aquaculture**

Please refer to Para 3.1.1.2 of our [circular FIDD.CO.FSD.BC.12/05.05.010/2018-19 dated February 04, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11462&Mode=0) on Kisan Credit Card (KCC) Scheme: Working Capital for Animal Husbandry and Fisheries. It has been brought to our notice that licensing/authorisation related requirements pertaining to fishing/aquaculture in inland water bodies vary across states. Accordingly, the eligibility criteria for inland fisheries and aquaculture under Para 3.1.1.2 of the circular stand modified as follows:

The beneficiaries must own or lease any fisheries related assets such as ponds, tanks, open water bodies, raceways, hatcheries, rearing units, boats, nets and such other fishing gear as the case may be and possess necessary authorisation/certification as may be applicable in respective states for fish farming and fishing related activities and for any other state specific fisheries and allied activities.

2. All other terms and conditions of the scheme remain unchanged.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12318&Mode=0>

**Section 24 and Section 56 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR)**

RBI/2022-23/23  
DOR.RET.REC.15/12.01.001/2022-23

April 08, 2022

All Scheduled Commercial Banks (including Regional Rural Banks)  
Local Area Banks, Small Finance Banks, Payments Banks  
Primary (Urban) Co-operative Banks (UCBs)  
State and Central Co-operative Banks (StCBs / CCBs)

Madam/Sir,

**Section 24 and Section 56 of the Banking Regulation Act, 1949 –  
Maintenance of Statutory Liquidity Ratio (SLR)**

Please refer to [circular DBR.No.Ret.BC.10/12.02.001/2018-19 dated December 05, 2018](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11427&Mode=0) and relative notification on the captioned subject.

2. As announced in the[Statement on Developmental and Regulatory Policies on April 08, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53536), it has been decided to institute the Standing Deposit Facility (SDF) with immediate effect. Accordingly, it is decided that the balances held by banks with the RBI under the SDF shall be an eligible Statutory Liquidity Ratio (SLR) asset and such balances shall form part of “Cash” for SLR maintenance. Banks shall report the SDF balances under "Cash in hand" in Form VIII or Form I, as applicable.

3. The balances held by banks with RBI under the SDF shall not be eligible for Cash Reserve Ratio (CRR) maintenance.

4. A copy of the relative notification DOR.RET.REC.16/12.01.001/2022-23 dated April 08, 2022, is [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12289&Mode=0#AN1).

Yours faithfully,

(Prakash Baliarsingh)  
Chief General Manager

For detailed notification, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12289&Mode=0>

**Master Circular - Management of Advances – UCBs**

RBI/2022-23/22  
DOR.CRE.REC.No.17/13.05.000/2022-23

April 8, 2022

All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

**Master Circular - Management of Advances - UCBs**

Please refer to our [Master Circular DCBR.BPD.(PCB) MC No.14/13.05.000/2015-16 dated July 1, 2015](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9880) on the captioned subject. The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#MC) consolidates and updates all the instructions / guidelines issued on the subject up to April 7, 2022 as listed in the [Appendix](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: as above

**Master Circular on Management of Advances – UCBs**

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| --- | --- |
| **Contents** | |
| **Sl No.** | **Particulars** |
| 1 | [Introduction](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#1) |
| 2 | [Working Capital Requirements](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#2) |
| 3 | [Loan System for delivery of bank credit](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#3) |
| 4 | [Credit Administration](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#4) |
| 5 | [Exchange of credit information](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#5) |
| 6 | [Prudential Guidelines on Restructuring of Advances](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#6) |
| 7 | [Specific Lending Activities](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#7) |
| 8 | [Discounting/Rediscounting of Bills by Banks](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#8) |
| 9 | [Loans to Self Help Groups (SHGs) / Joint Liability Groups (JLGs)](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#9) |
| 10 | [Revival of Interest Tax Act, 1974](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#10) |
| 11 | [Relief measures to be extended in areas affected by natural calamities](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#11) |
| [Annex - 1 Guidelines on Valuation of Properties – Empanelment of Valuers](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN1) | |
| [Annex - 2 Guidelines for Relief Measures by Banks in Areas Affected by Natural Calamities](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN2) | |
| [Annex - 3 Format for reporting of borrowal accounts classified as doubtful, loss for suit filed with outstanding of Rs.1crore and above & Format for reporting of information on cases of wilful default of ₹ 25.00 lakh and above](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN3) | |
| [Annex - 4 Definition of Micro, Small and Medium Enterprises](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN4) | |
| [Annex - 5 Safeguards-Advances against pledge of Gold/Silver ornaments](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN5) | |
| [Annex - 6 Recommendations of the Committee to Recommended Data Format of Credit Information to CICs](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN6) | |
| [Annex - 7 Credit information reporting in respect of Self Help Group (SHG) members](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AN7) | |
| [Appendix List of circulars consolidated in the Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0#AP) | |

For details under the above mentioned headings, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12288&Mode=0>

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

RBI/2022-23/15  
DOR.STR.REC.4/21.04.048/2022-23

April 1, 2022

All Commercial Banks (excluding RRBs)

Madam/Dear Sir

**Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances**

Please refer to the [Master Circular DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171) consolidating instructions / guidelines issued to banks till September 30, 2021 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2022. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

For the detailed ‘MASTER CIRCULAR - PRUDENTIAL NORMS ON INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING PERTAINING TO ADVANCES’, refer to the link placed below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12281&Mode=0>

**Master Circular – Lead Bank Scheme**

RBI/2022-23/11  
FIDD.CO.LBS.BC.No.02/02.01.001/2022-23

April 01, 2022

The Chairman/ Managing Director/ Chief Executive Officer  
SLBC/ UTLBC Convenor Banks / Lead Banks

Madam/ Dear Sir,

**Master Circular – Lead Bank Scheme**

The Reserve Bank of India has issued a number of guidelines/instructions on Lead Bank Scheme from time to time. This [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12277&Mode=0#MC) consolidates the relevant guidelines/ instructions issued by Reserve Bank of India on Lead Bank Scheme up to March 31, 2022 as listed in the [Appendix I](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12277&Mode=0#AP1).

2. This Master Circular has been placed on the RBI website [https://www.rbi.org.in](https://www.rbi.org.in/)

Yours faithfully,

(Sonali Sen Gupta)  
Chief General Manager-in-Charge

Encl.: As above

For the consolidated Master Circular on Lead Bank Scheme (upto 31st March, 2022) refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12277&Mode=0>

**Master Circular - Guarantees, Co-Acceptances & Letters of Credit – UCBs**

RBI/2022-23/06  
DoR.STR.REC.9/09.27.000/2022-23

April 01, 2022

The Managing Director/ Chief Executive Officers  
All Primary (Urban) Co-operative Banks

Dear Sir/ Madam,

**Master Circular - Guarantees, Co-Acceptances & Letters of Credit - UCBs**

Please refer to our [Master Circular DoR.STR.REC.65/09.27.000/2021-22 dated November 2, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12187) on the captioned subject (available at RBI website [https://rbi.org.in/](https://www.rbi.org.in/)). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2022 as listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0#AN).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

For more details, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12272&Mode=0>

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

RBI/DOR/2021-22/89  
DoR.FIN.REC.95/03.10.038/2021-22

March 14, 2022

All Commercial Banks (including Small Finance Banks,  
Local Area Banks and Regional Rural Banks) excluding Payments Banks  
All Primary (Urban) Co-operative Banks/ State Co-operative Banks/  
District Central Co-operative Banks  
All Non-Banking Financial Companies (including Microfinance Institutions  
and Housing Finance Companies)

Madam/ Dear Sir,

**Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022**

Please refer to paragraph 8 of the [Statement on Developmental and Regulatory Policies](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51078) announced as a part of the [Bi-monthly Monetary Policy Statement for 2020-21 dated February 5, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51077), regarding review of the regulatory framework for microfinance.

2. A consultative document on regulation of microfinance loans was issued for public comments on [June 14, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51725). Based on the feedback received, it has now been decided to put in place the directions for microfinance loans which are [enclosed](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0#MD).

Yours faithfully,

(J.P. Sharma)  
Chief General Manager

For the detailed Master Circular, refer to the link below.

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12256&Mode=0>

**Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications**

RBI/2021-2022/158  
DOR.STR.REC.85/21.04.048/2021-22

February 15, 2022

All Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) excluding Payments Banks  
All Primary (Urban) Co-operative Banks/State Co-operative Banks/District Central Co-operative Banks  
All-India Financial Institutions (Exim Bank, NABARD, NHB and SIDBI)  
All Non-Banking Financial Companies (including Housing Finance Companies)

Madam/Dear Sir,

**Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications**

Please refer to the clarifications issued in respect of **Prudential norms on Income Recognition, Asset Classification and Provisioning** vide [circular DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12194&Mode=0) (‘**Circular**’).

2. In view of several queries received seeking certain clarifications, it is advised as under:

1. The definition of ‘out of order’, as clarified in the Circular, shall be applicable to all loan products being offered as an overdraft facility, including those not meant for business purposes and/or which entail interest repayments as the only credits.
2. The ‘previous 90 days period’ for determination of ‘out of order’ status of a CC/OD account shall be inclusive of the day for which the day-end process is being run.
3. In case of borrowers having more than one credit facility from a lending institution, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.
4. The circular does not make any changes to the requirements related to reporting of information to CRILC, which will continue to be governed in terms of extant instructions for respective entities[1](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0#FN1).
5. The circular does not, in any way, interfere with the extant guidelines on implementation of Ind-AS by NBFCs.

3. Paragraph 10 of the Circular stipulates that loan accounts classified as NPAs may be upgraded as ‘standard’ asset only if entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision. All other instructions of the Circular shall continue to be applicable as per the timelines specified therein.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12230&Mode=0>