**Rural Banking**

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| **Sr.No.** | **RBI Notifications** |
| 1 | Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance |
| 2 | Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications |
| 3 | Master Circular- Guarantees, Co-Acceptances & Letters of Credit - UCBs |
| 4 | Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances |
| 5 | Enhancement of collateral free loans to Self Help Groups (SHGs) under DAY-NRLM from ₹10 lakh to ₹20 Lakh |
| 6 | Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation |

**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

RBI/2021-22/144  
DOR.AML.REC.74/14.01.001/2021-22

December 30, 2021

The Chairpersons/ CEOs of all the Regulated Entities

Madam/Dear Sir,

**Periodic Updation of KYC – Restrictions on Account Operations for Non-compliance**

Please refer to our [circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12083&Mode=0), on the captioned subject.

2. In view of the prevalent uncertainty due to new variant of Covid-19, the relaxation provided in the aforementioned circular is hereby extended till March 31, 2022.

Yours faithfully,

(Prakash Baliarsingh)  
Chief General Manager

Reference Link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12213&Mode=0>

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

RBI/2021-2022/125  
DOR.STR.REC.68/21.04.048/2021-22

November 12, 2021

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 [Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP norms) dated October 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12171). With a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions, certain aspects of the extant regulatory guidelines are being clarified and/or harmonized, which will be applicable *mutatis mutandis* to all lending institutions. Wherever references to circulars/instructions applicable to banks have been made, other lending institutions may refer to instructions as applicable to them. All the instructions in this circular cover aspects on:

**A. Specification of due date/repayment date**

**B. Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

**C. Clarification regarding definition of ‘out of order’**

**D. NPA classification in case of interest payments**

**E. Upgradation of accounts classified as NPAs**

**F. Income recognition policy for loans with moratorium on payment of interest**

**G. Consumer Education**

Details under each aspect may be referred from the below link

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12194&Mode=0>

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

RBI/2021-22/119  
DoR.STR.REC.65/09.27.000/2021-22

November 02, 2021

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 DCBR. BPD (PCB) MC. No.8/09.27.000/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9813) on the captioned subject (available at RBI website <https://rbi.org.in/>). The enclosed [Master Circular](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12187&Mode=0#MC1) consolidates and updates all the instructions / guidelines on the subject issued up to November 1, 2021 as listed in the [Annex](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12187&Mode=0#ANNEX).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12187&Mode=0>

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

RBI/2021-2022/104  
DOR.No.STR.REC.55/21.04.048/2021-22

October 1, 2021

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 No. DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9908) consolidating instructions / guidelines issued to banks till June 30, 2015 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=12171&Mode=0#MD) consolidates instructions on the above matters issued as on date. A list of circulars consolidated in this Master Circular is contained in the [Annex 6](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0#AN6).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12171&Mode=0>

**Enhancement of collateral free loans to Self Help Groups (SHGs) under DAY-NRLM from ₹10 lakh to ₹20 Lakh**

RBI/2021-22/83  
FIDD.GSSD.CO.BC.No.09/09.01.003/2021-22

August 9, 2021

The Chairman/ Managing Director/Chief Executive Officer  
Public Sector Banks  
Private Sector Banks  
(including Small Finance Banks)

Madam/Dear Sir,

**Enhancement of collateral free loans to Self Help Groups (SHGs) under DAY-NRLM from ₹10 lakh to ₹20 Lakh**

Please refer to the [Master Circular FIDD.GSSD.CO.BC.No.04/09.01.01/2021-22 dated April 1, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12062), on Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).

2. In this connection, the Government of India, vide their [Gazette Notification S.O. 2668(E) dated July 1, 2021](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CGFMUN01072021.pdf), has notified amendments in the Credit Guarantee Fund for Micro Units (CGFMU) Scheme in paragraph (2) sub-paragraph (xii) of the notification of the Government of India, Ministry of Finance (Department of Financial Services), [number S.O. 1443(E), dated the April 18, 2016](https://rbidocs.rbi.org.in/rdocs/content/pdfs/CGFMUN18042016.pdf), published in the Gazette of India.

3. In view of the above amendment, paragraph 7.4 of [RBI Master Circular FIDD.GSSD.CO.BC.No.04/09.01.01/2021-22 (on DAY-NRLM) dated April 01, 2021](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12062) stands modified as under:

7.4 Security and Margin:

7.4.1 For loans to SHGs up to ₹10.00 lakh, no collateral and no margin will be charged. No lien should be marked against savings bank account of SHGs and no deposits should be insisted upon while sanctioning loans.

7.4.2 For loans to SHGs above ₹10 lakh and up to ₹20 lakh, no collateral should be charged and no lien should be marked against savings bank account of SHGs. However, the entire loan (irrespective of the loan outstanding, even if it subsequently goes below ₹10 lakh) would be eligible for coverage under Credit Guarantee Fund for Micro Units (CGFMU).”

4. All other provisions of the Master Circular remain unchanged.

Yours faithfully

(Kaya Tripathi)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12143&Mode=0>

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation**

RBI/2021-22/82  
DOR.RET.REC.36/12.01.001/2021-22

August 09, 2021

All Scheduled Banks

Madam/Sir

**Section 24 of the Banking Regulation Act, 1949 – Maintenance of Statutory Liquidity  
Ratio (SLR) – Marginal Standing Facility (MSF) - Extension of Relaxation**

Please refer to [circular DOR.No.Ret.BC.36/12.01.001/2020-21 dated February 05, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12021&Mode=0), on Marginal Standing Facility (MSF), wherein the banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to an additional one per cent of their net demand and time liabilities (NDTL), i.e., cumulatively up to three per cent of NDTL. This facility, which was initially available up to June 30, 2020, was later extended in phases up to September 30, 2021, providing comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio (LCR) requirements.

2. As announced in the [Statement on Developmental and Regulatory Policies of August 06, 2021](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52010), with a view to providing comfort to banks on their liquidity requirements, banks are allowed to continue with the MSF relaxation for a further period of three months, i.e., up to December 31, 2021.

Yours faithfully

(Thomas Mathew)  
Chief General Manager

Reference link: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12142&Mode=0>