**CERTIFIED CREDIT PROFESSIONALS**

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| --- | --- |
| **Sr. No.** | **Important Notifications** |
|  | Basel III Capital Regulations - Eligible Credit Rating Agencies |
|  | Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 - Disclosures for State Co-operative Banks and Central Co-operative Banks |
|  | Revised Regulatory Framework for Urban Co-operative Banks (UCBs) - Net Worth and Capital Adequacy |
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|  | Master Circular - Guarantees and Co-acceptances |
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|  | Master Circular - Asset Reconstruction Companies |
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|  | Formalisation of Informal Micro Enterprises on Udyam Assist Platform |
|  | LIBOR Transition |
|  | Framework for Compromise Settlements and Technical Write-offs |
|  | Guidelines on Default Loss Guarantee (DLG) in Digital Lending |
|  | Priority Sector Lending (PSL) targets / sub-targets and contribution against shortfall in achievement of PSL targets - Primary (Urban) Co-operative Banks (UCBs) - Extension of time |
|  | Increase in ceiling of coverage from `200 lakh to `500 lakh – CGS I under CGTMSE |
|  | Udyam Registration Number Mandatory for Guarantee Coverage |
|  | MSME Champions Scheme (Erstwhile CLCS-TUS) |

**Basel III Capital Regulations - Eligible Credit Rating Agencies**

RBI/2022-23/162  
DOR.STR.REC.94/21.06.008/2022-23

January 09, 2023

All Scheduled Commercial Banks  
(including Small Finance Banks)  
(excluding Local Area Banks, Payments Banks and Regional Rural Banks)

Dear Sir/ Madam,

**Basel III Capital Regulations - Eligible Credit Rating Agencies**

Please refer to paragraph 6.1.2 of the [Master Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12278) on Basel III Capital Regulations, wherein the list of domestic credit rating agencies accredited for the purpose of risk weighting banks' claims for capital adequacy purposes has been prescribed.

2. On a review, banks are advised to use the ratings of the following domestic credit rating agencies (arranged in alphabetical order) for risk weighting their claims for capital adequacy purposes:

1. Acuite Ratings & Research Limited (Acuite)
2. Credit Analysis and Research Limited (CARE);
3. CRISIL Ratings Limited;
4. ICRA Limited;
5. India Ratings and Research Private Limited (India Ratings); and
6. INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)

3. A reference is also invited to the [Press Release: 2022-2023/1033 dated October 12, 2022](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54531) in terms of which, Regulated Entities/ Market Participants were advised that in respect of ratings/credit evaluations required in terms of any guidelines issued by the Reserve Bank, no such fresh ratings/evaluations shall be obtained from Brickwork Ratings India Private Limited. Banks shall continue to be guided by the press release ibid till further review.

4. All other provisions regarding external credit ratings stipulated in the Master Circular ibid remain unchanged.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12435&Mode=0>

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 – Disclosures for State Co-operative Banks and Central Co-operative Banks**

RBI/2022-23/181  
DOR.ACC.REC.No.103/21.04.018/2022-23

February 20, 2023

Madam / Dear Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 – Disclosures for State Co-operative Banks and Central Co-operative Banks**

The [Reserve Bank of India (Financial Statements-Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) (‘Master Direction’) are applicable to Commercial Banks and Primary Urban Co-operative Banks (UCBs). They harmonize the regulatory instructions on presentation and disclosure in financial statements across the banking sector.

2. In consultation with the National Bank for Agriculture and Rural Development (NABARD), it has now been decided to make this Master Direction also applicable to State Cooperative Banks and Central Cooperative Banks (also referred to as ‘District Central Co-operative Banks’).

3. The Master Direction shall apply to State and Central Cooperative Banks (together referred to as ‘Rural Co-operative Banks’ or ‘RCBs’) mutatis mutandis, unless explicitly specified otherwise, from the financial year ending March 31, 2023. Certain disclosure requirements specified in Annex III-A shall be applicable, to RCBs, from the financial year ending March 31, 2024.

4. The [Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12158) stands updated to reflect these changes.

Yours faithfully,

(Usha Janakiraman)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12457&Mode=0>

**Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy**

RBI/2022-23/189  
DOR.CAP.REC. No.109/09.18.201/2022-23

March 28, 2023

Dear Sir/ Madam,

**Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy**

Please refer to para 7 of the [circular DOR.CAP.REC.No.86/09.18.201/2022-23 dated December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12418&Mode=0) on ‘Revised Regulatory Framework for Urban Co-operative Banks (UCBs) – Net Worth and Capital Adequacy.

2. It has been decided that the instructions shall come into effect from March 31, 2023.

3. All other instructions of the circular ibid remain unchanged.

Yours faithfully,

(R. Lakshmi Kanth Rao)  
Chief General Manager-in-Charge

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12465&Mode=0>

**Master Circular on Credit Facilities to Minority Communities**

RBI/2023-24/02  
FIDD.GSSD.BC.No.02/09.10.001/2023-24

April 01, 2023

The Chairman/Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(excluding RRBs and Foreign Banks with less than 20 branches)

Madam/ Dear Sir,

**Master Circular on Credit Facilities to Minority Communities**

The Reserve Bank of India has periodically issued guidelines/instructions/directives to banks with regard to providing credit facilities to Minority Communities. The [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12467&Mode=0#MC) enclosed consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12467&Mode=0#APP).

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12467&Mode=0>

**Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)**

RBI/2023-24/01  
FIDD.CO.GSSD.BC.No.03/09.09.001/2023-24

April 01, 2023

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

Madam / Dear Sir,

**Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs)**

The Reserve Bank of India has, from time to time, issued a number of guidelines/instructions to banks on credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs). The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12468&Mode=0#MC) consolidates the circulars issued by Reserve Bank on the subject till date, as listed in the [Appendix](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12468&Mode=0#APP).

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12468&Mode=0>

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

RBI/2023-24/05  
DoR.STR.REC.4/09.27.000/2023-24

April 1, 2023

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.9/09.27.000/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12272) on the captioned subject (available at RBI website <https://rbi.org.in/>). The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12469&Mode=0#MC1) consolidates and updates all the instructions / guidelines on the subject issued up to March 31, 2023 as listed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12469&Mode=0#AN1).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12469&Mode=0>

**Master Circular - Guarantees and Co-acceptances**

RBI/2023-24/04  
DOR.STR.REC.5/13.07.010/2023-24

April 1, 2023

All Scheduled Commercial Banks  
(excluding Payments Banks and RRBs)

Dear Sir / Madam

**Master Circular - Guarantees and Co-acceptances**

Please refer to the [Master Circular DOR.STR.REC.8/13.07.010/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12276) consolidating the instructions / guidelines issued to banks till March 31, 2022, relating to Guarantees and Co-acceptances. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12471&Mode=0#MC) consolidates the instructions on the above matter issued up to March 31, 2023.

Yours faithfully

Manoranjan Mishra  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12471&Mode=0>

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

RBI/2023-24/06  
DOR.STR.REC.3/21.04.048/2023-24

April 1, 2023

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.STR.REC.4/21.04.048/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12281) consolidating instructions / guidelines issued to banks till March 31, 2022 on matters relating to prudential norms on income recognition, asset classification and provisioning pertaining to advances.

2. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0#MC) consolidates instructions on the above matters issued up to March 31, 2023. A list of circulars consolidated in this Master Circular is contained in [Annex 5](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0#AN5).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl.: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12472&Mode=0>

**Master Circular – Housing Finance**

RBI/2023-24/08  
DOR.CRE.REC.No.06/08.12.001/2023-24

April 03, 2023

All Scheduled Commercial Banks (excluding RRBs)

Dear Sir/Madam,

**Master Circular – Housing Finance**

Please refer to the [Master Circular DOR.CRE.REC.No.06/08.12.001/2022-23 dated April 01, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12282) consolidating the instructions / guidelines issued to banks till March 31, 2022. relating to Housing Finance. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12475&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2023.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12475&Mode=0>

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

RBI/2023-24/09  
DOR.CRE.REC.No.07/21.04.172/2023-24

April 03, 2023

All Scheduled Commercial Banks (excluding RRBs)

Madam/ Dear Sir,

**Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)**

Please refer to our [Master Circular DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 01, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12280) on the captioned subject. This [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12476&Mode=0#MC) consolidates instructions on the above matter issued up to March 31, 2023.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12476&Mode=0>

**Master Circular - Asset Reconstruction Companies**

RBI/2023-24/12  
DOR.SIG.FIN.REC 8/26.03.001/2023-24

April 03, 2023

All Asset Reconstruction Companies

Dear Sir/Madam,

**Master Circular - Asset Reconstruction Companies**

In order to have all current instructions/ guidelines on the subject at one place, the Reserve Bank of India issues updated [circulars/ guidelines](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0#MC1). The instructions contained in The Asset Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 (vide [Notification No. DNBS.2/CGM(CSM)-2003, dated April 23, 2003](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=1145&Mode=0)) together with [Guidance Notes](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0#GuidanceNotes) updated as on March 31, 2023 are reproduced below.

Yours faithfully,

(J P Sharma)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12484&Mode=0>

**Master Circular - Housing Finance for UCBs**

RBI/2023-24/15  
DOR.CRE.REC.No.9/07.10.002/2023-24

April 11, 2023

All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Master Circular - Housing Finance for UCBs**

Please refer to our [Master Circular DOR.CRE.REC.No.49/09.22.010/2022-23 dated June 23, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12344) on the captioned subject (available at RBI website <https://rbi.org.in/>[)](https://rbi.org.in/). The enclosed [Master Circular](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12488#_Master_Circular) consolidates and updates all the instructions / guidelines on the subject issued till date.

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12488>

**Provisioning for standard assets by primary (Urban) co-operative banks – revised norms under four-tiered regulatory framework**

RBI/2023-24/18  
DOR.STR.REC.12/21.04.048/2023-24

April 24, 2023

All Primary (Urban) Co-operative Banks,

Madam / Dear Sir,

**Provisioning for standard assets by primary (Urban) co-operative banks – revised norms under four-tiered regulatory framework**

Please refer to [circular DOR.REG.No.84/07.01.000/2022-23 dated December 01, 2022](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12416&Mode=0), in terms of which Urban Co-operative Banks (UCBs) have been categorized into four Tiers namely Tier 1, Tier 2, Tier 3 and Tier 4 for regulatory purposes.

2. The current standard assets provisioning norms for UCBs, consolidated in the [Master Circular DOR.STR.REC.5/21.04.048/2022-23 dated April 01, 2022](https://rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12283), are based on the earlier categorization of UCBs into Tier I and Tier II as defined in para 4 of [circular UBD.CO.LS.Cir.No.66/07.01.000/2008-09 dated May 06, 2009](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=4970&Mode=0), as given below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Category of Standard Asset** | **Rate of Provisioning** | |
| **Tier II** | **Tier I** |
| (a) | Direct advances to Agriculture and SME sectors | 0.25% | 0.25% |
| (b) | Commercial Real Estate (CRE) sector | 1.00% | 1.00% |
| (c) | Commercial Real Estate-Residential Housing Sector (CRE-RH) | 0.75% | 0.75% |
| (d) | All other loans and advances not included above | 0.40% | 0.25% |

3. On a review, it has been decided to harmonise the provisioning norms for standard assets applicable to all categories of UCBs, irrespective of their Tier in the revised framework.

4. Accordingly, the standard asset provisioning norms applicable to Tier I, Tier 2, Tier 3 and Tier 4 UCBs under the revised framework shall be as under:

1. Direct advances to agriculture and SME sectors which are standard, shall attract a uniform provisioning requirement of 0.25 percent of the funded outstanding on a portfolio basis.
2. Advances to commercial real estate (CRE) sector which are standard shall attract a uniform provisioning requirement of 1.00 percent of the funded outstanding on a portfolio basis.
3. For advances to commercial real estate - residential housing (CRE-RH) sector, which are standard, the provisioning requirement shall be 0.75 percent
4. For all other advances, banks shall maintain a uniform general standard asset provision of a minimum of 0.40 percent of the funded outstanding on a portfolio basis.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12491&Mode=0>

**Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs**

RBI/2023-24/26  
DOR.STR.REC.14/21.04.048/2023-24

May 08, 2023

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

Madam / Dear Sir,

**Master Circular - Income Recognition, Asset Classification, Provisioning and Other Related Matters - UCBs**

Please refer to our [Master Circular DOR.STR.REC.5/21.04.048/2022-23 dated April 1, 2022](https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=12283) on the captioned subject. The enclosed [Master Circular](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0#MC) consolidates and updates all the instructions / guidelines on the subject issued till date as listed in the [Annex 9](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0#AN9).

Yours faithfully

(Manoranjan Mishra)  
Chief General Manager

Encl: As above

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12499&Mode=0>

**Formalisation of Informal Micro Enterprises on Udyam Assist Platform**

RBI/2023-24/27  
FIDD.MSME & NFS.BC.No.09/06.02.31/2023-24

May 09, 2023

The Chairman/ Managing Director/Chief Executive Officer  
All Commercial Banks  
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks  
/ District Central Co-operative Banks  
All-India Financial Institutions  
All Non-Banking Financial Companies

Dear Sir / Madam

**Formalisation of Informal Micro Enterprises on Udyam Assist Platform**

Please refer to the [Circular FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11951&Mode=0) on ‘New Definition of Micro, Small and Medium Enterprises – clarifications’ wherein all lenders were advised to obtain ‘Udyam Registration Certificate’ for classification of entities as MSME.

2. The Ministry of Micro, Small and Medium Enterprises (‘MSME’), Government of India has launched the Udyam Assist Platform (UAP) to facilitate formalisation of Informal Micro Enterprises (IMEs) through online generation of Udyam Assist Certificate. Registration on the platform is done with the assistance of Designated Agencies which are RBI regulated entities (including scheduled commercial banks, non-banking financial companies, etc.).

3. The Government of India, vide [Gazette Notification S.O. 1296(E) dated March 20, 2023](https://rbidocs.rbi.org.in/rdocs/content/pdfs/IndianGazzate20032023.pdf), has specified that the certificate issued on the UAP to IMEs shall be treated at par with Udyam Registration Certificate for the purpose of availing Priority Sector Lending (PSL) benefits.

4. Government of India has clarified to RBI that IMEs are those enterprises which are unable to get registered on the Udyam Registration Portal (URP) due to lack of mandatory required documents such as Permanent Account Number (PAN) or Goods and Services Tax Identification Number (GSTIN). Hence such enterprises are unable to avail the benefits of Government schemes or programmes. Further, it has been clarified that the turnover of enterprises exempted from filing returns under the provisions of the Central Goods and Services Tax Act, 2017 shall be the sole criterion to be defined as IMEs for the purpose of UAP. Accordingly, IMEs are those enterprises that are not covered in the Goods and Services Tax regime.

5. An interface has been created between the UAP and Udyam Registration Portal (URP) to enable the transition and migration of the IMEs from UAP to URP, once IMEs obtain the mandatorily required documents.

6. In view of the aforementioned notification and clarification, IMEs with an Udyam Assist Certificate shall be treated as Micro Enterprises under MSME for the purposes of PSL classification.

Yours faithfully

(Nisha Nambiar)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12500&Mode=0>

**LIBOR Transition**

RBI/2023-24/30  
CO.FMRD.DIRD.01/14.02.001/2023-24

May 12, 2023

To

The Chief Executive Officer/ Chairman/Managing Director,  
All Commercial and Co-operative Banks / All India Financial Institutions /  
Non-Banking Financial Companies including Housing Finance Companies and  
Standalone Primary Dealers

Madam / Dear Sir

**LIBOR Transition**

Attention of banks/financial institutions (FIs) is drawn to the Reserve Bank advisory on [“Roadmap for LIBOR Transition” dated July 08, 2021](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12128&Mode=0) wherein banks/FIs, inter-alia, were (i) encouraged to cease, and also encourage their customers to cease, entering into new financial contracts that reference London Interbank Offered Rate (LIBOR) as a benchmark and instead use any widely accepted Alternative Reference Rate (ARR), as soon as practicable and in any case by December 31, 2021 and (ii) urged to incorporate robust fallback clauses in all financial contracts that reference LIBOR and the maturity of which was after the announced cessation date of the LIBOR settings.

2. With the concerted efforts of banks/FIs as well as industry associations like the Indian Banks’ Association, a smooth transition with respect to LIBOR settings that have ceased to be published/become non-representative after December 31, 2021 has been achieved. The transition away from LIBOR was also facilitated by the continuing publication of US$ LIBOR settings in five tenors which provided a longer transition period particularly for the insertion of the fallback clauses in legacy financial contracts that reference LIBOR. New transactions are now predominantly undertaken using ARRs such as the Secured Overnight Financing Rate (SOFR) and the Modified Mumbai Interbank Forward Outright Rate (MMIFOR). At the same time, there have been instances of a few US$ LIBOR linked financial contracts undertaken/facilitated by banks/FIs after January 1, 2022. Also, while banks have reported that substantial progress has been made towards insertion of fallback clauses, the process is yet to be completed for all contracts where such fallbacks are required to be inserted.

3. After June 30, 2023, the publication of the remaining five US$ LIBOR settings will cease permanently. While certain synthetic LIBOR settings will continue to be published after June 30, 2023, the Financial Conduct Authority (FCA), UK, which regulates the LIBOR, has made it clear that these settings are not meant to be used in new financial contracts. The MIFOR, a domestic interest rate benchmark reliant on US$ LIBOR, will also cease to be published by Financial Benchmarks India Pvt. Ltd. (FBIL) after June 30, 2023.

Yours sincerely,

(Dimple Bhandia)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12503&Mode=0>

**Framework for Compromise Settlements and Technical Write-offs**

RBI/2023-24/40  
DOR.STR.REC.20/21.04.048/2023-24

June 08, 2023

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

Madam/Dear Sir,

**Framework for Compromise Settlements and Technical Write-offs**

The Reserve Bank of India has issued various instructions to regulated entities (REs) regarding compromise settlements in respect of stressed accounts from time to time, including the [Prudential Framework for Resolution of Stressed Assets dated June 7, 2019](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11580&Mode=0) (**“Prudential Framework”**), which recognises compromise settlements as a valid resolution plan. With a view to provide further impetus to resolution of stressed assets in the system as well as to rationalise and harmonise the instructions across all REs, as announced in the [Statement on Developmental and Regulatory Policies released on June 8, 2023](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55815), it has been decided to issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all the REs, as detailed in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12513&Mode=0#AN).

2. The provisions of this framework shall be applicable to all REs to which this circular is addressed and shall be without prejudice to the provisions of the Prudential Framework, or any other guidelines applicable to the REs on resolution of stressed assets.

3. These instructions on operationalising the framework have been issued in exercise of the powers conferred by the Sections 21 and 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949; Chapter IIIB of the Reserve Bank of India Act, 1934 and Sections 30A, 32 and 33 of the National Housing Bank Act, 1987. They shall come into force with immediate effect and REs shall take necessary steps to ensure compliance with these instructions.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12513&Mode=0>

**Guidelines on Default Loss Guarantee (DLG) in Digital Lending**

RBI/2023-24/41  
DOR.CRE.REC.21/21.07.001/2023-24

June 08, 2023

All Commercial Banks (including Small Finance Banks),  
Primary (Urban) Co-operative Banks, State Co-operative Banks,  
Central Co-operative Banks; and  
Non-Banking Financial Companies (including Housing Finance Companies)

Madam/ Dear Sir,

**Guidelines on Default Loss Guarantee (DLG) in Digital Lending**

A reference is invited to Para (3.4.3.1) of Section C of Annex-II to the [RBI Press Release “Recommendations of the Working group on Digital Lending – Implementation” dated August 10, 2022](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54187) in terms of which it was stated that the recommendation pertaining to First Loss Default Guarantee (FLDG) was under examination with the Reserve Bank.

2. Arrangements between Regulated Entities (REs) and Lending Service Providers (LSPs) or between two REs involving default loss guarantee (DLG), commonly known as FLDG, has since been examined by the Bank and it has been decided to permit such arrangements subject to the guidelines laid down in the [Annex](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0#AN) to this circular. DLG arrangements conforming to these guidelines shall not be treated as ‘synthetic securitisation’[1](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0#FN1) and/or shall also not attract the provisions of ‘loan participation’[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0#FN2).

3. The guidelines shall come into effect from the date of this Circular.

4. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934, section 30A of the National Housing Bank Act, 1987 and section 6 of the Factoring Regulation Act.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12514&Mode=0>

**Priority Sector Lending (PSL) targets / sub-targets and contribution against shortfall in achievement of PSL targets – Primary (Urban) Co-operative Banks (UCBs) - Extension of time**

RBI/2023-24/42  
DOR.CRE.REC.18/07.10.002/2023-24

June 8, 2023

Primary (Urban) Co-operative Banks other than Salary Earners’ Banks

Madam / Dear Sir,

**Priority Sector Lending (PSL) targets / sub-targets and contribution against shortfall in achievement of PSL targets – Primary (Urban) Co-operative Banks (UCBs) - Extension of time**

Please refer to para 3 of the [circular DOR (PCB).BPD.Cir No.10/13.05.000/2019-201 dated March 13, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11819&Mode=0), and para 5 of [Master Direction on Priority Sector Lending (PSL) - Targets and Classification dated September 4, 2020](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959), in terms of which, a glide path for achieving overall PSL target and sub-target for advances to weaker sections was prescribed till March 31, 2024.

2. As announced in the Statement on Developmental and Regulatory Policies ([para no. 4 Annexed](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#ANNN)), in order to address implementational challenges faced by the UCBs and to make the transition non-disruptive, it has been decided to extend the glide path for these PSL targets by an additional period of two years as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year ended** | **March 31, 2024** | **March 31, 2025** | **March 31, 2026** |
| Overall PSL Target@ | 60% of ANBC[2](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#F2) or CEOBSE[3](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#F3), whichever is higher | 65% of ANBC or CEOBSE, whichever is higher | 75% of ANBC or CEOBSE, whichever is higher |
| Sub-target for advances to weaker sections#,[4](https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0#F4) | 11.50% of ANBC or CEOBSE, whichever is higher | 11.75% of ANBC or CEOBSE, whichever is higher | 12.00% of ANBC or CEOBSE, whichever is higher |
| @ The targets for March 31, 2023 (at 60 %) shall continue till March 31, 2024. # The sub-target set for March 31, 2023 (at 11.50%) shall continue till March 31, 2024. | | | |

3. In terms of para 28 of [Master Direction on Priority Sector Lending (PSL) - Targets and Classification dated September 4, 2020](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11959) and para 2 of the [circular DOR (PCB).BPD.Cir.No.12/09.09.002/2019-205 dated April 24, 2020](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11879&Mode=0), all UCBs (excluding those under all-inclusive directions), were advised to contribute to Rural Infrastructure Development Fund (RIDF) established with NABARD and other Funds with NABARD / NHB / SIDBI / MUDRA Ltd., against their PSL shortfall vis-à-vis the prescribed target/ sub-targets, with effect from March 31, 2021.

Yours faithfully,

(Manoranjan Mishra)  
Chief General Manager

More details can be referred to in the below link.

Reference Link: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12515&Mode=0>

Ref. No. CGTMSE /44/ 293 March 31, 2023

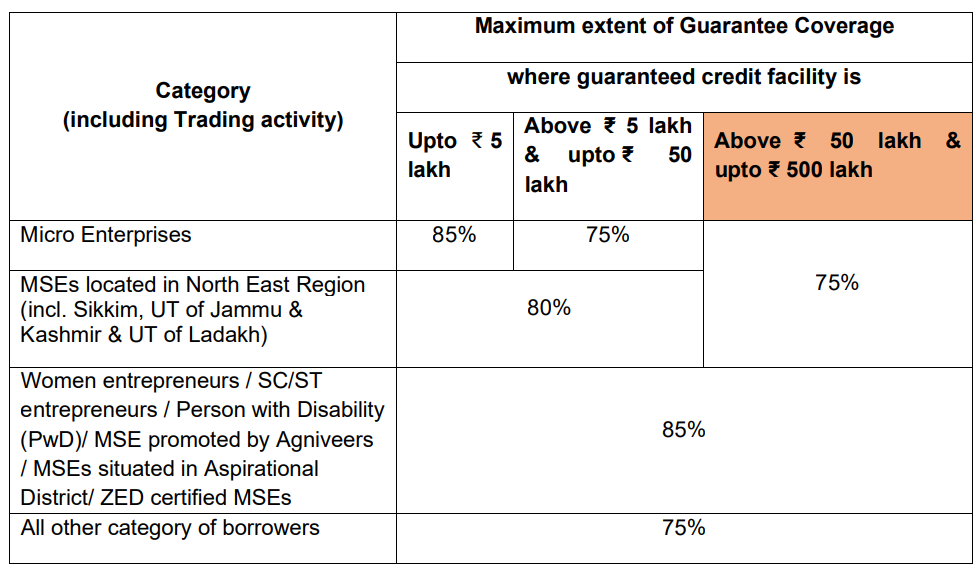
All Public Sector Banks, Private Sector Banks, Member FIs, Foreign Banks

**Circular No.220 / 2022 – 23**

Madam / Dear Sir,

**Increase in ceiling of coverage from `200 lakh to `500 lakh – CGS I**

As you are aware, presently the ceiling for availing credit guarantee for CGTMSE under CGS-I is `200 lakh. In view of the request received from banks, the matter has been reviewed. Accordingly, we are glad to inform that it has been decided to increase the ceiling for coverage under the CGS -I from `200 lakh to `500 lakh per borrower for the credit facilities extended by eligible MLIs to the Micro and Small Enterprises (MSEs). The extent of coverage is given in the table below:



The above modifications shall be applicable for all guarantees approved on or after April 01, 2023 including enhancement in Working Capital of existing covered accounts. All other Terms and conditions of the Scheme shall remain unchanged. The contents of this circular may please be brought to the notice of all your offices.

Yours faithfully, Sd/-

(Dhiraj Kumar)

Asst General Manager

More details can be referred to in the below link.

Reference Link: <https://www.cgtmse.in/Default/ViewFile/?id=1680774247788_Circular%20No.%20220_Increase%20in%20ceiling%20of%20Coverage_REV.pdf&path=Circular>

Ref. No. CGTMSE /44/ 113 August 25, 2023

All Member Lending Institutions (MLIs) of CGTMSE

**Circular No. 229 / 2023 – 24**

Madam / Dear Sir,

**Udyam Registration Number Mandatory for Guarantee Coverage**

Please refer to our Circular No.206/2022-23 dated October 17, 2022 informing that Udyam Registration Number (URN) is mandatory for getting guarantee coverage under Credit Guarantee Scheme from January 16, 2023 onwards. As you are aware, Udyam Registration Portal is made simple and is a transparent system which provides number of benefits to the enterprises registered as MSEs. In this regard, we reiterate that obtaining URN of each beneficiary has been made mandatory while submitting application for coverage under the Scheme to extend the guarantee coverage.

Further, all MLIs are requested to obtain URN for the existing beneficiaries covered under Credit Guarantee Scheme of CGTMSE and update it in our portal using path: Member Login >> Guarantee maintenance >> Modify borrower details >> provide CGPAN and update URN.

The contents of the Circular may please be brought to the notice of all your office.

Yours faithfully,

Sd/-

(Dhiraj Kumar)

Deputy General Manager

More details can be referred to in the below link.

Reference Link: <https://www.cgtmse.in/Default/ViewFile/?id=1693235486130_Circular%20no.%20229%20-%20UAM%20Mandatory.pdf&path=Circular>

# Technology Upgradation and Quality Certification

# 1.3. MSME Champions Scheme

## 1.3.1. MSME Champions Scheme (Erstwhile CLCS-TUS)

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| --- | --- |
| Related Scheme | MSME Champions Scheme (Erstwhile CLCS-TUS) |
| Objective | Ministry of MSME has been implementing Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) for promoting competitiveness amongst Micro, Small and Medium Enterprises (MSMEs) by the way of wastage reduction through Lean Manufacturing, support for Design improvement, building awareness on Intellectual Property Rights, Zero Defect Zero Effect (ZED) Scheme, digitally empowerment of MSME through Digital MSME and to promote & support untapped creativity of individual and to promote adoption of latest technologies in manufacturing as well as knowledge based innovation MSMEs through Incubation across India.  MSME Champions scheme has been formulated through Standing Finance Committee (SFC) by merging all 6 components of erstwhile Technology Upgradation Scheme (TUS) for a period of 5years i.e 2021-22 to 2025-26. It is a Holistic Approach to unify, synergize and converge various schemes and Interventions with a single purpose. The end objective is to pick up clusters and enterprises and modernize their processes, reduce wastages, sharpen business competitiveness and facilitate their National and Global reach and excellence. There are 3 components under the new MSME Champions scheme, the details of which are as below: |
| Who can apply? | Any MSE unit |
| 1. | MSME-Sustainable (ZED) |
| 2. | MSME-Competitive (Lean) |
| 3. | MSME-Innovative(for Incubation, IPR, Design and Digital MSME) |
|  | **The Digital MSME will be interlinked with all the other components of the MSME Champions Scheme.** |
| [Download Scheme Guidelines](https://msme.gov.in/sites/default/files/CreditLinkCapitalSubsidyScheme%282%29%282%29.pdf) | |

# 1.3.2 MSME SUSTAINABLE (ZED) CERTIFICATION

|  |  |
| --- | --- |
| Related Scheme | MSME SUSTAINABLE (ZED) CERTIFICATION |
| Objective | The ZED Certification envisages promotion of Zero Defect Zero Effect (ZED) practices amongst MSMEs so as to:  • Encourage and enable MSMEs for manufacturing of quality products using latest technology, tools & to constantly upgrade their processes for achievement of high quality and high productivity with the least effect on the environment  • Develop an Ecosystem for ZED Manufacturing in MSMEs, for enhancing competitiveness and enabling exports  • Promote adoption of ZED practices and recognising the efforts of successful MSMEs  • Encourage MSMEs to achieve higher ZED Certification levels through graded incentives  • Increase public awareness on demanding Zero Defect and Zero Effect products through the MSME Sustainable (ZED) Certification  • Identify areas to improve upon, thereby assisting the Government in policy decisions and investment prioritization |
| Nature of assistance | Cost of Certification  a) a) Certification Level 1: BRONZE: Rs. 10,000/-  b) b) Certification Level 2: SILVER: Rs. 40,000/-  c) c) Certification Level 3: GOLD: Rs. 90,000/- |
| **Subsidy on cost of ZED certification:** | • Joining Reward of Rs. 10,000/- (Bronze will become free if availed)  • 80-60-50% for Bronze, Silver & Gold ZED certified MSMEs |
| **Additional subsidy:** | • 10% for Women/SC/ST owned MSMEs OR MSMEs in NER/Himalayan/LWE/Island territories/aspirational districts.  • 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry. |
| **Financial Assistance in Testing/Quality/Product Certification:** | • Up to 75% of the total cost of Testing/Certification, with the maximum ceiling of subsidy being Rs. 50,000/- |
| **Handholding/Consultancy Support :** | Up-to Rs.2 lakh for handholding/Consultancy in order to achieve the next Certification Level. |
| **Support in Technology Upgradation for Zero Effect Solutions:** | • Up-to Rs. 3 lakhs for moving towards zero effect solutions/pollution control measures/cleaner technology |
| **MSME KAWACH (Knowledge Acquisition through WASH for an Accelerated COVID-19 Handling) Certification:** | After taking ZED Pledge, MSMEs can self certify their preparedness on Covid 19 risk. |
| **Graded incentives:** | MSMEs can avail graded incentives as prescribed for the three ZED Certification Levels. Wherever possible, the incentives provided by States will be linked through API integration with the ZED portal to ensure interoperability. |
| **Eligibility/ Applicability:** | All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Sustainable (ZED) Certification and avail related benefits/incentives. |
| How to Apply: | Eligible MSMEs shall apply through online portal Email: <https://zed.msme.gov.in/> Phone no: 011-23708371 The guidelines of ZED scheme is available on <https://zed.msme.gov.in/> |
| Contact: | Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan, New Delhi. <https://zed.msme.gov.in/> |
|  | Quality Council of India (QCI) is the Implementing Agency of the Scheme. |
| [Download Scheme Guidelines](https://zed.msme.gov.in/uploads/Guideline_Book.pdf) | |

# 1.3.3. MSME-COMPETITIVE (LEAN) (A component of MSME Champions scheme)

|  |  |
| --- | --- |
| Related Scheme | Lean Manufacturing Competitiveness for MSMEs |
| Objective | MSME Competitive (Lean) Scheme is an extensive drive on the part of Ministry of Micro, Small and Medium Enterprises for enhancing the competitiveness of MSME Sectors through implementation of Lean Tools and Techniques. Lean Tools and Techniques are a tested and proven methodology for improving the competitiveness of MSME sector. |
| Nature of assistance | **Cost of Implementation:** Basic-Free; Intermediate- Rs. 1,20,000/-; Advance- Rs. 2,40,000/-  Financial Assistance to group of MSME Units for adoption of Lean tools/techniques  Subsidy on cost of Implementation: 90% of Total Cost of Implementation |
| **Eligibility/ Applicability:** | All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME-COMPETITIVE (LEAN) and avail related benefits/incentives. |
| How to apply? | Eligible MSMEs shall apply through online portal. |
| Contact | Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan, New Delhi. [http://www.dcmsme.gov.in](http://www.dcmsme.gov.in/) |
|  | Quality Council of India (QCI) & National Productivity Council (NPC) are Implementing Agencies. |
| [Download Scheme Guidelines](http://www.dcmsme.gov.in/schemes/leanmanfucturing10.pdf) | |

# 1.3.4. MSME- Innovative (Incubation, IPR, Design and Digital MSME) (A component of MSME Champions scheme)

|  |  |
| --- | --- |
| Related Scheme | MSME- Innovative (Incubation, IPR, Design and Digital MSME) |
| Objective | MSME Innovative is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India’s innovation and motivate them to become MSME Champions. This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business proposition that can benefit society directly and can be marketed successfully. |
| Nature of assistance | **Incubation**  • Financial Assistance to HI for developing and nurturing the ideas- shall be provided up to maximum of Rs. 15 lakh per idea to HI.  • Financial assistance for Plant and Machinery to HI up to Rs. 1.00 cr. (max) - shall be provided for procurement and installation of relevant plant and machines including hardware and software etc. in BI for R&D activities and common facilities for incubatees of BI.  **Design**  • **Design Project**: 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 40 lakh  • **Student Project**: 75% of the total project cost will be contributed by GoI up to a maximum of Rs. 2.5 lakh  **IPR**  • A Grant of up to Rs. 1 crore would be provided to an IPFC in milestone-based (three or more) installments  • **Reimbursement for registration of Patent, Trademark, Geographical Indications (G.I.), Design**: The maximum financial assistance to the eligible applicants under the IPR component is as follows: |
| **Item**  i. Foreign Patent  ii. Domestic Patent  iii. GI Registration  iv. Design Registration  v. Trademark | **Maximum Financial Assistance**  Rs. 5.00 lakh  Rs. 1.00 lakh  Rs. 2.00 lakh  Rs. 0.15 lakh  Rs. 0.10 lakh |
| **Eligibility/ Applicability:** | • **Incubation**: MSMEs, Individuals, Students who want to develop their innovative ideas can apply through registered HIs.  • **Design**: The beneficiary unit(s) must typically be a registered micro, small or medium enterprises as per the definition in MSMED Act and should have a valid UAM or Udyam Registration.  • **IPR**: For Manufacturing MSMEs with UAM/UDYAM Registration. |
| How to apply? | The eligible applicants may apply at the MIS portal [https://innovative.msme.gov.in](https://innovative.msme.gov.in/) |
| Contact | Office of Development Commissioner (MSME), Ministry of MSME, Nirman Bhawan, New Delhi. [http://www.dcmsme.gov.in](http://www.dcmsme.gov.in/) |

More details can be referred to in the below link.

Reference Link: <https://msme.gov.in/technology-upgradation-and-quality-certification>