



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2017-18/186

DBR.No.BP.BC.108/21.04.048/2017-18

June 6, 2018

All banks and NBFCs regulated by the Reserve Bank of India

Madam / Dear Sir,

**Encouraging formalisation of MSME sector**

Please refer to the [circular DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018](#).

2. Having regard to the input credit linkages and ancillary affiliations, it has now been decided to temporarily allow banks and NBFCs to classify their exposure, as per the 180 days past due criterion, to all MSMEs, including those not registered under GST, as a 'standard' asset, subject to the following conditions:

- i. The aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed ₹ 250 million as on May 31, 2018.
- ii. The borrower's account was standard as on August 31, 2017.
- iii. The payments due from the borrower as on September 1, 2017 and falling due thereafter up to December 31, 2018 were/are paid not later than 180 days from their original due date.
- iv. In respect of dues payable by GST-registered MSMEs from January 1, 2019 onwards, the 180 days past due criterion shall be aligned to the extant IRAC norms in a phased manner, as given in the Annex. However, for MSMEs that are not registered under GST as on December 31, 2018, the asset classification in respect of dues payable from January 1, 2019 onwards shall immediately revert to the extant IRAC norms.
- v. The other terms and conditions of the circular dated February 07, 2018 remain unchanged.

Yours faithfully,

(Saurav Sinha)

Chief General Manager-in-Charge

**Annex**

<b>Period during which any payment falls due</b>	<b>Time permitted</b>
September 1, 2017 – December 31, 2018	180 days
January 1, 2019 – February 28, 2019	150 days
March 1, 2019 to April 30, 2019	120 days
May 1, 2019 onwards	90 days