



e-COOP BANKING



• e-Tabloid No. 7



• 16th September 2020



NEW BANKING BILL GIVES RBI POWERS TO RESTRUCTURE COOPERATIVE BANKS



Finance minister Nirmala Sitharaman on Monday introduced a Bill that seeks to enable the Reserve Bank of India (RBI) to make a scheme for restructuring a stressed bank without imposing a moratorium on the withdrawal of deposits.

The Banking Regulation (Amendment) Bill also aims to bring urban and multi-state co-operative banks under the RBI regulation and make it easier for them to access capital. The idea is to protect the interests of depositors and better scrutinise the affairs of these co-operative banks following the Punjab Maharashtra Co-operative (PMC) Bank crisis.

The minister also introduced the Factoring Regulation (Amendment) Bill, 2020. The Bill aims to offer relief to the cash-strapped MSMEs, whose payments against supplies are stuck for more than 90 days, by allowing all non-banking financial companies to participate in the trade receivables discounting system, instead of limiting it to only select shadow lenders.

Sitharaman introduced the new Banking Regulation (Amendment) Bill after withdrawing an earlier one that didn't contain the provision to allow the central bank to frame a reconstruction or amalgamation scheme for all banks “even without making an order of moratorium, so as to avoid disruption of the financial system”.

The government had come out with an ordinance in June for this purpose, which, of course, incorporated the change. Once cleared, the new Bill will replace the ordinance.

Sitharaman cited the case of PMC Bank where depositors

couldn't withdraw their money beyond a limit for months, as the central bank had to impose a moratorium in September 2019 due to a non-performing asset crisis there.

The proposed amendments, however, are not applicable to primary agricultural credit societies, cooperative land mortgage banks and any entities which did not use the terms 'bank', 'banker' or 'banking' in their name or in connection with their business.

The Bill enables cooperative banks to raise money via public issue and private placement, of equity or preference shares and unsecured debentures, subject to the central's bank's approval. Prior to the Ordinance, cooperative banks' access to capital was limited. There are 1,540 urban cooperative and multi-state co-operative banks in the country with 8.60 crore depositors, having total savings of close to Rs 5 lakh crore.

The Ordinance will add to the central bank's power to regulate these entities. However, administrative issues at these co-operatives will still continue to be guided by the Registrar of Cooperative. Also, the changes do not affect the existing powers of the state registrars of co-operative societies under state laws. The amendment also doesn't apply to primary farm credit societies or cooperative societies, the main business of which is long-term finance for agricultural development.

PMC Bank was found to have given over Rs 6,700-crore loan to a single realty company HDIL through alleged fraudulent means and also hid the stress from the RBI by creating separate books of accounts. The crisis hit millions of its depositors, mostly small ones.

(FE 26/09/20)

RBI ANNOUNCES 'POSITIVE PAY' FEATURE TO ENHANCE SAFETY OF CHEQUE PAYMENTS



The Reserve Bank of India (RBI) Governor Shaktikanta Das after announcing the bi-monthly policy review said that it has decided to introduce a mechanism of 'Positive Pay' for all cheques of value Rs 50,000 and above. Under the 'positive pay' system, a customer

who issues the cheque clicks a picture of the cheque before handing it over to the beneficiary and uploads the same on the bank's mobile application. "To enhance safety of cheque payments, it has been decided to introduce a mechanism of 'Positive Pay' for all cheques of value Rs 50,000 and above," said RBI Governor. The limit of Rs 50,000 will cover approximately 20 per cent of transactions by volume and 80 per cent by value, he said, adding operational guidelines in this regard will be issued soon. Positive pay is a fraud-prevention system offered by most commercial banks to companies to protect them against forged, altered and counterfeit checks.



Cheque Number, Cheque date, Payee name, Account number, Amount etc along with an image of the front and reverse side of the cheque, before handing it over to the beneficiary. When the beneficiary submits the cheque for encashment, the cheque details are compared with the details provided to the Bank through Positive Pay. If the details match, the cheque is honoured. In case of mismatch in cheque details, the cheque is referred to you. Since 2016,

the second largest private sector lender ICICI Bank has such a facility for all cheques irrespective of the amount.

By following such a system, a bank knows of a cheque being drawn by the customer even before it is deposited by the beneficiary into her account. Before clearing transfer of funds, the bank's

executive can cross-check the details of the cheque which has come for clearance with the one shared by the customer in advance, banking experts said. With the help of this technique, any cheque where any sort of fraud has happened cannot be cleared at all and hence a depositor's money can be protected, they added.

All one needs to do is share the details of issued cheques like

(Indiatvnews.com 06/Aug)


BANKING | NOTES

BBB recommends names for EDs in PSBs

The Banks Board Bureau (BBB) has recommended 13 names for being appointed as Executive Director in various PSBs. In all, there are 13 vacancies for ED posts in various PSBs. The names of those who have been recommended by the BBB are: Swarup Kumar Saha, Debadatta Chand, K Satyanarayana Raju, Nitesh Ranjan, Sangram Keshari Mohapatra, Monika Kalita, Swarup Dasgupta, Karthikeyan M, Ishraq Ali Khan, Vivek Wahi, S Srimathy, B Vijayakumar, and Raghavendra V Kollegal.

-Business Line

SBI launch online portal for loans

 SBI announced the launch of a special online portal for the restructuring of retail loans. "Customers can check their eligibility for the restructuring of loans through this portal sitting at their home or office or from anywhere as per their convenience and comfort," said SBI in a statement

-Business Line

SBI Life and YES Bank bancassurance tie-up

SBI Life Insurance and YES Bank have signed a bancassurance tie-up "As part of the partnership, SBI Life's diverse range of individual and group insurance solutions will be offered to the customers of YES Bank through the bank's branches," SBI Life Insurance said in a statement.

-Business Line

RESERVE BANK OF INDIA REVAMPED PRIORITY SECTOR LENDING GUIDELINES TO MAKE BANKING MORE INCLUSIVE



With a focus on inclusive development, Reserve Bank revamped its priority sector guidelines by increasing the weightage for loans given in underpenetrated districts, increasing the targets for lending to small and marginal farmers, weaker sections, besides including loans for setting up health infrastructure.

While retaining the overall priority sector lending target of 40 per cent for local commercial banks, the target for lending to small farmers is increased from 8 per cent their lending in 2020-21 to 10 per cent by 2023-24 of and the target for lending to weaker sections has gone up from 10 to 12 per cent. For urban co-operative banks the overall target will be increased from existing 40 per cent to 75 per cent in a phased manner.

Bank finance to start-ups of upto Rs 50 crore, loans to farmers for installation of solar power plants for solarisation of grid connected agriculture pumps and loans for setting up Compressed Bio Gas (CBG) plants have been included as fresh categories eligible for finance under priority sector, the Reserve Bank said in its release on the revised priority sector guidelines.

To address regional disparities in the flow of priority sector credit, higher weightage have been assigned to incremental priority sector credit in 'identified districts' where priority sector credit flow is comparatively low.

"The inclusion of start-ups in PSL will reduce their cost of

capital by allowing them better access to bank credit" said S K Ghosh, group chief economic advisor at SBI." Going forward, equity infusion will not be the only route to follow when start-ups need funds for working capital requirements, and this will greatly ease the risk of ordinary shareholders being wiped out due to 'down-rounds' "

Besides, the targets prescribed for "small and marginal farmers" and "weaker sections" are being increased in a phased manner, also higher credit limit has been specified for Farmers Producers Organisations (FPOs)/Farmers Producers Companies (FPCs) undertaking farming with assured marketing of their produce at a pre-determined price, loan limits for renewable energy have been doubled. For improvement of health infrastructure, credit limit for health infrastructure, including those under 'Ayushma . 'Ayushman Bharat', has been doubled, as per the revised guidelines.

" RBI's revision in Priority Sector Lending guidelines will incentivize credit flow to specific segments like clean energy, weaker sections, health infrastructure and credit deficient geographies" said Krishnan Sitaraman, senior director, Crisil Ratings.

The revised guidelines factored in the recommendations made by the 'Expert Committee on Micro, Small and Medium Enterprises chaired by former Sebi chief U.K. Sinha and the 'Internal Working Group to Review Agriculture Credit' chaired by deputy governor M. K. Jain apart from discussions with all stakeholders.

(ET 4/9/20)

Technology Driven Urban Co-op Banks Will Now Have To Appoint Chief Information Security Officer (CISO): RBI

The Reserve Bank of India (RBI) in a statement released on 24th September 2020 said that urban cooperative banks (UCBs) will now have to appoint Chief Information Security Officer (CISO) and also set up various committees namely IT Strategy Committee, IT Steering Committee, etc.

RBI also proposed to launch new and stringent set of cyber security rules keeping the complexity of urban cooperative banks (UCB) in mind. This initiative will be taken in a bit to bring UCBs at par with banks in terms of cyber protections against online threats.

"The approach will ensure that the UCBs with high IT penetration and offering all payment services are brought at par with other banks having mature cyber security infrastructure and practices," said the banking regulator while unveiling its technology vision document for 2020-23.

ACCOUNTS NOT DECLARED NPAS AS ON AUGUST 31 SHOULD NOT BE DECLARED NPAS TILL FURTHER ORDERS : SUPREME COURT PASSES INTERIM ORDER

A three Judge Bench of Justices Ashok Bhushan, R Subhash Reddy and MR Shah today said that the accounts that were not declared as NPAs till August 31 must be protected and should not be declared as NPAs till further orders.



accounts would be declared NPAs as on September 1. As such, the moratorium limit also needed to be extended, it was prayed.

Solicitor General **Sh. Tushar Mehta**, representing the Union

The Supreme Court on 2nd September 2020 granted interim relief for borrowers, directing banks not to declare any loan accounts as Non-Performing Assets (NPAs) until further orders.

Finance Ministry and the RBI, told the Court that the RBI has issued a circular on August 6 which deals with stressed accounts due to the COVID-19 pandemic and provides for a resolution plan and restructuring of loans for the accounts that are eligible.

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A large portion of the hearing was also dedicated to highlight the different types of borrowers and lenders and the different kinds of impact faced by different sectors and borrowers due to the COVID-19 pandemic. It was argued by Mehta that a one-size-fits-all solution cannot be granted owing to the difference in difficulties faced by different persons.

The Court's order came during the hearing of a batch of petitions that challenged the interest component of the Reserve Bank of India's (RBI) circular that provided for loan moratorium amid the COVID-19 pandemic.

As regards declaration of NPAs, Mehta, along with Senior Counsel Harish Salve, representing the Indian Banks' Association (IBA) said that the moratorium is not a default period. Moratorium was granted initially for a period of three months and stood extended till August 31 subsequently. The default period will, however, begin after the moratorium period has ended, and accounts would not automatically be declared NPAs on September 1, it was submitted.

While the question for consideration before the Court was limited to interest on interest being charged, the Court was also considering the aspect of role of the National Disaster Management Authority under the Disaster Management Act to provide relief as regards loan repayment in disaster situations.

Observing that the borrowers need to be protected, the Court passed the interim order.

With many parties yet to make their submissions, the Court has adjourned the hearing in the case to September 10 at 10.30 AM. In the meanwhile, the interim order offers some respite to borrowers.

The specific question of accounts being rendered NPAs after the moratorium period has expired came before the Court yesterday. Various petitioners had raised a grievance that with the moratorium pushing the limit for repayment of instalments, there was an apprehension that the

(B.B Newsletter 3/9/2020)

Extension of AGM dates of Multistate Cooperative Banks & Credit Societies

The Ministry of Agriculture and Farmers Welfare, Government of India has received various requests from Multi State Cooperative Banks and Credit Societies that in view of Pandemic COVID 19, the date of Annual General Meetings of the Multistate Banks and Credit Societies which is 30th September 2020 may be extended. The Ministry of Agriculture has considered their request and issued separate Circulars for Multistate Cooperative Banks and Credit Societies for Extension of dates of their AGMs upto 31st December 2020. The Multistate Cooperative Banks are also permitted for Virtual AGMs with stipulated guidelines given in MOA Circular. The detailed circulars are available in Ministry of Agriculture and Farmers Welfare Website.

CYBER FRAUDS A THREAT SAID NATIONAL SECURITY ADVISOR SH AJIT DOVAL



Asking citizens to be cautious while being online, National Security Adviser (NSA) Ajit Doval said financial frauds have seen exponential increase due to greater dependence on digital payment platforms following the Covid-19 pandemic. He also said the Centre was

coming up with the National cyber security Strategy - 2020 which envisions the safe, secured, trusted, resilient and vibrant cyberspace for India's prosperity.

Doval said there was an increase of 500 per cent in cyber crimes due to limited awareness and cyber hygiene. "Financial frauds have seen exponential increase due to greater dependence on digital payment platforms. The adversaries are tempted to exploit the crisis situation through various misinformation, fake news etc.

The huge cyber data floating in the cyber space is a gold mine for extracting information that can undermine the privacy of our citizens..," Doval said. He cautioned citizens while being online and said a responsible approach should be there while using internet. The NSA complimented the state government and the Kerala police for the initiative.



Inaugurating the conference, Kerala Governor Arif Mohammed Khan said with the increased reliance on the internet becoming a permanent feature of people's lives due to COVID- 19, citizens need to be extra cautious while being online. This edition of the conference was on the virtual platform this year due to the pandemic scenario. "Various types of cyber crimes are happening in our country and it's high time that we take proper precautions against such crimes" Khan said.

(HT 19/Sept)

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WEBINAR ON CHALLENGES POSED BY COVID-19 - OPPORTUNITIES CREATED AND REINVENTING METHODS TO ATTEND BUSINESS TARGETS

Mahesh Co-operative Urban Bank, a Multi-State Scheduled Bank functioning with a branch network 45 covering 4 States – Telangana, AP, Maharashtra & Rajasthan has organized a webinar on “Challenges posed by COVID-19 - Opportunities created and reinventing methods to attend Business Targets” for its officers on 27th August, 2020. Sri Satish Utekar, Ex-MD & CEO, Thane Janata Sahakari Bank has addressed the participants at the webinar. Sri Umesh Chand Asawa, MD & CEO of the bank briefed about the webinar and said that Covid-19 has put the entire world in a precarious position and changed the landscape of business establishments and brought havoc and unprecedented changes on life styles of individuals.

Speaking on the occasion Sri Purshotamdas Mandhana, Chairman said due to the COVID19 pandemic, it has not only impacted on GDP but also the financial sector, since the banking is different on account of customer expectations, social distancing etc. He further said that due to pressure on profitability and like to increase in stressed assets level, the management will focus on rethinking of its business strategies.

Sri Ramesh Kumar Bung, Chairman Emeritus of the bank said that to overcome the challenges posed by the epidemic, there is every need to improve the competencies

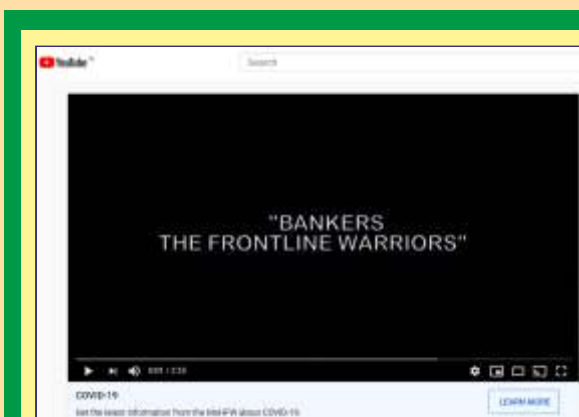
/knowledge/ skill sets of all employees and understand Business Strategies for effective implementation. With this in view the webinar is organized by inviting an experienced seasoned banker.

Sri Satish Utekar, addressing the participants in the Webinar, detailed presentations were made on impact of Covid19 on Indian Banking. Since, banking establishments are constantly evolving their businesses due to regulatory and competitive pressures and while occupied with managing the crisis, strategic focus would be on preparing

for the future, he averred. He said that people have realized that in any circumstances the banking channels are working round the clock and it has re-imposed the confidence of customers. Further, the COVID has created

an opportunity to change and realized to prepare and handle unforeseen challenges. He touched upon the customer service, liquidity management, asset quality management, profitability management, operational processes, digital transformation and productivity etc. He answered the queries raised by the officials of the bank.

The Webinar ended with a vote of thanks proposed by Sri K VS Prasad, Dy. General Manager.



We have prepared a video titled
"COVID-19 : The Banking Warriors - Proudly Cooperative"
for all our cooperative banking fraternity.
You can share and circulate this video with all the cooperators.

The video can be seen from this link:

<https://youtu.be/8vMaaPyUtk>

SARFAESI ACT HAS SIGNIFICANT ROLE IN RECOVERY OF DUES FROM CRONIC DEFAULTERS SAYS SATYABRATA SAMANTA



Sh. Satyabrata Samanta, Chairman, Federation of West Bengal Urban Cooperative Banks and Credit Societies Ltd., while inaugurating the NAFCUB & West Bengal Federation jointly organized Webinar on Relevance of SARFAESI Act

for Urban Cooperative Banks said that NAFCUB has played a very significant role and put all its efforts to bring all the Urban cooperative Banks under the purview of SARFAESI Act by collectively pleaded the SARFAESI Act case and the judgement came to the favour of Cooperative Banks. This will help the Cooperative Banks to recover the dues from chronic and willful defaulters without any interference of the Court. He said although the SARFAESI Act was pending from the last 17 years but at last the cooperative banks got relief with the Judgement in their favour. He also gave account of Recover position in Urban Banks of West Bengal. He informed that lot of cases are pending in the Registrar office for recovery of bank dues but due to shortage of staff and frequent transfers of Government staff, recovery process is delayed. He thanked NAFCUB President, Sh. Jyotindra Mehta for organizing the Webinar in collaboration with west Bengal Federation.



Earlier Sh. Jyotindra Mehta, President, NAFCUB welcomed and thanked Sh. Samanta, President and Sh. Pratap Narayan Paria, CEO of the West Bengal Federation for providing platform for jointly organizing the Webinar. He thanked all the delegates of Urban

Banks for participating in the Webinar in large numbers. He said that Urban cooperative Banking sector has welcomed the decision of the Court and now recovery in UCBs will be accelerated in the coming days. He briefed about various developments in the urban cooperative banking sector and role of NAFCUB in resolving various issue of urban cooperative banks with Regulators. He appealed all the participating urban cooperative banks to join hands with NAFCUB by becoming its members. He informed the participants about the Umbrella organization of Urban Cooperative Banks. He also said that NAFCUB is always in the forefront of resolving the issues of Urban Cooperative Banks.

Speaking on the occasion of the West Bengal Federation CEO Sh. Pratap Narayan Paria thanked NAFCUB for

organizing the Webinar on the important subject. He said now a days willful defaulters in urban cooperative banks are major hurdles for the development and growth of the UCBs. He said that after the implementation of SARFAESI Act, the UCBs will use this powerful tool in recovery of their unrealized loans and advances in a smooth way.



He thanked NAFCUB for its proactive role and persistent efforts which made possible to achieve the success in getting the judgement in favour of Cooperative banks which was pending since long. He conveyed his special thanks to Shri Jyotindra Mehta, Hon'ble President of NAFCUB, Shri Satyabrata Samanta, President of W.B. Federation for taking initiative to organize the Webinar. He also thanked Shri Ramamoorthy, Prof. Jyotirmoy Kar, MLA and others Directors of NAFCUB and also all the Directors of our State Federation including Vice-Chairperson Smt. Parul Maity for participating in this WEBINAR.

Shri Girish Kohli, Senior Advocate, Delhi High Court who was keynote speaker of the Webinar explained the concept of various provisions of SARFAESI ACT. He cited various live examples of recovery under SARFAESI ACT.



He was of the view that Urban Cooperative Banks recovery position will be improved in a significant way and the UCB sector will be flourished. He said initially the Urban cooperative Banks may face legal hurdles for which they should create separate legal and Recovery cell which may be assigned the task of Recovery under SARFAESI Act. The cases of tough recovery cases may be routed through Chief Metropolitan Magistrate court for early disposal of cases.

The Vote of thanks was proposed by Sh. Yogesh Sharma, Chief Executive, NAFCUB. In his address he thanked Sh. Samanata, Chairman, and Sh. Paria, CEO of W.B. Federation for their whole heartedly cooperation in organizing the Webinar. The Webinar was attended by over 180 delegates of various Urban Cooperative Banks of West Bengal and other parts of the Country. He also briefed about various HRD and other activities of NAFCUB. He assured that the NAFCUB will organize more and more Webinars on important topics in the coming days.



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2020-21/41

DPSS.CO.RPPD.No.309/04.07.005/2020-21

September 25, 2020

The Chairman and 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 / Local Area Banks / Payment Banks /
Small Finance Banks / National Payments Corporation of India

Madam / Dear Sir,

Positive Pay System for Cheque Truncation System

Please refer to the Statement on Developmental and Regulatory Policies dated August 6, 2020 wherein Reserve Bank of India (RBI) had announced introduction of Positive Pay System for Cheque Truncation System (CTS).

2. The concept of Positive Pay involves a process of reconfirming key details of large value cheques. Under this process, the issuer of the cheque submits electronically, through channels like SMS, mobile app, internet banking, ATM, etc., certain minimum details of that cheque (like date, name of the beneficiary / payee, amount, etc.) to the drawee bank, details of which are cross checked with the presented cheque by CTS. Any discrepancy is flagged by CTS to the drawee bank and presenting bank, who would take redressal measures.

3. National Payments Corporation of India (NPCI) shall develop the facility of Positive Pay in CTS and make it available to participant banks. Banks, in turn, shall enable it for all account holders issuing cheques for amounts of ₹50,000 and above. While availing of this facility is at the discretion of the account holder, banks may consider making it mandatory in case of cheques for amounts of ₹5,00,000 and above.

4. Only those cheques which are compliant with above instructions will be accepted under dispute resolution mechanism at the CTS grids. Member banks may implement similar arrangements for cheques cleared / collected outside CTS as well.

5. Banks are advised to create adequate awareness among their customers on features of Positive Pay System through SMS alerts, display in branches, ATMs as well as through their web-site and internet banking.

6. Positive Pay System shall be implemented from January 01, 2021.

7. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully
(P Vasudevan)
Chief General Manager

भुगतान और निपटान प्रणाली विभाग, केंद्रीय कार्यालय, 14वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

फोन Tel: (91-22) 2260 1000; फैक्स Fax: (91-22) 2265 9566; ई मेल-e-mail : cgmdpssco@rbi.org.in

Department of Payment and Settlement Systems, Central Office, 14th Floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai - 400001

हिंदी आसान है, इसका प्रयोग बढ़ाइए

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भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI/FIDD/2020-21/72

Master Directions FIDD.CO.Plan.BC.5/04.09.01/2020-21

September 04, 2020

The Chairman / Managing Director/
Chief Executive Officer
[All Commercial Banks including Regional Rural Banks,
Small Finance Banks, Local Area Banks and
Primary (Urban) Co-operative Banks other than Salary Earners' Banks]

Madam/Dear Sir,

Master Directions – Priority Sector Lending (PSL) – Targets and Classification.

The Priority Sector Lending (PSL) guidelines issued by Reserve Bank of India were last reviewed for Commercial Banks in April 2015 and for UCBs in May 2018 respectively. With an objective to harmonise various instructions issued to Commercial Banks, SFBs, RRBs, UCBs and LABs; align these guidelines with emerging national priorities and bring sharper focus on inclusive development, it was decided to comprehensively review the PSL guidelines. The revised guidelines also aim to encourage and support environment friendly lending policies to help achieve Sustainable Development Goals (SDGs). This review also took into account the recommendations made by the 'Expert Committee on Micro, Small and Medium Enterprises (Chairman: Shri U.K. Sinha) and the 'Internal Working Group to Review Agriculture Credit' (Chairman: Shri M. K. Jain) apart from discussions with all stakeholders. Further, these Master Directions encompass the revised guidelines on PSL for all Commercial banks, RRBs, SFBs, UCBs and LABs and, accordingly, supersede the earlier Master Directions on PSL issued separately for Scheduled Commercial Banks, RRBs, SFBs and guidelines issued for UCBs, respectively. The list of circulars consolidated in these Master Directions is indicated in the Appendix. The Master Directions have been placed on the RBI website www.rbi.org.in.

Yours faithfully,

(Gautam Prasad Borah)
Chief General Manager-in-Charge

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Financial Inclusion & Development Department, Central Office, 10th Floor, C.O. Building, Mumbai 400 001

हिंदी आसान है, इसका प्रयोग बढ़ाइये

“चेतावनी: रिज़र्व बैंक द्वारा मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।”

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

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http://www.nafcub.org/download.php?dept=news&Doc_id=57

Schedule can be refer from the following link

<http://www.nafcub.org/pdf/Annual%20Subscription%20Schedule%202018-19.pdf>



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2020-21/28
DoR (PCB).BPD.Cir.No.2/12.05.001/2020-21

August 26, 2020

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

Madam / Dear Sir,

Submission of returns under Section 31 of the Banking Regulation Act, 1949 (AACs) – Extension of time

In terms of section 31 of the Banking Regulation Act, 1949 (“the Act”) read with Section 56 the Act [as amended by the Banking Regulation (Amendment) Ordinance, 2020], accounts and balance-sheet referred to in section 29 of the Act together with the auditor's report shall be published in the prescribed manner and three copies thereof shall be furnished as returns to the Reserve Bank within three months from the end of the period to which they refer. In terms of the first proviso to the above section, Reserve Bank may in any case extend the said period of three months for the furnishing of such returns by a further period not exceeding three months.

2. Since the aforesaid Ordinance amending, inter alia, Section 31 has been notified on June 29, 2020 for the primary (urban) co-operative banks (UCBs) and also as UCBs may be facing difficulties in submission of the returns due to the ongoing COVID-19 pandemic, it is considered necessary to allow more time for submission of the aforesaid return for the financial year ended on March 31, 2020.

3. In view of the above, Reserve Bank hereby extends the said period of three months for the furnishing of the returns under Section 31 of the Act for the financial year ended on March 31, 2020 by a further period of three months. Accordingly, all UCBs shall ensure submission of the aforesaid returns to Reserve Bank on or before September 30, 2020.

Yours faithfully,

(Neeraj Nigam)
Chief General Manager

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किस शिन्दी में पचाचार का स्वागत करता है

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RBI/2020-21/34
DOR.No.BP.BC/13/21.04.048/2020-21

September 7, 2020

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Madam / Dear Sir,

Resolution Framework for COVID-19-related Stress – Financial Parameters

Please refer to Paragraphs 23 and 24 of the Annex to the circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (“Resolution Framework”) which envisages constitution of an Expert Committee by the Reserve Bank to make recommendations on the required financial parameters with sector specific benchmark ranges for such parameters to be factored in the resolution plans in respect of borrowers eligible under Part B of the Annex to the Resolution Framework.

2. The Reserve Bank had accordingly set up an Expert Committee with Shri K. V. Kamath as the Chairperson, as announced in the press release dated August 7, 2020. The Expert Committee has since submitted its recommendations to the Reserve Bank on September 4, 2020, which have been broadly accepted by the Reserve Bank.

3. Accordingly, all lending institutions shall mandatorily consider the following key ratios while finalizing the resolution plans in respect of eligible borrowers under Part B of the Annex to the Resolution Framework:

Key Ratio	Definition
Total Outside Liabilities / Adjusted Tangible Net Worth (TOL/ATNW)	Addition of long -term debt, short term debt, current liabilities and provisions along with deferred tax liability divided by tangible net worth net of the investments and loans in the group and outside entities.
Total Debt / EBITDA	Addition of short term and long -term debt divided by addition of profit before tax, interest and finance charges along with depreciation and amortisation.
Current Ratio	Current assets divided by current liabilities
Debt Service Coverage Ratio (DSCR)	For the relevant year addition of net cash accruals along with interest and finance charges divided by addition of current portion of long term debt with interest and finance charges.
Average Debt Service Coverage Ratio (ADSCR)	Over the period of the loan addition of net cash accruals along with interest and finance charges divided by addition of current portion of long term debt with interest and finance charges.

4. The sector-specific thresholds (ceilings or floors, as the case may be) for each of the above key ratios that should be considered by the lending institutions in the resolution assumptions with respect to an eligible borrower are given in the [Annex](#). In respect of those sectors where the sector-specific thresholds have not been specified, lending institutions shall make their own internal assessments regarding TOL/ATNW and Total Debt/EBITDA. However, the current ratio and DSCR in all cases shall be 1.0 and above, and ADSCR shall be 1.2 and above.

5. Lending institutions are free to consider other financial parameters as well while finalizing the resolution assumptions in respect of eligible borrowers apart from the above mandatory key ratios and the sector-specific thresholds that have been prescribed. The above requirements are applicable even in cases when there is only one lending institution with exposure to an eligible borrower.

6. The ratios prescribed in paragraph 4 are intended as floors or ceilings, as the case may be, but the resolution plans shall take into account the pre-Covid-19 operating and financial performance of the borrower and impact of Covid-19 on its operating and financial performance at the time of finalising the resolution plan, to assess the cashflows in subsequent years, while stipulating appropriate ratios in each case.

7. Given the differential impact of the pandemic on various sectors/entities, the lending institutions may, at their discretion, adopt a graded approach depending on the severity of the impact on the borrowers, while preparing or implementing the resolution plan. Such graded approach may also entail classification of the impact on the borrowers into mild, moderate and severe, as recommended by the Committee.

8. Lending institutions are expected to ensure compliance to TOL/ATNW agreed as per the resolution plan at the time of implementation itself. Nevertheless, in all cases, this ratio shall have to be maintained as per the resolution plan by March 31, 2022 and on an ongoing basis thereafter. However, wherever the resolution plan envisages equity infusion, the same may be suitably phased-in over this period. All other key ratios shall have to be maintained as per the resolution plan by March 31, 2022 and on an ongoing basis thereafter.

9. The compliance in regard to meeting the agreed ratios must be monitored as financial covenants on an ongoing basis, and during subsequent credit reviews. Any such breach not rectified within a reasonable period, in terms of the loan contract, will be considered as financial difficulty.

Other Clarifications - Applicability of ICA and Escrow account

10. The various requirements of the Resolution Framework, especially the mandatory requirement of ICA, wherever applicable, and maintenance of an escrow account after implementation of a resolution plan, shall be applicable at the borrower-account level, i.e. the legal entities to which the lending institutions have exposure to, which could include a special purpose vehicle having a legal-entity status, set up for a project.

11. It is further clarified that signing of ICA is a mandatory requirement for all lending institutions in all cases involving multiple lending institutions, where the resolution process is invoked, and the requirement of additional provisions if the ICA is not signed within 30 days of invocation does not substitute for the mandatory nature of ICA. Compliance with this regulatory requirement shall be assessed for all lending institutions as part of the supervisory review.

Yours faithfully,
(Prakash Baliarsingh)
Chief General Manager

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Published by **National Federation of Urban Cooperative Banks & Credit Societies Ltd.**
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