

### **Which MSMEs are eligible ?**

1. As defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006}
2. Aggregate exposure –including non-fund based facilities--of banks and NBFCs to the borrower does not exceed ₹250 million as on January 1, 2019
3. The borrower's account is in default but is a 'standard asset' as on January 1, 2019 and continues to be classified as a 'standard asset' till the date of implementation of the restructuring
4. The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration

### **What are the other prescriptions ?**

1. The restructuring of the borrower account should be implemented on or before March 31, 2020.
2. The concerned bank should evolve a policy that provides for a framework to decide viability assessment for the stressed accounts and regular monitoring of the restructured accounts

### **Important Clarification**

1. Existing accounts classified as NPA can be restructured.
2. However, the existing asset classification norms governing restructuring of NPAs will continue to apply.
3. 'Specified Period' means a period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package.
4. 'Satisfactory Performance' means no payment (interest and/or principal) shall remain overdue for a period of more than 30 days. In case of cash credit / overdraft account, satisfactory performance means that the outstanding in the account shall not be more than the sanctioned limit or drawing power, whichever is lower, for a period of more than 30 day.

For details please read [RBI Circular dated 1st January, 2019](#)