

**Key Concepts**

**(i) Advances**

The term 'Advances' will mean all kinds of credit facilities including cash credit, overdrafts, term loans, bills discounted / purchased, factored receivables, etc. and investments other than that in the nature of equity.

**(ii) Agricultural Activities**

As defined in RPCD circular RPCD.No.Plan.BC.84/04.09.01/2006-07 dated April 30, 2007 as modified from time to time.

**(iii) Fully Secured**

When the amounts due to a bank (present value of principal and interest receivable as per restructured loan terms) are fully covered by the value of security, duly charged in its favour in respect of those dues, the bank's dues are considered to be fully secured. While assessing the realisable value of security, primary as well as collateral securities would be reckoned, provided such securities are tangible securities and are not in intangible form like guarantee etc., of the promoter / others. However, for this purpose the bank guarantees, State Government Guarantees and Central Government Guarantees will be treated on par with tangible security.

**(iv) Restructured Accounts**

A restructured account is one where the bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount/ the amount of instalments / rate of interest (due to reasons other than competitive reasons). However, extension in repayment tenor of a floating rate loan on reset of interest rate, so as to keep the EMI unchanged provided it is applied to a class of accounts uniformly will not render the account to be classified as 'Restructured account'. In other words, extension or deferment of EMIs to individual borrowers as against to an entire class, would render the accounts to be classified as 'restructured accounts'.

**(v) Repeatedly Restructured Accounts**

When a bank restructures an account a second (or more) time(s), the account will be considered as a 'repeatedly restructured account'. However, if the second restructuring takes place after the period upto which the concessions were extended under the terms of the first restructuring, that account shall not be reckoned as a 'repeatedly restructured account'.

**(vi) SMEs**

Small and Medium Enterprise (SME) is an undertaking defined in RPCD circulars [RPCD.PLNFS.BC.No.63.06.02/2006-07](#) dated April 4, 2007 amended from time to time.

**(vii) Specified Period**

Specified Period means a period of one year from the date when the first payment of interest or installment of principal falls due under the terms of restructuring package.

**(viii) Satisfactory Performance**

Satisfactory performance during the specified period means adherence to the following conditions during that period.

**Non-Agricultural Cash Credit Accounts**

In the case of non-agricultural cash credit accounts, the account should not be out of order any time during the specified period, for a duration of more than 90 days. In addition, there should not be any overdues at the end of the specified period.

**Non-Agricultural Term Loan Accounts**

In the case of non-agricultural term loan accounts, no payment should remain overdue for a period of more than 90 days. In addition there should not be any overdues at the end of the specified period.

**All Agricultural Accounts**

In the case of agricultural accounts, at the end of the specified period the account should be regular.