

RBI/2015-16/214 DNBR.CC.PD.No. 070 /03.10.01/2015-16

October 29, 2015

To All Non-Banking Financial Companies (NBFCs)

Madam/ Sir,

Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalising Distressed Assets in the Economy - Review of the Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP)

The Framework for Revitalising Distressed Assets in the Economy was issued by the Reserve Bank on January 30, 2014. To the extent applicable, the said Framework was made applicable to NBFCs vide <u>circular dated March 21, 2014</u>. Subsequently the reviews carried out by the Department of Banking Regulation vide circulars dated October 21, December 22, 2014 and June 8, 2015 were made applicable to NBFCs vide <u>Circular DNBR.CC.PD.No.066/ 03.10.01/2015-16 dated July 23, 2015</u>.

2. The Department of Banking Regulation, Reserve Bank has made certain modifications to the Framework vide circulars <u>DBR.BP.BC.No.39/21.04.132/2015-16</u> and <u>DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015</u>. It has been decided that the modifications made in the Framework vide the above mentioned circulars shall also be, mutatis mutandis, applicable to NBFCs.

Yours faithfully

(C.D.Srinivasan) Chief General Manager