



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**

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DBOD.BP.BC.No.99 /21.04.132/2010-11

June 10, 2011

The Chairman and Managing Directors/  
Chief Executive Officers of  
All Scheduled Commercial Banks  
(excluding RRBs & LABs)

Dear Sir,

**Prudential Guidelines on Restructuring of Advances by Banks**

Please refer to [paragraph 3.4.2\(v\)](#) of our circular DBOD.BP.BC.No.37/21.04.132/2008-09 dated August 27, 2008 on 'Prudential Guidelines on Restructuring of Advances by Banks', wherein banks were advised that if due to lack of expertise / appropriate infrastructure, they find it difficult to ensure computation of diminution in the fair value of advances extended by their small / rural branches, they will have the option of notionally computing the amount of diminution in the fair value and providing therefor at five percent of the total exposure in respect of all restructured accounts where the total dues are less than rupees one crore till the financial year ending March 2011. It was also advised that the position would be reviewed thereafter.

2. On a review, it has been decided that the above alternative option of computing diminution in the fair value of advances extended by small and rural branches on restructuring will remain applicable for another two years, i.e. till the financial year ending March 31, 2013. The position would be reviewed thereafter.

Yours faithfully,

(M.P.Baliga)  
General Manager

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बैंक हिन्दी में भी पत्राचार का स्वागत करता है। हिन्दी आसान है, इसका प्रयोग बढ़ाइये।