

RBI/2008-09/370

DBOD. No.BP.BC.No. 105/21.04.132/2008-09

February 4, 2009

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 our circular [RBI/2008-09/340 DBOD.BP .No.104/21.04. 132/ 2008-09](#) dated January 2, 2009 on the captioned subject.

2. [In terms of para 4\(a\) of the above circular](#) all accounts covered under the circular [DBOD.BP.BC.93/21.04/132/2008-09 dated December 8, 2008](#) which were standard accounts on September 1, 2008 would be treated as standard accounts on restructuring provided the restructuring is taken up (*meaning thereby that the application for restructuring is received*) on or before January 31, 2009 and the restructuring package is put in place within a period of 120 days from the date of taking up the restructuring package. In view of representations received from banks, that since a substantial number of accounts are required to be restructured, it would not be possible to take up all such accounts for restructuring by January 31, 2009, it has been decided to extend the date for above regulatory dispensation to **March 31, 2009**. It is clarified that this relaxation is applicable to all accounts which were eligible under our [August 27, 2008](#) circular and were standard accounts as on 1st September 2008.

3. Further, it is clarified that

(i) The general framework of Restructuring of Advances by banks continue to be governed by the circular dated August 27, 2008.

(ii) All the provisions in this circular and the circulars dated December 8, 2008 and January 2, 2009, to the extent relevant, are also applicable to the accounts restructured under CDR Mechanism.

Yours faithfully

(Prashant Saran)
Chief General Manager-in-Charge