



भारतीय रिजर्व बैंक
RESERVE BANK OF INDIA
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DBOD.No.BP.BC.125/21.04.048/2013-14

June 26, 2014

The Chairman and Managing Director/Chief Executive Officer
All Scheduled Commercial Banks
(Excluding Local Area Banks and Regional Rural Banks)

Dear Sir,

Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances - Projects under Implementation

Please refer to [circulars DBOD.No.BP.BC.85/21.04.048/2009-10 dated March 31, 2010](#) and [DBOD.BP.BC.No.99/21.04.132/2012-13 dated May 30, 2013](#), containing, *inter alia*, instructions relating to asset classification for project loans before commencement of commercial operations.

2. In terms of extant instructions contained in the above mentioned circulars, revisions of the date of commencement of commercial operations (DCCO) and consequential shift in repayment schedule for equal or shorter duration (including the start date and end date of revised repayment schedule) will not be treated as restructuring provided that:

(a) The revised DCCO falls within the period of two years and one year from the original DCCO stipulated at the time of financial closure for infrastructure projects and non-infrastructure projects respectively; and

(b) All other terms and conditions of the loan remain unchanged.

3. Further, banks may restructure such loans, subject to the extant prudential norms on restructuring of advances, by way of revision of DCCO beyond the time limits quoted at paragraph 2(a) above and retain the 'standard' asset classification, if the fresh DCCO is fixed within the following limits, and the account continues to be serviced as per the restructured terms:

(a) Infrastructure Projects involving court cases

Up to another two years (beyond the two year period quoted at paragraph 2(a) above, i.e., total extension of four years), in case the reason for extension of DCCO is arbitration proceedings or a court case.

(b) Infrastructure Projects delayed for other reasons beyond the control of promoters

Up to another one year (beyond the two year period quoted at paragraph 2(a) above, i.e., total extension of three years), in case the reason for extension of DCCO is beyond the control of promoters (other than court cases).

*(c) Project Loans for Non-Infrastructure Sector
(Other than Commercial Real Estate Exposures)*

Up to another one year (beyond the one year period quoted at paragraph 2(a) above, i.e., total extension of two years).

4. In this connection, it is clarified that multiple revisions of the DCCO and consequential shift in repayment schedule for equal or shorter duration (including the start date and end date of revised repayment schedule) will be treated as a single event of restructuring provided that the revised DCCO is fixed within the respective time limits quoted at paragraph 3 (a) to (c) above and all other terms and conditions of the loan remained unchanged.

5. It may be further clarified that, if deemed fit, banks may extend DCCO beyond the respective time limits quoted at paragraph 3 (a) to (c) above; however, in that case, banks will not be able to retain the 'standard' asset classification status of such loan accounts.

Yours faithfully,

(Rajesh Verma)
Chief General Manager-in-Charge