

April 24, 2009

The Chairman/Managing Director/Chief Executive Officer
All registered Securitisation Companies/Reconstruction Companies

Dear sir,

Resolution of acquired assets - Extension in time frame for redemption of security receipts (SRs) issued

Please refer to paragraph 168 of the Annual Monetary Policy Statement 2009-10. (extract enclosed)

2. In terms of paragraph 7(6)(ii) of “The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003” dated April 23, 2003 (herein after called guidelines) it has been prescribed that the plan of realisation for reconstruction of assets shall not exceed five years from the date of acquisition of asset. Certain Securitisation Companies/Reconstruction Companies (SC/RCs) which had not been able to realize the financial asset acquired within the given time frame, represented to the Bank seeking extension in time frame for resolution of financial assets,

3. Taking into account the representations received, as an interim measure, the Bank has accorded permission to give an extension of two more years for realisation of the assets in respect of the security receipts (SRs) issued by SCs/RCs which have completed five years.

4. The provisions of extant guidelines as per paragraph 7(6)(ii) of the guidelines would apply to all other SRs issued by the SC/RCs.

Yours sincerely,

(P. Krishnamurthy)
Chief General Manager In-Charge

Time-frame for Realisation of Assets by Securitisation Companies/Reconstruction Companies

168. In terms of the extant guidelines, securitisation companies (SCs)/ reconstruction companies (RCs) are required to realise the financial assets within a specified time-frame, which shall not in any case exceed five years from the date of acquisition of financial assets. Requests for extending the time frame in this regard are being examined. As an *interim* measure, it is proposed:

- to give an extension of two more years for realisation of the assets in respect of the security receipts (SRs) issued by SCs/RCs which have completed five years.