

**Annex - 6**

**Disclosure of Restructured Accounts**

(Rs. in Crore)

SI No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total		
	Details ↓																							
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers																						
		Amount outstanding																						
		Provision thereon																						
2	Fresh restructuring during the year	No. of borrowers																						
		Amount outstanding																						
		Provision thereon																						
3	Upgradations to restructured standard category during the FY	No. of borrowers																						
		Amount outstanding																						
		Provision																						

		thereon																			
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers																			
		Amount outstanding																			
		Provision thereon																			
5	Downgradations of restructured accounts during the FY	No. of borrowers																			
		Amount outstanding																			
		Provision thereon																			
6	Write-offs of restructured accounts during the FY	No. of borrowers																			
		Amount outstanding																			

7	Restructured Accounts as on March 31 of the FY  (closing figures*)	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				

\*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

**Instructions** – For the purpose of disclosure in the above Format, the following instructions are required to be followed:

- (i) Advances restructured under CDR Mechanism, SME Debt Restructuring Mechanism and other categories of restructuring should be shown separately.
- (ii) Under each of the above categories, restructured advances under their present asset classification, i.e. standard, sub-standard, doubtful and loss should be shown separately.
- (iii) Under the ‘standard’ restructured accounts; accounts, which have objective evidence of no longer having inherent credit weakness, need not be disclosed. For this purpose, an objective criteria for accounts not having inherent credit weakness is discussed below:
  - (a) As regards restructured accounts classified as standard advances, in view of the inherent credit weakness in such accounts, banks are required to make a general provision higher than what is required for otherwise standard accounts in the first two years from the date of restructuring. In case of moratorium on payment of interest / principal after restructuring, such advances attract the higher general provision for the period covering moratorium and two years thereafter.
  - (b) Further, restructured standard unrated corporate exposures and housing loans are also subjected to an additional risk weight of 25 percentage point with a view to reflect the higher element of inherent risk which may be latent in such entities (cf. paragraph 5.8.3 of [circular DBOD.No.BP.BC.90/20.06.001/2006-07 dated April 27, 2007](#) on ‘Prudential Guidelines on Capital Adequacy and Market

Discipline - Implementation of the New Capital Adequacy Framework' and paragraph 4 of [circular DBOD.No.BP.BC.76/21.04.0132/2008-09 dated November 3, 2008](#) on 'Prudential Guidelines on Restructuring of Advances by Banks' respectively).

- (c) The aforementioned [(a) and (b)] additional/ higher provision and risk weight cease to be applicable after the prescribed period if the performance is as per the rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision should be made as required.
  - (d) Restructured accounts classified as sub-standard and doubtful (non-performing) advances, when upgraded to standard category also attract a general provision higher than what is required for otherwise standard accounts for the first year from the date of up-gradation, in terms of extant guidelines on provisioning requirement of restructured accounts. This higher provision ceases to be applicable after one year from the date of upgradation if the performance of the account is as per the rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision made as required.
  - (e) Once the higher provisions and/or risk weights (if applicable and as prescribed from time to time by RBI) on restructured standard advances revert to the normal level on account of satisfactory performance during the prescribed periods as indicated above, such advances, henceforth, would no longer be required to be disclosed by banks as restructured standard accounts in the "Notes on Accounts" in their Annual Balance Sheets. However, banks should keep an internal record of such restructured accounts till the provisions for diminution in fair value of such accounts are maintained.
- (iv) Disclosures should also indicate the intra category movements both on upgradation of restructured NPA accounts as well as on slippage. These disclosures would show the movement in restructured accounts during the financial year on account of addition, upgradation, downgradation, write off, etc.
- (v) While disclosing the position of restructured accounts, banks must disclose the total amount outstanding in all the accounts / facilities of borrowers whose accounts have been restructured along with the restructured part or facility. This means that even if only one of the facilities

/ accounts of a borrower has been restructured, the bank should also disclose the entire outstanding amount pertaining to all the facilities/ accounts of that particular borrower.

- (vi) Upgradation during the year (SI No. 3 in the Disclosure Format) means movement of 'restructured NPA' accounts to 'standard asset classification from substandard or doubtful category' as the case may be. These will attract higher provisioning and / or risk weight' during the 'prescribed period' as prescribed from time to time. Movement from one category into another will be indicated by a (-) and a (+) sign respectively in the relevant category.
- (vii) Movement of Restructured standard advances (Sr. No. 4 in the Disclosure Format) out of the category into normal standard advances will be indicated by a (-) sign in the column "Standard".
- (viii) Downgradation from one category to another would be indicated by (-) ve and (+) ve sign in the relevant categories.
- (ix) Upgradation, downgradation and write-offs are from their existing asset classifications.
- (x) All disclosures are on the basis of current asset classification and not 'pre-restructuring' asset classification.
- (xi) <sup>12</sup>Additional/fresh sanctions made to an existing restructured account can be shown under Sr. No. 2 'Fresh Restructuring during the year' with a footnote stating that the figures under Sr. No.2 include Rs. xxx crore of fresh/additional sanction (no. of accounts and provision thereto also) to existing restructured accounts. Similarly, reductions in the quantity of restructured accounts can be shown under Sr.No.6 'write-offs of restructured accounts during the year' with a footnote stating that that it includes Rs. xxx crore (no. of accounts and provision thereto also) of reduction from existing restructured accounts by way of sale / recovery.

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<sup>12</sup> SI Nos. (xi) & (xii) are revisions.

(xii) Closing balance as on March 31<sup>st</sup> of a FY should tally arithmetically with opening balance as on April 1<sup>st</sup> of the FY + Fresh Restructuring during the year including additional /fresh sanctions to existing restructured accounts + Adjustments for movement across asset categories – Restructured standard advances which cease to attract higher risk weight and/or provision – reductions due to write-offs/sale/recovery, etc. However, if due to some unforeseen/ any other reason, arithmetical accuracy is not achieved, then the difference should be reconciled and explained by way of a foot-note.