



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**

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April 29, 2026

**Reserve Bank of India (Urban Cooperative Banks – Resolution of Stressed Assets) Second Amendment Directions, 2026**

Please refer to [Reserve Bank of India \(Urban Cooperative Banks – Resolution of Stressed Assets\) Directions, 2025](#) (hereinafter referred to as ‘the Directions’).

2. Reserve Bank had announced, as part of the [Statement on Developmental and Regulatory Policies dated June 08, 2023](#), to issue guidelines rationalising the extant prudential norms for implementation of resolution plans in respect of exposures affected by natural calamities, inter alia harmonising the regulatory instructions applicable to different Regulated Entities (REs). Subsequently, based on a comprehensive review of the existing regulatory instructions, including the scope, coverage and prudential requirements, draft Directions were issued for public comments.

3. On examination of the feedback received and in exercise of the powers conferred by the sections 20, 21 and 35A read with section 56 of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank of India (hereinafter called the Reserve Bank) in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

4. These Amendment Directions modify the Directions as under:

i. Paragraph 5(4A) and 5(9A) shall be inserted as below:

*(4A) ‘date of invocation’ shall mean the date on which the borrower and the bank agree to proceed with a resolution plan under Chapter IV-A of these Directions through a documented arrangement, other than in case of deemed invocation as specified in paragraph 99K of these Directions.*

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हिंदी आसान है, इसका प्रयोग बड़ाइए

*(9A) 'natural calamity' shall mean an event recognized under the National Disaster Response Fund (NDRF) / State Disaster Response Fund (SDRF)*

ii. Paragraph 9A shall be inserted as under

9A. The board approved policy of the bank shall incorporate provisions for resolution as provided for under Chapter IV-A of these Directions, including the following:

(1) the objective principles for the terms of relief to be granted to various borrower / loan categories.

(2) the potential relief measures and the verifiable parameters for making such determination.

(3) the delegation matrix for deciding and implementing relief measures (if any), including for restructuring, sanction of additional finance etc., with focus on the timely implementation of relief measures.

iii. Part C of the Chapter IV – Special Cases of Restructuring shall be deleted.

iv. A new chapter IV-A as under shall be inserted:

***Chapter IV-A – Resolution of Accounts Impacted by Calamities***

99A. The instructions contained in this Chapter shall be applicable to resolution of exposures of borrowers impacted by a natural calamity or, mutatis mutandis, exposures of borrowers impacted by external events such as riots / disturbances that result in loss to economic activity that result in loss to economic activity (hereinafter collectively referred to as '**calamity**'), upon the declaration of such calamity by the Central / State Governments (in accordance with the framework placed by the concerned Government for this purpose).

99B. These instructions shall not apply to borrower accounts where relief measures have been already provided as on the effective date of these Amendment Directions, and such accounts shall continue to be guided by the existing prudential guidelines. However, any fresh resolution in such accounts

subsequent to the effective date of these Amendment Directions shall be as per the guidelines contained in this Chapter.

99C. The decisions taken in the special State Level Bankers' Committee (SLBC) / Union Territory Level Bankers' Committee (UTLBC) / District Consultative Committee (DCC) shall be communicated to the banks by the convenor of the respective SLBC/ UTLBC / DCC.

99D. The decisions taken in the special SLBC / UTLBC / DCC meeting(s) shall be given adequate publicity by banks through various methods such as brochures, banners, advertisement in newspapers, visits by field staff, and other suitable modes, for the benefit of affected borrowers.

#### **A. Resolution Plan**

99E. Banks may implement resolution plans in respect of impacted borrowers subject to the provisions of this Chapter, taking into account *inter alia* the proposals received from the SLBC / UTLBC / DCC.

##### *(a) Eligibility*

99F. Those borrowers shall be eligible for resolution under this Chapter whose accounts are classified as 'Standard', but which are not in default for more than 30 days with the bank in respect of any of their facilities, as on the date of occurrence of the calamity.

*Explanation:* In case no specific date of occurrence is ascertainable in respect of a calamity, the date of declaration of such calamity by the Central / State Governments shall be treated as the date of occurrence.

99G. Borrowers, whose loan accounts do not fulfil the required eligibility conditions for resolution under this Chapter may continue to be considered for resolution under other provisions of these Directions.

99H. The provisions of this Chapter shall not apply to the refinance portfolio of a bank.

##### *(b) Invocation and Implementation*

99I. Resolution under this Chapter shall be invoked no later than 45 days from the date of the declaration of calamity and shall be implemented within 135 days from the date of the declaration.

99J. A bank need not wait for receipt of a formal request from a borrower and may decide to *suo moto* implement a resolution plan for the impacted borrowers consequent to the recommendation of SLBC / UTLBC / DCC, as mentioned in paragraph 99E of these Directions. The resolution in such cases shall be deemed to have been invoked from the said date.

*Provided that*, in such cases of deemed invocation, a bank shall communicate the same to the borrower, and shall also make available the option for the borrower to opt out of the resolution plan at any point till the end of 135 days from the date of declaration of calamity.

*(c) Nature of Resolution Plan*

99K. The resolution plan to be implemented by a bank, taking into account *inter alia* the recommendation of the SLBC / UTLBC / DCC, may include rescheduling of payments; conversion of any interest accrued or to be accrued into another credit facility, etc. based on an assessment of the viability prospects of the borrower, etc.

99L. The resolution plan may also include proposal for sanction of additional finance to address the financial stress of the borrower, subject to due assessment of the viability prospects of the borrower.

**B. Ancillary Measures**

99M. While restructuring various types of loans in an area affected by a calamity, banks may also take into account the insurance proceeds, if any, receivable from insurance companies in respect of those loans. The insurance proceeds upon receipt shall be adjusted towards the 'restructured accounts' in cases where fresh loans have been granted to the borrower. However, a bank may consider restructuring and sanctioning fresh loans without waiting for the actual receipt of the claim.

99N. Interest Subvention / Prompt Repayment Incentive benefits as notified by the Government from time to time shall be made available to the eligible categories of borrowers without any exception.

99O. While extending the relief measures under this Chapter, a bank shall ensure that the relief measures already provided / being provided by Gol / States are duly factored in.

99P. For agricultural loans, where land is taken as security, certificate issued by the Revenue Department officials, in the absence of original title record, shall be accepted for financing to farmers who have lost proof of their title such as title deed or registration certificate issued to registered share-croppers. In the areas covered by the Sixth Schedule of the Constitution, whereby the land is owned by the community, certificate issued by community authorities shall be accepted.

### **C. Reporting Requirements**

99Q. Banks shall upload the data on relief measures on a half-yearly basis within 30 days from the end of the half-year (September 30<sup>th</sup> and March 31<sup>st</sup> of every year) on the CIMS portal.

99R. In case no relief measures are extended, a 'NIL' statement shall be uploaded by the bank.

5. Consequential amendments have also been made vide following:

- i. [Reserve Bank of India \(Urban Cooperative Banks – Credit Risk Management\) Second Amendment Directions, 2026 dated April 29, 2026.](#)
- ii. [Reserve Bank of India \(Urban Cooperative Banks – Income Recognition, Asset Classification and Provisioning\) Amendment Directions, 2026 dated April 29, 2026.](#)
- iii. [Reserve Bank of India \(Urban Cooperative Banks – Responsible Business Conduct\) Amendment Directions, 2026 dated April 29, 2026.](#)

6. The above amendments shall come into force with effect from July 1, 2026.

(Vaibhav Chaturvedi)  
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