

Corporate Debt Restructuring (CDR)

DBOD. No. BP.BC.68 /21.04.132/2002-03

February 5, 2003

All Commercial Banks
(excluding RRBs & LABs)

Dear Sir,

Corporate Debt Restructuring (CDR)

Please refer to our circular DBOD No. BP.BC. 15/21.04.114/2000-01 dated August 23, 2001 on the captioned subject wherein detailed guidelines were issued on Corporate Debt Restructuring System for facilitating timely and transparent mechanism for restructuring corporate debts of viable corporate entities affected by internal or external factors, outside the purview of BIFR, DRT and other legal proceedings, for the benefit of all concerned.

2. As you are aware, the Hon'ble Finance Minister had announced in the Union Budget 2002-2003 about the decision to set up a small group consisting of bankers and others, under the chairmanship of Deputy Governor, Reserve Bank of India to suggest measures to make the operations of the Corporate Debt Restructuring (CDR) mechanism more efficient. Accordingly, a High Level Group under the chairmanship of Shri Vepa Kamesam, Deputy Governor, Reserve Bank of India, was constituted. The Group has since submitted its report and has made certain recommendations for making the operations of the CDR mechanism more efficient. Based on the recommendations made by the Working Group and consultations with the Government of India, a revised scheme of Corporate Debt Restructuring has been finalised and is enclosed as Annexure for implementation by banks.

3. Please acknowledge receipt.

Yours faithfully,

(C.R. Muralidharan)
Chief General Manager

Encls: as above

Corporate Debt Restructuring (CDR) System

1 BACKGROUND

- 1.1 In spite of their best efforts and intentions, sometimes corporates find themselves in financial difficulty because of factors beyond their control and also due to certain internal reasons. For the revival of the corporates as well as for the safety of the money lent by the banks and FIs, timely support through restructuring in genuine cases is called for. However, delay in agreement amongst different lending institutions often comes in the way of such endeavours.
- 1.2 Based on the experience in other countries like the U.K., Thailand, Korea, etc. of putting in place institutional mechanism for restructuring of corporate debt and need for a similar mechanism in India, a Corporate Debt Restructuring System was evolved, and detailed guidelines were issued vide circular DBOD No. BP.BC. 15/21.04.114/2000-01 dated August 23, 2001 for implementation by banks. Based on the recommendations made by the Working Group to make the operations of the CDR mechanism more efficient (Chairman: Shri Vepa Kamesam, Deputy Governor, RBI), which was constituted pursuant to the announcement made by the Finance Minister in the Union Budget 2002-2003, and consultations with the Government, the guidelines of Corporate Debt Restructuring system have since been revised and detailed hereunder for implementation by banks/ FIs. The revised guidelines are in supersession of the extant guidelines outlined in the aforesaid circular dated August 23, 2001.
- 1.3 One of the main features of the revised guidelines is the provision of two categories of debt restructuring under the CDR system. Accounts, which are classified as 'standard' and 'sub-standard' in the books of the lenders, will be restructured under the first category (Category 1). Accounts which are classified as 'doubtful' in the books of the lenders would be restructured under the second category (Category 2).

The main features of the CDR system are given below:

2 OBJECTIVE

The objective of the Corporate Debt Restructuring (CDR) framework is to ensure timely and transparent mechanism for restructuring the corporate debts of viable entities facing problems, outside the purview of BIFR, DRT and other legal proceedings, for the benefit of all concerned. In particular, the framework will aim at preserving viable corporates that are affected by certain internal and external factors and minimize the losses to the creditors and other stakeholders through an orderly and coordinated restructuring programme.

3 STRUCTURE

CDR system in the country will have a three tier structure:

- CDR Standing Forum and its Core Group
- CDR Empowered Group
- CDR Cell

3.1 CDR Standing Forum

- 3.1.1 The CDR Standing Forum would be the representative general body of all financial institutions and banks participating in CDR system. All financial institutions and banks should participate in the system in their own interest. CDR Standing Forum will be a self-empowered body, which will lay down policies and guidelines, and monitor the progress of corporate debt restructuring.
- 3.1.2 The Forum will also provide an official platform for both the creditors and borrowers (by consultation) to amicably and collectively evolve policies and guidelines for working out debt restructuring plans in the interests of all concerned.
- 3.1.3 The CDR Standing Forum shall comprise of Chairman & Managing Director, Industrial Development Bank of India; Chairman, State Bank of India; Chairman, ICICI Bank Limited; Chairman, Indian Banks' Association and Executive Director, Reserve Bank of India as well as Chairmen and Managing Directors of all banks and financial institutions participating as permanent members in the system. Since institutions like Unit Trust of India, General Insurance Corporation, Life Insurance Corporation may have assumed exposures on certain borrowers, these institutions may participate in the CDR system. The Forum will elect its Chairman for a period of one year and the principle of rotation will be followed in the subsequent years. However, the Forum may decide to have a Working Chairman as a whole-time officer to guide and carry out the decisions of the CDR Standing Forum.
- 3.1.4 The CDR Standing Forum shall meet at least once every six months and would review and monitor the progress of corporate debt restructuring system. The Forum would also lay down the policies and guidelines to be followed by the CDR Empowered Group and CDR Cell for debt restructuring and would ensure their smooth functioning and adherence to the prescribed time schedules for debt restructuring. It can also review any individual decisions of the CDR Empowered Group and CDR Cell. The CDR Standing Forum may also formulate guidelines for dispensing special treatment to those cases which are complicated and are likely to be delayed beyond the time frame prescribed for processing.
- 3.1.5 A CDR Core Group will be carved out of the CDR Standing Forum to assist the Standing Forum in convening the meetings and taking decisions relating to policy, on behalf of the Standing Forum. The Core Group will consist of Chief Executives of IDBI, SBI, ICICI Bank Limited, Bank of Baroda, Bank of India, Punjab National Bank, Indian Banks' Association, Deputy Chairman of Indian

Banks' Association representing foreign banks in India and a representative of Reserve Bank of India.

- 3.16 The CDR Core Group would lay down the policies and guidelines to be followed by the CDR Empowered Group and CDR Cell for debt restructuring. These guidelines shall also suitably address the operational difficulties experienced in the functioning of the CDR Empowered Group. The CDR Core Group shall also prescribe the PERT chart for processing of cases referred to the CDR system and decide on the modalities for enforcement of the time frame. The CDR Core Group shall also lay down guidelines to ensure that over-optimistic projections are not assumed while preparing / approving restructuring proposals especially with regard to capacity utilization, price of products, profit margin, demand, availability of raw materials, input-output ratio and likely impact of imports / international cost competitiveness.

3.2 CDR Empowered Group

- 3.2.1 The individual cases of corporate debt restructuring shall be decided by the CDR Empowered Group, consisting of ED level representatives of IDBI, ICICI Bank Ltd. and SBI as standing members, in addition to ED level representatives of financial institutions and banks who have an exposure to the concerned company. While the standing members will facilitate the conduct of the Group's meetings, voting will be in proportion to the exposure of the lenders only. In order to make the CDR Empowered Group effective and broad based and operate efficiently and smoothly, it would have to be ensured that participating institutions / banks approve a panel of senior officers to represent them in the CDR Empowered Group and ensure that they depute officials only from among the panel to attend the meetings of CDR Empowered Group. Further, nominees who attend the meeting pertaining to one account should invariably attend all the meetings pertaining to that account instead of deputing their representatives.
- 3.2.2 The level of representation of banks/ financial institutions on the CDR Empowered Group should be at a sufficiently senior level to ensure that concerned bank / FI abides by the necessary commitments including sacrifices, made towards debt restructuring. There should be a general authorisation by the respective Boards of the participating institutions / banks in favour of their representatives on the CDR Empowered Group, authorising them to take decisions on behalf of their organization, regarding restructuring of debts of individual corporates.
- 3.2.3 The CDR Empowered Group will consider the preliminary report of all cases of requests of restructuring, submitted to it by the CDR Cell. After the Empowered Group decides that restructuring of the company is prima-facie feasible and the enterprise is potentially viable in terms of the policies and guidelines evolved by Standing Forum, the detailed restructuring package will be worked out by the CDR Cell in conjunction with the Lead Institution. However, if the lead

institution faces difficulties in working out the detailed restructuring package, the participating banks / financial institutions should decide upon the alternate institution / bank which would work out the detailed restructuring package at the first meeting of the Empowered Group when the preliminary report of the CDR Cell comes up for consideration.

3.2.4 The CDR Empowered Group would be mandated to look into each case of debt restructuring, examine the viability and rehabilitation potential of the Company and approve the restructuring package within a specified time frame of 90 days, or at best within 180 days of reference to the Empowered Group. The CDR Empowered Group shall decide on the acceptable viability benchmark levels on the following illustrative parameters, which may be applied on a case-by-case basis, based on the merits of each case:

- Return on Capital Employed (ROCE),
- Debt Service Coverage Ratio (DSCR),
- Gap between the Internal Rate of Return (IRR) and the Cost of Fund (CoF),
- Extent of sacrifice.

3.2.5 The Boards of each bank / FI should authorise its Chief Executive Officer (CEO) and / or Executive Director (ED) to decide on the restructuring package in respect of cases referred to the CDR system, with the requisite requirements to meet the control needs. CDR Empowered Group will meet on two or three occasions in respect of each borrowal account. This will provide an opportunity to the participating members to seek proper authorisations from their CEO / ED, in case of need, in respect of those cases where the critical parameters of restructuring are beyond the authority delegated to him / her.

3.2.6 The decisions of the CDR Empowered Group shall be final. If restructuring of debt is found to be viable and feasible and approved by the Empowered Group, the company would be put on the restructuring mode. If restructuring is not found viable, the creditors would then be free to take necessary steps for immediate recovery of dues and / or liquidation or winding up of the company, collectively or individually.

3.3 CDR Cell

3.3.1 The CDR Standing Forum and the CDR Empowered Group will be assisted by a CDR Cell in all their functions. The CDR Cell will make the initial scrutiny of the proposals received from borrowers / lenders, by calling for proposed rehabilitation plan and other information and put up the matter before the CDR Empowered Group, within one month to decide whether rehabilitation is prima facie feasible. If found feasible, the CDR Cell will proceed to prepare detailed Rehabilitation Plan with the help of lenders and, if necessary, experts to be

engaged from outside. If not found prima facie feasible, the lenders may start action for recovery of their dues.

- 3.3.2 All references for corporate debt restructuring by lenders or borrowers will be made to the CDR Cell. It shall be the responsibility of the lead institution / major stakeholder to the corporate, to work out a preliminary restructuring plan in consultation with other stakeholders and submit to the CDR Cell within one month. The CDR Cell will prepare the restructuring plan in terms of the general policies and guidelines approved by the CDR Standing Forum and place for consideration of the Empowered Group within 30 days for decision. The Empowered Group can approve or suggest modifications but ensure that a final decision is taken within a total period of 90 days. However, for sufficient reasons the period can be extended up to a maximum of 180 days from the date of reference to the CDR Cell.
- 3.4 The CDR Standing Forum, the CDR Empowered Group and CDR Cell shall be initially housed in IDBI and thereafter at a place as may be decided by the Standing Forum. The administrative and other costs shall be shared by all financial institutions and banks. The sharing pattern shall be as determined by the Standing Forum.
- 3.5 CDR Cell will have adequate members of staff deputed from banks and financial institutions. The CDR Cell may also take outside professional help. The initial cost in operating the CDR mechanism including CDR Cell will be met by IDBI initially for one year and then from contribution from the financial institutions and banks in the Core Group at the rate of Rs.50 lakh each and contribution from other institutions and banks at the rate of Rs.5 lakh each.

4 OTHER FEATURES

4.1 Eligibility criteria

- 4.1.1 The scheme will not apply to accounts involving only one financial institution or one bank. The CDR mechanism will cover only multiple banking accounts / syndication / consortium accounts with outstanding exposure of Rs.20 crore and above by banks and institutions.
- 4.1.2 The Category 1 CDR system will be applicable only to accounts classified as 'standard' and 'sub-standard'. There may be a situation where a small portion of debt by a bank might be classified as doubtful. In that situation, if the account has been classified as 'standard' / 'substandard' in the books of at least 90% of lenders (by value), the same would be treated as standard / substandard, only for the purpose of judging the account as eligible for CDR, in the books of the remaining 10% of lenders. There would be no requirement of the account / company being sick, NPA or being in default for a specified period before reference to the CDR system. However, potentially viable cases of NPAs will get

priority. This approach would provide the necessary flexibility and facilitate timely intervention for debt restructuring. Prescribing any milestone(s) may not be necessary, since the debt restructuring exercise is being triggered by banks and financial institutions or with their consent.

4.1.3 In no case, the requests of any corporate indulging in wilful default, fraud or misfeasance, even in a single bank, will be considered for restructuring under CDR system.

4.1.4 The accounts where recovery suits have been filed by the lenders against the company, may be eligible for consideration under the CDR system provided, the initiative to resolve the case under the CDR system is taken by at least 75% of the lenders (by value). However, for restructuring of such accounts under the CDR system, it should be ensured that the account meets the basic criteria for becoming eligible under the CDR mechanism.

4.1.5 BIFR cases are not eligible for restructuring under the CDR system. However, large value BIFR cases, may be eligible for restructuring under the CDR system if specifically recommended by the CDR Core Group. The Core Group shall recommend exceptional BIFR cases on a case-to-case basis for consideration under the CDR system. It should be ensured that the lending institutions complete all the formalities in seeking the approval from BIFR before implementing the package.

4.2 Reference to CDR system

4.2.1 Reference to Corporate Debt Restructuring System could be triggered by (i) any or more of the creditor who have minimum 20% share in either working capital or term finance, or (ii) by the concerned corporate, if supported by a bank or financial institution having stake as in (i) above.

4.2.2 Though flexibility is available whereby the lenders could either consider restructuring outside the purview of the CDR system or even initiate legal proceedings where warranted, banks / FIs should review all eligible cases where the exposure of the financial system is more than Rs.100 crore and decide about referring the case to CDR system or to proceed under the new Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 or to file a suit in DRT etc.

4.3 Legal Basis

4.3.1 CDR will be a non-statutory mechanism which will be a voluntary system based on Debtor-Creditor Agreement (DCA) and Inter-Creditor Agreement (ICA).

4.3.2 The Debtor-Creditor Agreement (DCA) and the Inter-Creditor Agreement (ICA) shall provide the legal basis to the CDR mechanism. The debtors shall have to accede to the DCA, either at the time of original loan documentation (for future

cases) or at the time of reference to Corporate Debt Restructuring Cell. Similarly, all participants in the CDR mechanism through their membership of the Standing Forum shall have to enter into a legally binding agreement, with necessary enforcement and penal clauses, to operate the System through laid-down policies and guidelines. The ICA signed by the creditors will be initially valid for a period of 3 years and subject to renewal for further periods of 3 years thereafter. The lenders in foreign currency outside the country are not a part of CDR system. Such lenders and also lenders like GIC, LIC, UTI, etc., and other third parties who have not joined the CDR system, could join CDR mechanism of a particular corporate by signing transaction to transaction ICA, wherever they have exposure to such corporate.

- 4.3.3 The Inter-Creditor Agreement would be a legally binding agreement amongst the creditors, with necessary enforcement and penal clauses, wherein the creditors would commit themselves to abide by the various elements of CDR system. Further, the creditors shall agree that if 75 per cent of creditors by value, agree to a restructuring package of an existing debt (i.e., debt outstanding), the same would be binding on the remaining creditors. Since Category 1 CDR Scheme covers only standard and sub-standard accounts, which in the opinion of 75 per cent of the creditors, are likely to become performing after introduction of the CDR package, it is expected that all other creditors (i.e., those outside the minimum 75 per cent) would be willing to participate in the entire CDR package, including the agreed additional financing. However, in case for any internal reason, any creditor (outside the minimum 75 per cent) does not wish to commit additional financing, that creditor will have the option. At the same time, in order to avoid the “free rider” problem, it is necessary to provide some disincentive to the creditor who wishes to exercise this option. Such creditor can either (a) arrange for his share of additional financing to be provided by a new or existing creditor, or (b) agree to deferment of the first year’s interest due to him after the CDR package becomes effective. The first year’s deferred interest as mentioned above, without compounding, will be payable along with the last instalment of the principal due to the creditor.

4.4 Stand-Still Clause

- 4.4.1 One of the most important elements of Debtor-Creditor Agreement would be 'stand still' agreement binding for 90 days, or 180 days by both sides. Under this clause, both the debtor and creditor(s) shall agree to a legally binding 'stand-still' whereby both the parties commit themselves not to taking recourse to any other legal action during the 'stand-still' period, this would be necessary for enabling the CDR System to undertake the necessary debt restructuring exercise without any outside intervention, judicial or otherwise. However, the stand-still clause will be applicable only to any civil action either by the borrower or any lender against the other party and will not cover any criminal action. Further, during the stand-still period, outstanding foreign exchange forward contracts, derivative products, etc., can be crystallised, provided the borrower is agreeable to such

crystallisation. The borrower will additionally undertake that during the stand-still period the documents will stand extended for the purpose of limitation and also that he will not approach any other authority for any relief and the directors of the borrowing company will not resign from the Board of Directors during the stand-still period.

4.4.2 During pendency of the case with the CDR system, the usual asset classification norms would continue to apply. The process of reclassification of an asset should not stop merely because the case is referred to the CDR Cell. However, if restructuring under the CDR system takes place, the asset classification status should be restored to the position which existed when the reference to the Cell was made. Consequently, any additional provisions made by banks towards deterioration in the asset classification status during the pendency of the case with the CDR system may be reversed.

4.5 Additional finance

4.5.1 The providers of additional finance, whether existing lenders or new lenders, shall have a preferential claim, to be worked out under the restructuring package, over the providers of existing finance with respect to the cash flows out of recoveries, in respect of the additional exposure.

4.5.2 The additional finance extended to borrowers in terms of restructuring packages approved under the CDR system may be exempted from provisioning requirement for the specified period as defined at paragraph 5.2.3 below.

4.6 Exit Option

4.6.1 As mentioned in paragraph 4.3.3 above, the proposals for restructuring package should provide for option to a particular lender or lenders (outside the minimum 75 per cent who have agreed for restructuring) who for any internal reason, does/do not fully abide by the CDR Empowered Group's decision on restructuring. The lenders who wish to exit from the package would have the option to sell their existing share to either the existing lenders or fresh lenders, at an appropriate price, which would be decided mutually between the exiting lender and the taking over lender. The new lenders shall rank on par with the existing lenders for repayment and servicing of the dues since they have taken over the existing dues to the exiting lender. In addition, the 'exit option' will also be available to all other lenders within the minimum 75 per cent, provided the purchaser agrees to abide by the restructuring package approved by the Empowered Group.

4.6.2 The exiting lenders may be allowed to continue with their existing level of exposure to the borrower provided they tie up with either the existing lenders or fresh lenders for taking up their share of additional finance.

4.7 Conversion option

- 4.7.1 The CDR Empowered Group, while deciding the restructuring package, should decide on the issue regarding convertibility (into equity) option as a part of restructuring exercise whereby the banks / financial institutions shall have the right to convert a portion of the restructured amount into equity, keeping in view the statutory requirement under Section 19 of the Banking Regulation Act, 1949, (in the case of banks) and relevant SEBI regulations.
- 4.7.2 Exemptions from the capital market exposure ceilings prescribed by RBI in respect of such equity acquisitions should be obtained from RBI on a case-to-case basis by the concerned lenders.

4.8 Category 2 CDR System

- 4.8.1 There have been instances where the projects have been found to be viable by the lenders but the accounts could not be taken up for restructuring under the CDR system as they fell under 'doubtful' category. Hence, a **second category of CDR** is introduced for cases where the accounts have been classified as 'doubtful' in the books of lenders, and if a minimum of 75% (by value) of the lenders satisfy themselves of the viability of the account and consent for such restructuring, subject to the following conditions:

- (i) It will not be binding on the creditors to take up additional financing worked out under the debt restructuring package and the decision to lend or not to lend will depend on each creditor bank / FI separately. In other words, under the proposed second category of the CDR mechanism, the existing loans will only be restructured and it would be up to the promoter to firm up additional financing arrangement with new or existing lenders individually.
- (ii) All other norms under the CDR mechanism such as the standstill clause, asset classification status during the pendency of restructuring under CDR, etc., will continue to be applicable to this category also.

- 4.8.2 No individual case should be referred to RBI. CDR Core Group may take a final decision whether a particular case falls under the CDR guidelines or it does not.

- 4.8.3 All the other features of the CDR system as applicable to the First Category will also be applicable to cases restructured under the Second Category.

5 ACCOUNTING TREATMENT FOR RESTRUCTURED ACCOUNTS

- 5.1 The accounting treatment of accounts restructured under CDR system, including accounts classified as 'doubtful' under Category 2 CDR, would be governed by the prudential norms indicated in circular DBOD.BP.BC.98/21.04.048/2000-01

dated March 30, 2001. Restructuring of corporate debts under CDR system could take place in the following stages:

- a. before commencement of commercial production;
- b. after commencement of commercial production but before the asset has been classified as 'sub-standard';
- c. after commencement of commercial production and the asset has been classified as 'sub-standard' or 'doubtful'.

5.2 The prudential treatment of the accounts, subjected to restructuring under CDR system, would be governed by the following norms:

5.2.1 Treatment of 'standard' accounts restructured under CDR

- a. A rescheduling of the instalments of principal alone, at any of the aforesaid first two stages [paragraph 5.1(a) and 5.1(b) above] would not cause a standard asset to be classified in the sub-standard category, provided the loan / credit facility is fully secured.
- b. A rescheduling of interest element at any of the foregoing first two stages would not cause an asset to be downgraded to sub-standard category subject to the condition that the amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written off or provision is made to the extent of the sacrifice involved. For the purpose, the future interest due as per the original loan agreement in respect of an account should be discounted to the present value at a rate appropriate to the risk category of the borrower (i.e. current PLR + the appropriate credit risk premium for the borrower-category) and compared with the present value of the dues expected to be received under the restructuring package, discounted on the same basis.
- c. In case there is a sacrifice involved in the amount of interest in present value terms, as at (b) above, the amount of sacrifice should either be written off or provision made to the extent of the sacrifice involved.

5.2.2 Treatment of 'sub-standard' / 'doubtful' accounts restructured under CDR

- a. A rescheduling of the instalments of principal alone, would render a sub-standard / 'doubtful' asset eligible to be continued in the sub-standard / 'doubtful' category for the specified period, provided the loan / credit facility is fully secured.
- b. A rescheduling of interest element would render a sub-standard / 'doubtful'

asset eligible to be continued to be classified in sub-standard / 'doubtful' category for the specified period subject to the condition that the amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written off or provision is made to the extent of the sacrifice involved. For the purpose, the future interest due as per the original loan agreement in respect of an account should be discounted to the present value at a rate appropriate to the risk category of the borrower (i.e., current PLR + the appropriate credit risk premium for the borrower-category) and compared with the present value of the dues expected to be received under the restructuring package, discounted on the same basis.

- c. In case there is a sacrifice involved in the amount of interest in present value terms, as at (b) above, the amount of sacrifice should either be written off or provision made to the extent of the sacrifice involved. Even in cases where the sacrifice is by way of write off of the past interest dues, the asset should continue to be treated as sub-standard / 'doubtful'.

5.2.3 The sub-standard / doubtful accounts at 5.2.2 (a), (b) and (c) above, which have been subjected to restructuring, etc. whether in respect of principal instalment or interest amount, by whatever modality, would be eligible to be upgraded to the standard category only after the specified period, i.e., a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due under the rescheduled terms, subject to satisfactory performance during the period. The amount of provision made earlier, net of the amount provided for the sacrifice in the interest amount in present value terms as aforesaid, could also be reversed after the one-year period.

5.2.4 During this one-year period, the sub-standard / doubtful asset will not deteriorate in its classification if satisfactory performance of the account is demonstrated during the period. In case, however, the satisfactory performance during the one year period is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule.

5.2.5 The asset classification under CDR would continue to be bank-specific based on record of recovery of each bank, as per the existing prudential norms applicable to banks.

6 **DISCLOSURE**

6.1 Banks / FIs should also disclose in their published annual Balance Sheets, under "Notes on Accounts", the following information in respect of corporate debt restructuring undertaken during the year:

- (a) Total amount of loan assets subjected to restructuring under CDR.
[(a) = (b)+(c)+(d)]

- (b) The amount of standard assets subjected to CDR.
- (c) The amount of sub-standard assets subjected to CDR.
- (d) The amount of doubtful assets subjected to CDR.

7 IMPLEMENTATION OF THE REVISED GUIDELINES

The above guidelines will be implemented with prospective effect. The ICA and DCA will have to be suitable amended for incorporating the changes introduced in the scheme.