



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
[www.rbi.org.in](http://www.rbi.org.in)

RBI/2012-13/224

UBD.BPD.(PCB) Cir No.12/09.16.900/2012-13

September 26, 2012

The Chief Executive Officers  
All Primary (Urban) Co-operative Banks

Madam / Dear Sir,

**Financial Restructuring of UCBs**

Please refer to our [circular UBD.PCB.Cir.No.39/09.16.900/08-09 dated January 23, 2009](#) stating that the Reserve Bank would consider financial restructuring proposals as an additional option for resolution of problem banks. The conditions under which such proposals would be considered are contained in para 3 of the above circular.

2. The matter has been reviewed and it is advised that in partial modification of para 3 (v) of the circular, the Reserve Bank would, henceforth, consider financial restructuring proposals submitted by UCBs, involving conversion of deposits into equity / IPDI, even if the networth of the bank does not become positive after such conversion of deposits, provided the depositors agree voluntarily for such conversion.

3. All the other criteria mentioned in our circular dated January 23, 2009 remain unchanged.

4. Please acknowledge receipt of this circular to the Regional Office concerned.

Yours faithfully

(A. Udgata)  
Chief General Manager- in – Charge

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