



Reserve Bank Of India (Commercial Banks – Resolution Of Stressed Assets) Second Amendment Directions, 2026

RBI has issued the Second Amendment Directions, 2026 to amend the Commercial Banks – Resolution of Stressed Assets Directions, 2025. The amendments primarily introduce a structured and harmonized framework for resolution of borrower accounts impacted by natural calamities, aligning relief measures across regulated entities and improving implementation timelines. These amendments will be effective from July 1, 2026.

This amendment introduces a dedicated framework (new Chapter VI-A) for resolution of borrower accounts affected by natural calamities, with defined timelines, eligibility conditions, and institutional coordination mechanisms (SLBC/DCC).

Area	Earlier Norms	Current Norms
Framework for calamity affected borrowers	Relief and restructuring guidance were covered under special restructuring provisions.	A separate, comprehensive Chapter VI-A introduced specifically for resolution of accounts impacted by natural calamities and similar events.
Definition clarity	No explicit definition for “date of invocation” and “natural calamity” in this context.	Formal definitions introduced for “date of invocation” and “natural calamity” (as per NDRF/SDRF recognition).
Institutional mechanism	No standardized role for SLBC/DCC in resolution planning.	Mandatory involvement of SLBC/UTLBC/DCC to assess impact, define borrower eligibility, and recommend relief measures within 15 days of calamity declaration.

This is a progressive reform aligning regulatory intent with ground realities during calamities. By introducing clarity, timelines & coordination mechanisms, RBI has strengthened the credit resolution ecosystem, particularly for event-driven stress scenarios.

Similar amendments are made by RBI for All India Financial Institutions, Non-Banking Financial Institutions, Regional Rural Bank, Rural Cooperative Banks, Urban Cooperative Banks, Local Area Banks and Small Finance Banks on the same date with same effective date.

Kindly refer the link for the further details - [Reserve Bank of India \(Commercial Banks – Resolution of Stressed Assets\) Second Amendment Directions, 2026](#)