

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3731
ANSWERED ON:11.12.2009
BAD LOANS BY BANKS
Ponnam Shri Prabhakar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to issue guidelines on provisioning for bad loans by banks;
- (b) if so, the details thereof; and
- (c) the time by which these guidelines are likely to be implemented?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c) Reserve Bank of India (RBI) has issued a Master Circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances' dated 1st July, 2009 which provide comprehensive guidelines to the banks for classification and treatment of assets and provisioning requirements for the assets, including the non-performing assets. These guidelines are operational and all banks have implemented these guidelines.