

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5837  
ANSWERED ON:30.04.2010  
ASSET CLASSIFICATION  
Balram Shri P.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Reserve Bank of India (RBI) has relaxed the asset classification norms to give a fillip to core sector operations;
- (b) if so, the details thereof; and
- (c) the status of implementation of the said norms?

**Answer**

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

(a) to (c) : Reserve Bank of India (RBI) has observed that there are occasions when the completion of Infrastructure projects is delayed for legal and other extraneous reasons like delays in Government approvals etc. All these factors, which are beyond the control of the promoters, may lead to delay in project implementation and involve restructuring / rescheduling of loans by banks. Accordingly, it has been decided by RBI to modify the asset classification norms for project loans before commencement of commercial operations as per the RBI guidelines w.e.f. March 31, 2010. For this purpose, all project loans have been divided into the following two categories :

- (i) Project Loans for infrastructure sector
- (ii) Project Loans for non-infrastructure sector

`Project Loan` would mean any term loan which has been extended for the purpose of setting up of an economic venture. Banks must fix a Date of Commencement of Commercial Operations (DCCO) for all project loans at the time of sanction of the loan / financial closure (in the case of multiple banking or consortium arrangements).

The detailed guidelines are available at RBI website [www.rbi.org.in](http://www.rbi.org.in) .