



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2008-09/434

DBOD.No.BP.BC. 125 /21.04.048/2008-09

April 17, 2009

The Chairman / CMD / MD / CEO
All Scheduled Commercial Banks (including Local Area Banks)
(Excluding RRBs)

Dear Sir

Prudential Norms on Unsecured Advances

Please refer to paragraph 5.4 of the Master Circular [DBOD.No.BP.BC. 20/21.04.048/2008-09](#) dated July 1, 2008, on prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, which, inter alia, defines 'Unsecured Exposure' and 'Security'

2. In order to enhance transparency and ensure correct reflection of the unsecured advances in Schedule 9 of the banks' balance sheet, it is advised as under:

- a) For determining the amount of unsecured advances for reflecting in schedule 9 of the published balance sheet, the rights, licenses, authorisations, etc., charged to the banks as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured.
- b) Banks should also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral. The disclosure may be made under a separate head in "Notes to Accounts". This would differentiate such loans from other entirely unsecured loans.

3. This circular would be applicable from the financial year 2009-10 onwards.

Yours faithfully

(Prashant Saran)
Chief General Manager-in- Charge

बैंकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, 12वीं मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, मुंबई - 400 001.

अबीसदू वीहवहु ब्जीदहे हि अवात्तजसदू, गह्नीति धीमि, 12[ं] लिदी, गह्नीति धीमि लतुहु, स्लसी 400 001.
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हिन्दी आसान है , इसका प्रयोग बढ़ाइये।