

RBI trims list of firms needing bad loan provisioning: Report

RBI has dropped 20 companies including Jaiprakash Associates Ltd and Coastal Energen Pvt Ltd from the initial list of 150 firms for which banks were asked make provision, the newspaper said.

Reserve Bank of India (RBI) has trimmed the list of companies whose loans need to be provided for against the risk of default, a business daily reported on Thursday, citing three people with knowledge of the matter.

RBI has dropped 20 companies including Jaiprakash Associates Ltd and Coastal Energen Pvt Ltd from the initial list of 150 firms for which banks were asked make provision, the newspaper said.

The move, prompted by steps taken by companies to cut their debt, is likely to result in better-than-expected March quarter results at banks, especially those with high exposure to heavily indebted companies, the newspaper said.

The central bank had asked lenders to treat some troubled accounts as bad loans and make adequate provisions for such loans during the December and March quarters as part of a clean-up exercise.

The RBI communicated its decision to banks via individual letters sent on Wednesday, the newspaper said.

(Financial Express)