Submitted on: 22/06/2016
Comments from: Deepak Kumar
Comments on: Prudential Treatment of Problem Assets

Dear Sir / Madam,

In Standardised Approach for Credit Risk, we are using Ratings given by External Rating Agencies for assigning Risk Weights. The Banks also use internal ratings for Internal Rating Based (IRB) approach. The Banks also benchmark their internal rating grades with the external rating grades being used by External Rating Agencies. However, the non-performing definition used by the Banks and the External Rating Agencies differ. Hence, attempt needs to be made to align the non-performing definition of both the Banks as well as Rating Agencies.

Regards
Deepak Kumar