



Co-sponsored By:



Associate Sponsors


[ET Home](#) > [Industry](#) > [Banking/Finance](#) > [Banking](#)

 04:05 PM | 22 JAN **CLOSED**
MARKET STATS

 சென்செக்ஸ்
35,798 ▲ 286.43

 ந்தி:ப்டி 50
10,966 ▲ 71.50

 கோல்டு (எம்சிஎக்...
29,837.00 ▲ 82.00

 யுஎஸ்டி/ஐஎ...
63.87 ▲ 0.02

 CREATE
 PORTFOLIO

 FF-டி
 மார்க்கெட்ஸ்...

 CHOOSE
 LANGUAGE
 TAM

RBI gets ready to train its guns on 50 more stressed accounts

 BY [DHEERAJ TIWARI](#), ET BUREAU | NOV 17, 2017, 06.10 AM IST

NEW DELHI: The Reserve Bank of India is likely to come up with a fresh list of around 50 loan accounts that are either under stress or close to being classified as nonperforming assets. The regulator may set a March 31 deadline for banks to find a resolution on these or commence [bankruptcy](#) proceedings against the borrowers, a finance ministry official said.

Big Change:
[The end of Five-Year Plans: All you need to know](#)

These accounts are in addition to the 41 that the central bank has already identified, including several against which banks have now started bankruptcy proceedings.

This new list of accounts had come up during discussions on the recapitalisation of state-run banks. These assets identified by the [RBI](#) have been accounted for in the Rs 2.1-lakh crore bank recap plan announced last month, and so will not bloat the capital requirement of lenders beyond what has been estimated, the official said. But classifying the loans as NPA will dent the profitability of banks, as they must set aside more funds against such accounts.

Bankruptcy Watch

TIME-BOUND RESOLUTION

- Banks will be asked to resolve 50 new accounts by March next year
- Bankruptcy proceedings in cases not resolved by then
- These accounts are mostly in SMA-2 category; 60-90 day delay in repayment

EARLIER ACCOUNTS

- Deadline to resolve 29 accounts identified earlier ends on Dec 13
- Bankers say resolution only in few cases, requests extension
- These cases could go to NCLT soon

NPAs OF PSBs AT THE END OF JUNE ₹ 7.3 Lcr

THIS IS BLOCKING THEIR CAPITAL, HURTING THE ABILITY TO LEND

“We are in discussion with the RBI over the modalities of the recapitalisation scheme and this is also being looked at given that the provisioning requirements of banks may rise in these cases too,” the official said, speaking on the condition of anonymity.

The official didn't give details of the accounts.



I need 12 lakh or else I'll lose my daughter.

KETTO



Guess the most sustainable way to produce power?

Toshiba

The RBI didn't respond to an email seeking comment. State-run banks held Rs 7.33 lakh crore of NPAs at the end of June.

This is blocking their capital, hurting the ability to lend. Large provisioning against suspected accounts had also caused several lenders to report deep losses.

"The next list will be of those accounts where a majority of the lenders in a consortium have put them under the SMA-2 category," a bank executive said. This classification implies a 60- to 90-day delay in loan repayments.

Of the 41 accounts identified by the RBI, lenders have already classified most as bad loans and commenced steps for a time-bound resolution.

In May, the RBI identified 12 **stressed accounts**, each having more than Rs 5,000 crore of outstanding loans and together accounting for 25% of the total NPAs of banks for immediate referral for resolution under the bankruptcy law. In a June 15 circular, the central bank noted that for accounts identified for resolution under the insolvency law, lenders must make a minimum provision of 50% for the secured portion of the outstanding amount, plus an additional 100% on the unsecured part.

In August, it identified another 29 accounts that banks were asked to resolve by December 13, failing which those would have to be taken for insolvency proceedings.

"There has been little success on these accounts and now it looks that most of these will go to the National Company Law Tribunal (where insolvency proceedings take place)," said a second senior bank executive, adding that most banks were making provisions towards such accounts.

In a recent report, ratings firm ICRA said the surge in credit provisioning had hit capital ratios for public sector banks.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by

Live Market
News
Portfolio
Mobile
Live TV
Biz Listings

Industry
Newsletters
Commodities
Speed
Blogs
RSS

About Us
Create Your Own Ad
Advertise with Us
Terms of Use & Grievance Redressal
Privacy policy

FOLLOW US

Download it from
APP STORE

Download it from
GOOGLE PLAY

Download it from
Windows Store

Other Times Group news sites

इकनॉमिक टाइम्स | ईकोनॉमिक्स टाइम्स | Pune Mirror | Bangalore Mirror | Ahmedabad Mirror | ItsMyAscent | Education Times | Brand Capital | Mumbai Mirror | Times Now | Indiatimes | नवभारत टाइम्स | महाराष्ट्र टाइम्स | ವಿಜಯ ಕರ್ನಾಟಕ | Go Green | AdAge India | Eisamay | IGN India | NavGujarat Samay | Times of India | Samayam Tamil | Samayam Telugu | Miss Kyra | Bombay Times | Filmipop

Living and Entertainment

Timescity | iDiva | Entertainment | Zoom | Healthmeup | Luxpresso | Gadget Reviews | Titanium & Platinum Credit Card | Online Songs | MensXP | Hotels | Travel Destinations | Cricbuzz | Recipes | Gaana | Happytrips | Getsmartapp

Interest Network

itimes

Hot on the Web

Tax Saving Investments | Income Tax Slabs | Aadhaar Card | How to Save Income Tax | GST Rates | GST | Income Tax | Sensex Today | Budget | Sensex | Income Tax Calculator | Aadhaar

Services

Book print ads | Online shopping | Matrimonial | Astrology | Jobs | Tech Community | Property | Buy car | Bikes in India | Free Classifieds | Send money to India | Used Cars | Restaurants in Delhi | Remit to India | Buy Mobiles | Listen Songs | News | TimesMobile | Real Estate Developers | Restaurant Deals in Delhi | Car Insurance | Gadgets Now | Free Business Listings | CouponDunia | Remit2India | Techradar | AliveAR | Getsmartapp App | ETMoney Finance App | Feedback | Auto

In Case You Missed It

[Gold Rate](#)

[Silver Price](#)

[What is Bitcoin](#)

[H1B Visa](#)

[Budget 2018](#)

[Aadhaar Card](#)

[Bank FD Rates](#)

[SBI Share Price](#)

[Infosys Share Price](#)

[Sensex](#)

[Nifty](#)

[Crude Oil Price](#)

Copyright © 2018 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)