

11:21 AM   23 MAY <b>LIVE</b>	சென்செக்ஸ் <b>34,601</b> ▼ -49.29	நிஃப்டி 50 <b>10,500</b> ▼ -35.80	கோல்டு (எம்சிஎக்... <b>31,115.00</b> ▲ 7.00	யுஎஸ்டி/ஐஎ... <b>68.18</b> ▲ 0.14	<b>CREATE PORTFOLIO</b>	<b>ஈ-டி</b> மார்க்கெட்ஸ்...	CHOOSE LANGUAGE <b>TAM</b>
-------------------------------	--------------------------------------	--------------------------------------	--	--------------------------------------	-------------------------	--------------------------------	-------------------------------

# SBI chief says RBI bad loan directive will discipline governments and borrowers

BY [SANGITA MEHTA](#), ET BUREAU | UPDATED: MAY 23, 2018, 09.47 AM IST

Post a Comment

State Bank of India chief has hailed the recent Reserve Bank of India (RBI) directive on bad loans stating that it will prompt state and central government to make payments on time and discipline borrowers.

The RBI on February 12 directed banks to refer defaulting companies to [bankruptcy](#) court if a resolution is not put in place within 180 days of default.

SBI chairman, [Rajnish Kumar](#) said, "One thing we have to recognize that there have been lots of delays in terms of payments, it is not only the borrower or the corporate who has to manage their cash flows but I believe that the people who have to pay including the state and central government they will also start paying in time so that the intent and the objective of this circular can lead to a very healthy credit market."

The comes at a time when the directive led to losses for several banks as they had to immediately downgrade several corporate loan accounts and make high provisions. The RBI directive also scrapped all the debt restructuring schemes and asked banks to classify those loans as non-performing loans.

"The RBI circular means better discipline among borrowers because they will also need to plan their cash flows properly," Kumar added.

SBI had to provide Rs 5662 crore in fourth quarter on account of the bad [loan directive](#).

**RELATED COMPANIES**

EXPAND

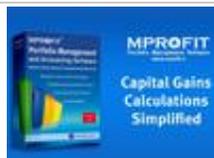
**SBI**

**Big Change:**  
The end of Five-Year Plans: All you need to know



En Route: Self Drive 365 paves way for customised road trips

COX & KINGS



Capital Gains Simplified with MProfit

MPROFIT SOFTWARE

PRIVATE LIMITED

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](#) | [ईकोनॉमिक 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](#) | [BrainBaazi](#) | [BrainBaazi APP](#)

### 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

[Share Market](#) | [GST](#) | [Income Tax Slabs](#) | [Aadhaar Card](#) | [IFSC Code](#) | [Mutual Funds](#) | [How to save Income Tax](#) | [Sensex Today](#) | [Nifty Bank](#) | [Sensex](#) | [Income Tax Calculator](#) | [Karnataka Election 2018](#)

### 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

[All about PNB Fraud](#)

[Home Loan Calculator](#)

[Reliance Jio](#)

[Education Loan Calculator](#)

[Power Price Hike](#)

[RBI](#)

[Aadhaar](#)

[Walmart Flipkart Deal](#)

[Aadhaar Card](#)

[Income Tax](#)

[Crude Oil Price](#)

[IFSC Code](#)

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