

RBI identifies 12 a/cs for quick resolution

Seeks Action Under Bankruptcy Law, Debtors Account For 25% Of Bad Loans

TIMES NEWS NETWORK

Mumbai: The Reserve Bank of India has identified 12 borrowers, which account for 25% of all bank bad loans, for immediate resolution under the Insolvency and Bankruptcy Code (IBC). The RBI will now ask banks to file for insolvency proceedings under the IBC in respect to the identified accounts, which will be accorded priority by the National Company Law Tribunal (NCLT).

The top 25 accounts were identified by an RBI-constituted panel comprising independent board members. Although the central bank has not divulged the names of the borrowers, banking sources expect that it would include top defaulting companies such as Bhushan Steel, Bhushan Power and Jaypee group.

According to filing by banks in their quarterly results, the total gross NPAs for the banking sector stood at Rs 7.11 lakh crore as of December 2016. Of this, Rs 6.19 lakh crore bad loans lie with public sec-

tor banks. Lenders say that even if the NPAs were to be resolved during the current fiscal, they would be classified as standard loans only after a

res in the banking system," the RBI said.

The IAC recommended for IBC reference all accounts with fund and non-fund ba-

RECOVERING MONEY

Banks' gross NPAs as of Dec 2016

₹ **7.11** L cr

Value of top 12 a/cs

₹ **1.75** L cr

Top Stressed Loans

- ▶ Bhushan Power
- ▶ Bhushan Steel
- ▶ Jaypee Grp
- ▶ Essar
- ▶ Alok Ind
- ▶ Lanco
- ▶ ABG Shipyard
- ▶ Punj Lloyd
- ▶ Electrosteel Holding
- ▶ Aban Holdings
- ▶ Monnet Ispat
- ▶ Prayagraj Power



year. The RBI panel, called the internal advisory committee (IAC), held its first meeting on June 12.

"The IAC agreed to focus on large stressed accounts at this stage, and accordingly took up for consideration the accounts which were classified partly or wholly as non-performing from among the top 500 exposu-

sed outstanding amounts of over Rs 5,000 crore, with 60% or more classified as non-performing by banks as on March 31, 2016.

In case of other non-performing accounts which do not qualify under the above criteria, the IAC recommended that banks should finalise a resolution plan within six months.