



Provision for Restructuring of Farmers' Loans

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The total amount of loans sanctioned to companies that have been restructured by Scheduled Commercial Banks (SCBs) during last three years in consolidated form is given as under:

(Rs. in crore)

	FY15	FY16	FY17
Amount of loans restructured	3,70,279	2,99,111	2,04,884

Source: RBI

Any restructuring is to be carried out in accordance with detailed guidelines issued by RBI on restructuring like Joint Lenders' Forum (JLF), Strategic Debt Restructuring (SDR) and Scheme for Sustainable Structuring of Stressed Assets (S4A). Disclosure of the names and details of borrowers is covered under section 45E of the Reserve Bank of India (RBI) Act, 1934 and Banking Laws, which oblige financial institutions to maintain secrecy about the affairs of their constituents.

As per Reserve Bank of India (RBI) guidelines contained in master circular on relief measures by banks in areas affected by natural calamities dated July 1, 2015, wherever repaying capacity of agricultural borrowers has been impaired due to natural calamities, banks are empowered to provide the benefit of restructuring (including conversion of short term debt to term loan or re-schedulement of repayment period) to such borrowers with the benefit of retention of asset classification.

For agricultural accounts that became impaired on account of reasons other than natural calamities, restructuring is allowed in terms of RBI guidelines issued vide master circular on Income Recognition and Asset Classification (IRAC).

This was stated by Shri Arun Jaitley, Union Minister of Finance, Defence and Corporate Affairs in written reply to a question in Rajya Sabha today.

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