C Chakrabarty: Infrastructure financing by banks in India – myths and realities

Keynote address by Dr K C Chakrabarty, Deputy Governor of the Reserve Bank of India, at the Annual Infrastructure Finance Conclave, organised by SBI Capital markets Limited, Agra, 9 August 2013.

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Mr. B. Sreeram, Managing Director, State Bank of Bikaner & Jaipur; Mr M. Bhagavantha Rao, MD, State Bank of Hyderabad; my fellow panelists, Mr. V. G. Kannan, MD, SBI Capital Markets Limited; Mr. Partha Bhattacharya, Ex- CMD, Coal India Limited; Mr. Seshagiri Rao, Joint Managing Director, JSW Steel Limited and CFO of JSW Group, Ms. Zarin Daruwala, President, ICICI Bank Ltd.; delegates to the Conclave; ladies and gentlemen. It is, indeed, a great pleasure to be here amidst you in this historic city of Agra to deliberate on an issue that touches the daily lives of all of us present here – Infrastructure. I am grateful to SBI Capital Markets Limited (SBI Caps) and especially to Mrs. Arundhati Bhattacharya, ex-MD, SBI Caps, *in absentia*, for inviting me to this Conclave. In my address today, I intend to respond to some of the issues raised by my fellow panelists by putting across RBI's views and, in the process, also try to dispel a few myths surrounding the subject of infrastructure financing.

Background

2. Large infrastructure investment by all sectors- public, private and foreign- during the last decade, has catapulted India to the league of one of the fastest growing economies in the world. Yet, over the past year or two, infrastructure sector has reached a critical point of entanglement. To stimulate growth, there is an urgent need to step up infrastructure investment as well as to improve the productivity and quality of infrastructure spending, remove procedural bottlenecks and improve governance. The projected investment requirements for infrastructure are placed at $ 1 trillion in the 12th plan and the funding gap is estimated to be above Rs. 5000 billion. While the financing needs are huge in the coming years, given the limited fiscal space available, raising such resources would be a formidable challenge. The Approach Paper for the 12th Plan envisages that about half of the investment requirements of infrastructure would have to be met through funding from the private sector. For this purpose, the share of private sector in infrastructure investment will have to rise substantially from about 37 per cent in the 11th Plan to about 48 per cent in the 12th Plan. The private sector's interest in the infrastructure sector has, however, been badly hit because of the delays due to certain policy formulations and implementation aspects relating to land acquisition, rehabilitation, environment etc. At present, more than 50 per cent of projects are stuck at various stages of implementation due to variety of regulatory hurdles and sector specific bottlenecks leading to significant time and cost overruns.

Role of infrastructure in inclusive development

3. Before we turn to examining the role of Infrastructure; let us first look at what is meant by infrastructure. Investopedia defines infrastructure as the basic physical and organizational structures needed for the operation of a society or enterprise, or the services and facilities necessary for an economy to function. Thus, infrastructure can be understood as the support structures that facilitate production of goods and services, distribution of finished products to markets, as also the basic social services such as schools and hospitals. In a sense, infrastructure is a catalytic agent for the economy. The structures which can be counted among infrastructure are roads, bridges, power, water supply, sewers, electrical grids, telecommunications, ports and so forth.

4. Post the advent of the global crisis, we live in uncertain times. The growth rate of the Indian Economy is diminishing by the quarter and a recovery continues to elude. But amidst this scenario of persistent gloom, high inflation, political uncertainties, etc., if one looks for a catalyst that can revive the economy, put the domestic growth engine back on track and ensure an inclusive growth, the most potent option available is investment in creation of better all round infrastructure. Provision of better infrastructural facilities such as irrigation, electrification, roads, drinking water, sanitation, housing, community IT service, etc. to the rural centres would enable mainstreaming of a vast majority of the rural population and helping them to positively contribute to domestic growth through their entrepreneurial or farm based activities.

5. The fast paced urbanisation during the recent years of heady economic growth has also necessitated the availability of new infrastructural facilities as well as upgrading the quality of existing infrastructure. Infrastructure development in new townships is also a priority so as to redistribute the influx of growing population. All these developments have opened up numerous employment opportunities and, hence, potential accretion to domestic growth.

Stalled progress

6. Let me, however, admit that there has been no lack of appreciation of this fact from any quarter- be it the highest echelons of political hierarchy, the bureaucratic setup, the economic and planning think tank, the academia, the financial wizards- some of whom are present in this gathering here. There has been no dearth of policy pronouncements and reengineering of processes aimed at improvement in the investment climate for infrastructural projects. However, there seems to be little headway insofar as achievement on ground is concerned. Let me highlight some disconcerting facts:

- Out of 576 SEZs that have received formal approval, only 172 are operational
- Against a target of awarding road projects aggregating 50621 kms during 2008–13, only 10690 kms have been awarded. Many of the projects awarded have yet to see commencement of work due to problems in achieving financial closure, delays in land acquisition and obtaining environmental clearances
- Out of 16 Ultra Mega Power Projects planned, contracts for only 4 were awarded. Out of this only one has become operational and another is nearing completion and that too much beyond the scheduled dates. Even the one project that has commenced operations is running much below capacity. Lack of clarity on coal import, forest clearances and land acquisition delays are creating impediments.
- Under the New Exploration and Licensing Policy for exploration of crude oil and natural gas, of the 251 blocks allotted, 110 have reported discoveries but only 6 are actually operational.

7. Having set the backdrop, let me begin by responding to an issue which has been made out to be a very crucial challenge insofar as financing of infrastructure projects go.

Has bank finance been a constraining factor for infrastructure development?

8. Has flow of bank credit been a constraining factor for infrastructure development in the country? Let me acknowledge that this issue has not come up for debate for the first time today. It is pertinent to note that outside of budgetary support, that accounts for about 45 per cent of the total infrastructure spending, commercial banks are the second largest source of finance for infrastructure (about 24 per cent). Historically, contrary to popular perception, it is the commercial, more particularly, the public sector banks that have supported the infrastructure requirements of a growing Indian economy. It is worth highlighting that outstanding bank credit to the infrastructure sector, which stood at Rs. 72.43 billion in 1999–2000, has increased steadily to Rs. 7860.45 bn in 2012–13, a compounded annual

growth rate (CAGR) of 43.41 per cent over the last thirteen years (Table 1) against an overall CAGR of bank finance to all industries at 20.38 per cent during the same period. The share of bank finance to infrastructure in gross bank credit has increased from 1.63 per cent in 2001 to 13.37 per cent in 2013. Between March 2008 and 2013 alone, banks' exposure to infrastructure has grown by more than 3 times. This apart, credit has also flown into infrastructure sector via NBFCs, Mutual Funds and capital markets, the source of bulk of which is bank finance. It may not, therefore, be correct to argue that lack of finance from banks has constrained the development of the infrastructure sector.

9. In fact, recognizing the importance of infrastructural development in the country, RBI has provided certain concessions/relaxations in lending to infrastructure sector, such as, enhancement in single/group borrower limits, permission to issue guarantees favoring other lending institutions in respect of infrastructure projects, asset classification benefits under restructuring guidelines and permission to extend finance for funding promoter's equity, subject to certain conditions. In order to encourage lending by banks to the infrastructure sector, banks are permitted to finance SPVs registered under the Companies Act, set up for financing infrastructure projects, after ensuring that these loans / investments are not used for financing the budget of State Governments.[1] RBI, in a recent circular (March 18, 2013), has allowed the debts due to the lenders in case of Public-Private Partnership (PPP) projects to be considered as secured to the extent assured by the project authority in terms of the Concession Agreement, subject to certain conditions.

Impaired assets in infrastructure sector

10. The evidence, thus, clearly suggests that banks have been substantially financing infrastructure projects in the country notwithstanding the inadequate commercialization of projects due to regulatory, political and legal constraints and total absence or insufficiency of user charges in many sectors. Of course, this has not been without a fair share of pain for them. The NPAs and the restructured assets in this segment have increased quite substantially of late. The Gross NPAs and restructured standard advances for the infrastructure sector, together as a percentage of total advances to the sector, has increased considerably from Rs. 121.90 bn (4.66%) as at the end of March 2009 to Rs.1369.70 bn (17.43%) as at the end of March 2013. There is enough evidence to suggest that a substantial portion of the rise in impaired assets in the sector is attributable to non-adherence to the basic appraisal standards by the banks.

11. In spite of higher percentage of impaired assets in the infrastructure sector, we need not be terribly despondent. Though there may be some haircut on the portfolio for the banking sector, one can draw comfort from the fact that at least some assets have been created. The need of the hour for the Central Government, State Governments and the project developers is to ensure that the minor impediments that ail the operationalisation of these assets are immediately removed so that they can be put to productive use and start generating revenues. Meanwhile, the banks must draw appropriate lessons from the past failures and be very discerning with the credit appraisal of the projects that come up for their consideration.

12. In sum, any criticism of the banks for not meeting the financing requirements of the infrastructure sector has to be viewed in the backdrop of lack of availability of bankable and commercially viable projects.

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[1] Further, the promoters' shares in the SPV of an infrastructure project pledged to the lending bank are permitted to be excluded from the banks' capital market exposure.

Separate asset classification norm for infrastructure projects

13. While there have been some requests for a separate asset classification regimen for infrastructure projects, I do not see any merit in these arguments. The evidence suggests that the higher NPA in the sector is not an industry wide issue, it is rather bank specific. For the umpteenth time, I reiterate that the reason for NPA is non-performing administration. In the case of infrastructure, this could also be on account of non-performance beyond that of the bank management – that of policy makers, bureaucracy etc. But what is really puzzling is why this affects the Public sector banks the most. The answer lies squarely in the poor project appraisal techniques, lack of accountability, post–disbursal supervision, etc. In our assessment, the project appraisal and the decision making in public sector banks has been more impressionistic rather than being information based. How else does one defend the eagerness of some banks to fund power distribution companies with negative net worth!

14. Any infrastructure project typically has five phases:

- Research and Development
- Planning
- Production
- Servicing, distribution and dissemination
- Maintenance of structure/facilities created

It is fair to expect, therefore, that any infrastructure project proposal would have detailed analysis of all the above stages including research, planning and implementation strategy. While appraising the infrastructure projects, it is imperative to consider as to what extent have these objectives been achieved; otherwise, problems in developing/managing infrastructure facilities would be unavoidable in a country like India where various bottlenecks crop up due to supply side factors.

Recent revisions in the restructuring guidelines

15. There has been a lot of commentary on whether the tightening of the provision requirements upon restructuring of advances at this point in the economic cycle is prudent. While I would not *per se* comment on the specifics, I would like to clarify that RBI has never stated that restructuring is wrong. All of us, the society, must realise that despite all precautions, there could be failures. We must learn to accept failure. We, in RBI, have maintained that restructuring is a perfectly legitimate business instrument, but this has to be approached with a bit of caution. When people talk about higher provision requirements that would kick in, I would only like to say that provision is not a loss. We require banks to maintain provision for standard assets as well, so why should there be any discomfort in maintaining slightly higher provision on restructured accounts. It can always be written back when the account turns around. The question that I would like to pose is that why should banks only restructure advances that are about to turn non-performing? Instead, they could also restructure advances that are already NPA if they feel that additional bit of support and resources can bring the defaulted company back on rails.

16. Another point that I would like to make in the context of restructuring is regarding the initial pricing of loans for infrastructure projects. Very often, we observe that the banks are willing to significantly pare down the interest rate charged on the loan post restructuring. Basic economic sense suggests that the pricing should mirror the risk in the loan. Therefore, let us assume that if a project was initially funded by a bank at 16%, what makes it willing to restructure the loan and agree for a much lower interest rate when the very fact of restructuring indicates greater credit risk in the account. This reflects that if the bank considers the project viable even at a reduced rate of interest, the initial pricing of loan was arbitrary and not risk-based.

Asset-liability mismatch as a constraint for long-term bank finance to infrastructure

17. A related issue that has been highlighted is the inherent constraint that the banks face in funding infrastructure projects – risk of asset-liability mismatches. We all recognize that the long term nature of infrastructure financing, mostly beyond the normal loan tenor of commercial banks, is bound to lead to asset-liability mismatches. Having conceded that, I would argue that Asset-Liability mismatch has not, in any way, been a constraint in financing of infrastructure projects thus far and the stress in the infrastructure portfolio in banks has been on account of other factors. Let me put across some points. Banks are in the business of maturity and risk transformation. Almost all banks rely exclusively on retail deposits to fund their advances portfolio. The individual retail deposits may not have an average tenor of more than one year, whereas most of the big advances of the banks are long tenor, in the range of 8–10 years. While on an individual basis, the retail deposit may be considered volatile, on a portfolio level, these deposits are stable, which enables banks' maturity transformation action. Hence, my point is that if, as going concerns, banks can rely on retail deposit to fund projects for 8–10 years, they might as well do so for 13–15 years.

18. As a part of management of their asset-liability mismatches and the interest rate risks, the banks can develop long-tenor fixed rate products to reduce their deposit base and also develop interbank interest rate swap market for hedging their interest rate risks. It would be in the fitness of things, if the public sector banks, which hold substantial rupee resources, inculcate appropriate treasury skills and introduce such products in the market. We cannot expect the foreign banks or few of the private sector banks that have little rupee resources to develop this market.

Issues in take out financing

19. Recognizing the constraints in incremental financing by banks to the infrastructure sector, the banks have been permitted to enter into take out financing arrangement. To augment debt resources for financing infrastructure, Infrastructure Debt Funds (IDFs) have been launched to refinance projects after completion of the construction work and stabilization of the operations. By refinancing bank loans of existing projects, the IDFs are expected to take over a significant volume of the existing bank debt and this will release an equivalent volume of fresh lending for infrastructure projects. Three IDFs – one NBFC by ICICI Bank Ltd. and two mutual funds by IL&FS and IIFCL have been launched in 2013, of which the first one has already started refinancing operations.

20. But a common refrain that I get to hear across various fora is that take out financing model is not working successfully. With all due respect to the proponents of this measure, I have a fundamental issue with the take out financing model. As we discussed earlier, being long-gestation projects, the financiers of infrastructure projects need to pay a lot of attention to the project at the nascent stage. Having assumed the risk till the project comes on stream and starts generating stable revenues, I don't understand why a bank would be willing to trade a good credit risk for the risk of funding another greenfield project!

21. I would rather wish that the entities such as Infrastructure Debt Funds / IIFCL etc., which are set up to provide take out financing, in view of their expertise in assessing, appraising and financing infrastructure projects, should assume the initial credit risk in such projects and then sell the same to the banks.

External commercial borrowing (ECB) norms for infrastructure funding

22. Under the extant ECB guidelines, there are several concessions given to the infrastructure sector related to credit enhancements, import of capital goods, availment of trade credit, etc. RBI has recently taken several measures to boost infrastructure financing, especially for the projects in roads and power sector, such as relaxing the ECB norms and treating debt due to lenders in PPP projects as secured finance. The definition of

infrastructure under the extant ECB guidelines is currently being further expanded to bring it in line with the Government of India's harmonized list. This would expand the list to include some of the urban infrastructure items: (a) urban public transport and (b) water and sanitation, which will include (i) water supply pipelines, (ii) solid waste management, (iii) water treatment plants, (iv) sewage projects (sewage collection, treatment and disposal system), and (v) storm water drainage system.

23. While I do appreciate the recent measures by GoI and RBI, I wish to sound a note of caution here due to couple of reasons. First and foremost, as finance professionals, we must realise that in efficient markets, cost of borrowing in any currency, when adjusted for exchange rate differential, should be the same. Therefore, if one finds an arbitrage opportunity, it can only be for a short term. Adjusted for hedge cost, the external borrowing cannot be cheaper. Only way a firm can potentially benefit from borrowing in overseas markets is by gambling on the exchange rate and retaining an unhedged forex exposure. It is, therefore, important to conduct a cost-benefit analysis in running an unhedged/partially hedged exposure before accessing external finance. Secondly, infrastructure in general and, urban infrastructure in particular, do not generate matching foreign exchange earnings and, hence, there is a need to exercise abundant caution while the country is experiencing high CAD.

Acquisition of equity by banks in infrastructure projects

24. Some of my fellow panellists have also made requests for allowing the lenders to take a higher share of equity in the defaulting companies. In this context, it is pertinent to highlight that the Banking Regulation Act places a limit on maximum equity stake that a bank can hold in any company and the requirement is not without good reason. Banks are supposed to do banking business and not run companies. The depositors forego the lure of higher returns in the equity markets and place their deposits in banks for safety of their capital and, therefore, it is logical that the depositors' funds should not get channelized into equity through indirect means.

25. Let me now turn to some other aspects of infrastructure development in India and the recent initiatives taken by the Government to facilitate the success of infra projects.

Public private partnership

26. The Public-Private Partnership has been actively pursued in India to meet the gaps in the provision of basic infrastructure services. According to a World Bank Report on Private Participation in Infrastructure (PPI), India has been the top recipient of PPI activity since 2006 and has implemented 43 new projects, which attracted total investment of US$20.7 billion in 2011. By end December 2012, there were over 900 PPP projects in the infrastructure sector with total project cost (TPC) of Rs.5430.45 bn as compared to over 600 projects with TPC of Rs.3330.83 bn on March 31, 2010 at different stages of implementation, i.e. bidding, construction, and operational.

27. Global experience indicates that PPPs work well when they combine the efficiency and risk assessment of the private sector with the public purpose of the government sector. However, they work poorly when they rely on the efficiency and risk assessment of the government sector and the public purpose of the private sector. The development finance model has to be characterized by good planning, strong commitment of the parties, effective monitoring, regulation and enforcement by the government.

28. The Government has tried to address some major impediments like lack of transparency and accountability in procurement in order to ensure that PPP projects are procured and implemented by observing principles of transparency, competitive bid process, affordability, and value for money. But, the impact of these efforts on the ground level implementation is yet to show.

29. While there has been a lot of debate around the lack of a vibrant corporate debt market and constraints faced by the banking sector in financing infrastructure requirements, it needs to be highlighted that there has been an over reliance on debt. The infrastructure companies are highly leveraged and the flow of equity in the infrastructure project funding has been very minimal. In my view, the 'Public-Private partnership' has, in effect, remained a 'Public only' venture. Lack of equity investment in the project means that the promoter- developer has little 'skin in the game' and the motivation for the success of the venture is that much limited.

Pricing of infrastructure services

30. A major underlying factor in the success of such partnerships is the pricing aspect. The issue of pricing is crucial in view of the political sensitivity, while also simultaneously ensuring the viability of the project. Managing the transition from state-subsidized services to market based pricing is crucial as the prices cannot be raised suddenly and indiscriminately, but the realizations have to be remunerative and based on commercial considerations. Further, as the infrastructure projects are long duration projects, it is important to have an inbuilt mechanism in the services/pricing contract for a hike in pass-through of price hikes to the end users on account of increase in input prices. I would like to highlight a disquieting practice that has come to characterize the usage of infrastructure services. Very often we find that VIPs and influential people are allowed to enjoy these facilities free of charge. This not only creates a moral hazard, but simultaneously also leads to leakage and distortion of the whole pricing structure. If we allow such a situation to prolong, whereby even those who can afford to pay the usage charges do not do so, this would eventually degenerate into a situation where the society in general would be reluctant to pay for the use of better infrastructural facilities/services. We must realize that creation of world class infrastructure and its sustainable maintenance cannot be achieved if everyone, at least those who can afford to pay, do not do so. Subsidisation of services, if any, has to be restricted solely to the most vulnerable people in the society and that too, in a transparent manner. It is high time the society collectively opposed and abolished such feudalistic practices.

Conclusion

31. It is a well known fact that most infrastructure projects are stalled not because of financing issues, but other administrative and regulatory hurdles. More than half of the bank credit to infrastructure goes to the power sector. Notwithstanding some deceleration in recent years, bank credit to power sector has been growing at a rate higher than overall bank credit to infrastructure. Power projects today are stalled not because of lack of credit but because of lack of supply of fuel and uncertainties with regard to coal pricing and power tariffs, towards which Government has recently taken some measures. After power, banks have the most exposure to roads, where projects are stuck because of delays in land acquisition, environment and forest clearances. The sector which has seen the maximum dip in bank credit within infrastructure is telecom, particularly since January 2012 when 2G licenses were cancelled. Thus, credit moderation to infrastructure sector is a consequence of sector-specific issues/bottlenecks. Let me remind that banks are public entities and carry out their operations using depositors' money. It is, therefore, reasonable to expect banks to look for viability of projects and the safety of their money before committing to funding new projects.

32. Let me conclude by saying that for India to return to the higher growth trajectory, infrastructure problems need to be sorted out with utmost priority. There is a need to make infrastructure projects commercially viable, improve the market sentiment through continuance of reforms and effective governance on the part of the Government with regard to implementation of projects. Let us, however, not wait for others to take action, but we ourselves begin to contribute our might in the right earnest. All the stakeholders in this area have to diligently work towards improving their productivity and efficiency. As regards financing, I would like to say that there is no dearth of finance for infrastructure development and, especially, for commercially viable projects. However, concomitantly, it is important that

banks in general and public sector banks in particular, shift to an information based project appraisal system so as to ensure that the precious funds are not stuck in unproductive projects. Some other issues like creating a mechanism for recovery of the cost through appropriate pricing regime, simplification of project clearance by a centralized authority, etc. need to be worked upon on a priority basis.

33. Given the long term nature of infrastructure financing, which is beyond the normal 5–8 year loan tenors of commercial banks, and the decreasing scope for incremental financing by banks, there may be a case for relaxing norms for pension/insurance/provident funds so that they can fill in some of the gap in debt financing. But nothing will work if the general sentiment with regard to progress of infrastructure projects remains bleak. Until and unless economic activity revives and various roadblocks to infra-projects get cleared, sentiment is likely to remain subdued for the sector, making its financing, whether from banks or non-banks, equally difficult. It is in this context that the role of SBI Caps, which acts as an intermediary between the project developers and the finance, is very critical. As the country's leading project advisor in the infrastructure sector, SBI Caps has to adhere to the highest standards in project appraisal and thus, help in recreating a positive atmosphere for investment in the country's infrastructure sector. I hope that the ideas and suggestions generated in this Conclave through active participation of various stakeholders including the Government, Planning Commission, International Financiers like ADB and IFC, Corporate sector and the banks, would go a long way in addressing the roadblocks that the sector faces. I firmly believe that once these barriers are removed, the pall of gloom that envelopes the sector would be lifted and investment in the sector will start flowing back.

I once again thank SBI Caps for giving me this opportunity to share my thoughts with the delegates.

Thank You!

Table 1: Growth in Bank Credit to Infrastructure Sector

(Rupees in billion)

Industry	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Infrastructure	72.43	113.49	241.33	313.33	513.14	727	1128.3	1429.9	2053.3	2618	3816.12	5371.08	6164.4	7860.45
of which Power	32.89	52.46	166.97	220.53	337.45	429.64	601.34	732.98	950.75	1033.62	1590.12	2328.83	2903.61	4038.22
Tele - communications	19.92	36.44	39.72	41.09	84.08	129.56	184.55	196.19	382.82	471.06	613.12	996.62	989.05	976.43
Roads and Ports	19.62	24.59	34.64	51.71	91.61	167.8	196.95	250.47	344.76	470.6	735.69	925.69	1143.83	1313.12
Other Infrastructure	-	-	-	-	-	-	145.46	250.24	375.01	642.72	877.19	1119.98	1127.91	1532.68
Total Credit to Industries	**2001.3**	**2188.39**	**2295.2**	**2955.62**	**3130.65**	**4231.4**	**5504.4**	**6973.4**	**8583.4**	**10544**	**13114.5**	**16208.5**	**19659.8**	**22301.8**
Share of Infrastructure as a % of total credit to industry	3.62	5.19	10.51	10.60	16.39	17.18	20.50	20.50	23.92	24.83	29.10	33.14	31.36	35.25
Total Credit	**4434.7**	**5256.83**	**6457.4**	**7392.33**	**8641.43**	**11508**	**15168**	**19812**	**24769**	**29999**	**34967.2**	**42992.5**	**50748.3**	**58796.7**
Share of Infrastructure as a % of total bank credit	1.63	2.16	3.74	4.24	5.94	6.32	7.44	7.22	8.29	8.73	10.91	12.49	12.15	13.37

	Compounded Annual Growth Rate (in %)			
Industry	**2000-2004**	**2004-2008**	**2008-2013**	**2000-2013**
Infrastructure	63.15	41.43	30.80	43.41
of which Power	78.97	29.56	33.54	44.78
Tele - communications	43.33	46.07	20.59	34.90
Roads and Ports	47.00	39.28	30.66	38.18
Other Infrastructure	-	-	32.52	39.99
Total	**11.84**	**28.68**	**21.04**	**20.38**

Table 2: Asset Quality of Infrastructure Loans by Scheduled Commercial Banks

(Rs. in Bn)

		All Banks				
		Mar-09	**Mar-10**	**Mar-11**	**Mar-12**	**Mar-13**
Infrastructure	Total Loans Outstanding (Gross)	2618	3816.12	5371.08	6164.40	7860.45
	Total NPAs (Gross)	16.02	22.84	39.10	63.25	114.09
Of which	Restructured Standard Advances	105.88	170.23	156.77	690.09	1255.61
Power	Total Loans Outstanding (Gross)	1033.62	1590.12	2328.83	2903.61	4038.22
	Total NPAs (Gross)	8.02	2.08	11.10	17.33	23.06
	Restructured Standard Advances	38.89	94.39	84.28	368.88	760.27
Telecom	Total Loans Outstanding (Gross)	471.06	613.12	996.62	989.05	976.43
	Total NPAs (Gross)	0.98	0.96	2.01	19.47	31.56
	Restructured Standard Advances	7.33	7.06	10.94	113.79	121.14

Table 3: Asset Quality of Infrastructure Loans by Scheduled Commercial Banks

(Ratio in %)

		All Banks				
		Mar-09	**Mar-10**	**Mar-11**	**Mar-12**	**Mar-13**
Infrastructure	Gross NPA Ratio	0.61	0.60	0.73	1.03	1.45
Of which	(GNPAs + Rest Std Adv) / Gross Advances	4.66	5.06	3.65	12.22	17.43
Power	Gross NPA Ratio	0.78	0.13	0.48	0.60	0.57
	(GNPAs + Rest Std Adv) / Gross Advances	4.54	6.07	4.10	13.30	19.40
Telecom	Gross NPA Ratio	0.21	0.16	0.20	1.97	3.23
	(GNPAs + Rest Std Adv) / Gross Advances	1.76	1.31	1.30	13.47	15.64