

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:75

ANSWERED ON:11.07.2014

NPAS

Chavan Shri Harishchandra Deoram;Raghavan Shri M. K.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Non-Performing Assets (NPAs) of the public and private sector banks (PSBs) are on the rise and if so, the details thereof during each of the last three years and the current year;
- (b) the details of the NPAs recovered and written off by PSBs during the said period;
- (c) whether the Government has urged upon PSBs to take action against top 50 loan defaulters, especially high end loan defaulters and if so, the details thereof;
- (d) whether the Government proposes to set up National Asset Management Company to contain NPAs of banks and if so, the details thereof; and
- (e) the other remedial measures taken/being taken by the Government/Reserve Bank of India to control NPAs?

Answer

FINANCE MINISTER (SHRI ARUN JAITLEY)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT AS REFERRED TO IN REPLY TO PARAS (A) TO (E) OF LOK SABHA STARRED QUESTION NO. 75 FOR ANSWER ON 11TH JULY, 2014 / ASHADHA 20, 1936 (SAKA) REGARDING NPAs BY SHRI M. K. RAGHAVAN & SHRI HARISHCHANDRA CHAVAN.

(a): The details of NPAs of public and private sector banks as on 31 March, 2014 is as under:

Bank Group	Gross NPAs (Amt. in Rs. Crore)			
	March 2011	March 2012	March 2013	March 2014
Public Sector Banks (PSBs)	71,080	112,489	155890	216739
	(24.06%)	(58.26%)	(38.58%)	(39.03%)
Private Sector Banks	17972	18,321	19992	22744
	(3.38%)	(1.94%)	(9.12%)	(13.76%)

Note: Figures in brackets is growth over previous period.

Source: Reserve Bank of India (RBI)-March 2014 data provisional

(b): The details of the NPAs recovered and written off by PSBs during the said period is as under:

(Amount in Rs. Crore)		
Period	Recovery	Written off
2010-11	14,122	17,794
2011-12	17,272	15,551
2012-13	19,832	27,231
2013-14	33,486	34,620

Source: Reserve Bank of India (RBI)-March 2014 data provisional

(c): Consequent to review meeting of top 50 NPA accounts with lead Banks (PSBs) on 18th June, 2014, the Government on 26th June, 2014 has suggested to give more focussed monitoring in coordination with other members of consortium, assigning the responsibility at the Executive Director level, hiring best lawyers and monitoring their performance in defending bank's interest in the Debt Recovery Tribunals (DRTs) and High Courts.

The Government had earlier directed on 21.11.2012 to the PSBs to constitute a Board level Committee for monitoring of NPAs and recovery. Recovery Committee reviews the NPAs periodically.

Reserve Bank of India (RBI) has issued instructions to the Banks to review slippages in asset classification in the borrowal accounts

with outstanding Rs.5 crore and above by the Board of Directors of the bank and review NPA accounts which have registered recoveries of Rs.1 crore and above. Further, Management Committee of the Board should review top 100 borrowal accounts of below Rs.5 crore in each category of NPA i.e., Sub-standard/Doubtful /Loss (75 in each quarter).

(d): No, Sir. As of date there is no such proposal of the Government.

(e): RBI has released guidelines dated 30 January, 2014 for "Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy" suggesting various steps for quicker recognition and resolution of stressed assets. The Guidelines, inter-alia, envisaged creation of a Central Repository of Information on Large Credits (CRILC) by RBI to collect, store, and disseminate credit data to banks on credit exposures of Rs. 5 crore and above, formation of Joint Lenders Forum(JLF), Corrective Action Plan(CAP), and sale of assets. Detailed guidelines were issued by RBI to banks on May 22, 2014 on Reporting to CRILC. Detailed Guidelines on formation of Joint Lenders' Forum (JLF), Corrective Action Plan (CAP), 'Refinancing of Project Loans', 'Sale of NPAs by Banks' and other regulatory measures were issued by RBI on February 26, 2014 to banks.

RBI has also issued instructions on June 26, 2014 on Prudential Norms on Income Recognition and Asset Classification and Provisioning Pertaining to Advances - Projects under implementation.