

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO: 387  
TO BE ANSWERED ON THE 24<sup>th</sup> JUNE, 2019/ASHADHA, 1941(SAKA)

QUESTION  
Bank NPA

387: SHRI SUSHIL KUMAR SINGH: SHRI GOPAL CHINNA YASHETTY:  
ADV. ADOOR PRAKASH

Will the Minister of FINANCE be pleased to state:

- (a) whether any survey or study has been conducted or commissioned by the Government on Non-Performing Assets (NPAs) in the various banks and other financial institutions of the country including the share of leading corporate houses/companies therein;
- (b) if so, the details thereof, bank-wise;
- (c) whether according to the Reserve Bank of India, the gross NPAs in public sector banks are valued at around Rs. 4 lakh crore which represents 90 per cent of the total NPAs of banks in India; and
- (d) if so, the details thereof and the corrective steps being taken by the Government to recover and reduce NPAs in the country particularly in the State of Bihar?

ANSWER

To be answered by  
FINANCE MINISTER  
(SMT. NIRMALASITHARAMAN)

(a) to (d): As per Reserve Bank of India (RBI) data on global operations, aggregate gross advances of Public Sector Banks (PSBs) increased from Rs. 18,19,074 crore as on 31.3.2008 to Rs. 52,15,920 crore as on 31.3.2014. As per RBI inputs, the primary reasons for spurt in stressed assets have been observed to be, *inter-alia*, aggressive lending practices, wilful default / loan frauds / corruption in some cases, and economic slowdown. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of NPAs. As a result of AQR and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of PSBs, as per RBI data on global operations, rose from Rs. 2,79,016 crore as on 31.3.2015, to Rs. 8,95,601 crore as on 31.3.2018, and as a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms have since declined by Rs. 89,189 crore to Rs. 8,06,412 crore as on 31.3.2019 (provisional data).

Data on NPAs is regularly published by RBI as part of its Financial Stability Reports. NPA data is not collated by RBI in terms of corporate houses / companies. PSB-wise

details of gross NPA (GNPA) for Industry category advances in domestic operations and total GNPA in global operations, as per RBI data, are at Annex.

As per RBI provisional data on global operations, as on 31.3.2019, the aggregate amount of gross NPAs of PSBs and Scheduled Commercial Banks (SCBs) were Rs. 8,06,412 crore and Rs. 9,49,279 crore respectively.

Over the last four years, Government has taken comprehensive steps under its 4R's strategy of recognising NPAs transparently resolving and recovering value from stressed accounts, recapitalising PSBs, and reforms in banks and financial ecosystem to ensure a responsible and clean system.

Steps taken to expedite and enable resolution of NPAs of PSBs, include, *inter-alia*, the following:

- (1) The Insolvency and Bankruptcy Code, 2016 (IBC) has been enacted, which has provided for the taking over management of the affairs of the corporatedebtor at the outset of the corporate insolvency resolution process. Coupled with debarment of wilful defaulters and persons associated with NPA accounts from the resolution process, this has effected a fundamental change in the creditor-debtor relationship. Further, the Banking Regulation Act, 1949 has been amended to provide for authorisation to RBI to issue directions to banks to initiate the insolvency resolution process under IBC. As per RBI's directions under the aforesaid amended provision in the Banking Regulation Act, 1949, banks have been filed cases under IBC before the National Company Law Tribunal in respect of RBI-specified borrowers.
- (2) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act has been amended to make it more effective, with provision for three months' imprisonment in case the borrower does not provide asset details and for the lender to get possession of mortgaged property within 30 days. Also, six new Debts Recovery Tribunals have been established to expedite recovery.
- (3) Under the PSB Reforms Agenda, PSBs have created Stressed Asset Management Verticals to focus attention on recovery, segregated monitoring from sanctioning roles in high-value loans, and entrusted monitoring of loan accounts of above Rs. 250 crore to specialised monitoring agencies for clean and effective monitoring, and created online end-to-end One-Time Settlement platforms for timely and better realisation.

Enabled by the above steps, as per RBI data on global operations (provisional data for the financial year ending March 2019), gross NPAs of PSBs have declined from the peak of Rs. 8,95,601 crore in March 2018 to Rs. 8,06,412 crore in March 2019 (provisional data). PSBs have recovered Rs. 3,59,496 crore over the last four financial years, including record recovery of Rs. 1,23,156 crore during 2018-19.

*Note: Figures cited above for PSBs include those for IDBI Bank Limited, which was recategorised as a private sector bank by RBI with effect from 21.1.2019.*

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Lok Sabha Unstarred Parliament Question No. 387, for 24.6.2019

**Gross NPA (GNPA) for Industry category advances in domestic operations and total GNPA in global operations of Public Sector Banks**

Bank	GNPA* for Industry category (as on 31.3.2019)	Total GNPA* (as on 31.3.2019)	<p>* Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non-Performing Assets (NPAs) As a result of AQR and subsequent transparent recognition by PSBs, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. All such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent recognition of stressed assets as NPAs, the gross NPAs of Public Sector Banks (PSBs) increased.</p> <p>Enabled by Government's 4R's strategy, as per RBI data on global operations, PSBs have recovered Rs. 3.59 lakh crore over the last four financial years, including record recovery of Rs. 1.23 lakh crore during 2018-19, and Provision coverage ratio has increased from 46% in March 2015 to 74.2% in March 2019.</p>
Allahabad Bank	20,413	28,578	
Andhra Bank	24,295	28,380	
Bank of Baroda	27,374	53,383	
Bank of India	29,164	59,117	
Bank of Maharashtra	7,692	15,324	

CanaraBank	23,800	38,003	
CentralBank of India	21,493	33,567	
CorporationBank	13,615	23,630	
Dena Bank	8,008	12,242	
Indian Bank	9,980	13,437	
Indian Overseas Bank	23,353	35,139	
OrientalBank of Commerce	13,762	23,952	
Punjab and Sind Bank	4,145	8,046	
Punjab National Bank	45,695	78,031	
Syndicate Bank	8,929	24,675	
UCO Bank	20,697	29,888	
Union Bank of India	27,321	49,995	
United Bank of India	9,087	11,673	
Vijaya Bank	5,225	8,088	
State Bank of India	1,28,921	1,76,342	

*Source: RBI*