

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-1489
ANSWERED ON- 20/12/2022

LOANS BY PUBLIC SECTOR BANKS

1489. DR. K. KESHAVA RAO

Will the Minister of FINANCE be pleased to state:-

- (a) the percentage of Non-Performing Assets (NPAs) against total loans forwarded by Public Sector Banks (PSBs) in the last five years;
- (b) the comparative details of NPAs against total agricultural loans and non-agricultural loans in the last five years;
- (c) the top 10 firms who are liable for the highest aggregate loan in the last five years;
- (d) the top 10 firms who failed to repay the total aggregate loan in the last five years; and
- (e) the actions taken by PSBs and Government to reduce the NPAs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (e): As per Reserve Bank of India (RBI) data on domestic operations, the details of Gross NPA, Gross NPA ratio, Agriculture and Allied activities GNPA ratio, Industry GNPA ratio, Services GNPA ratio and Retail Loans GNPA ratio of PSBs for the last five financial years are at **Annex**.

With regard to the list of top 10 firms who are liable for the highest aggregate loan, and list of top 10 firms who failed to repay the total aggregate loan in the last five years, RBI has informed that under the provisions of section 45E of the RBI Act, 1934, RBI is prohibited from disclosing borrower-wise credit information, since the credit information submitted by a bank is treated as confidential and is not to be published or otherwise disclosed. However, Scheduled Commercial Banks and All Indian Financial Institutions report certain credit information of all borrowers having aggregate credit exposure of Rs. 5 crore and above to RBI, under its Central Repository of Information on Large Credits (CRILC) database. As per the CRILC data, the sum of funded – amount outstanding of top 10 borrower companies and top 10 NPA borrower companies of PSBs are as under:

Amounts in crore Rs.

As on	Sum of Funded- Amount Outstanding Total of Top 10 Borrower Companies	Sum of Funded- Amount Outstanding Total of Top 10 NPA Borrower Companies
31.3.2018	3,01,458	1,73,916
31.3.2019	3,76,284	1,24,561
31.3.2020	4,37,022	1,02,363
31.3.2021	4,32,979	77,602
31.3.2022	5,32,430	61,874

Source: RBI

Comprehensive steps have been taken by the Government and RBI to reduce NPAs which have enabled PSBs to recover an aggregate amount of Rs. 4,80,111 crore during the last five financial years. The steps taken to reduce NPAs, include, *inter alia*, the following –

- (1) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners, and debarring wilful defaulters from the resolution process. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC. Under IBC, resolution plans have been approved in 553 cases up to September 2022, with Rs. 2.43 lakh crore amount realisable by financial creditors.
- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 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.
- (3) As per RBI instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years.
- (4) Wilful defaulters and companies with wilful defaulters as promoters/directors have been debarred from accessing capital markets to raise funds, *vide* Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2016.
- (5) Jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakh to Rs. 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions.
- (6) Under the PSB Reforms Agenda, comprehensive and automated Early Warning Systems (EWS) were instituted in PSBs, with ~80 EWS triggers and use of third-party data for time-bound remedial actions in the borrowing accounts. Further, PSBs have created Stressed Asset Management Verticals for stringent recovery, segregated pre- and post-sanction follow-up roles for clean and effective monitoring, and engaging specialised monitoring agencies for monitoring of large-value accounts.
- (7) The Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment of property of a fugitive economic offender, confiscation of such offender's property and disentitlement of the offender from defending any civil claim.
- (8) All Credit Institutions have been mandated by RBI to become members of all credit information companies (CICs) and submit credit information, including historical data, pertaining to borrowers to CICs, and the data to be updated regularly and to be shared with other credit institutions.

Rajya Sabha Unstarred question no. 1489, regarding Loans by Public Sector Banks

Details of Gross NPA and Gross NPA ratios of Public Sector Banks

Amounts in crore Rs.

As on	Gross NPA	Gross NPA Ratio (%)	Agriculture and Allied activities Gross NPA Ratio (%)	Industry Gross NPA Ratio (%)	Services Gross NPA Ratio (%)	Retail Loans Gross NPA Ratio (%)
31.3.2018	8,45,475	15.52	9.51	27.51	12.34	2.22
31.3.2019	7,10,109	12.25	10.87	21.42	9.87	2.05
31.3.2020	6,44,417	10.79	12.92	17.26	9.94	2.17
31.3.2021	5,76,974	9.36	12.29	13.57	10.07	2.17
31.3.2022	5,07,628	7.57	11.39	10.71	7.81	1.89

Source: RBI, domestic operations
