

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 708
ANSWERED ON – 13/12/2022

NPAS AND BAD DEBTS IN PSBS

708. DR. KANIMOZHI NVN SOMU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has issued recapitalisation bonds to banks to the tune of Rs. 3.41 lakh crores, if so, details thereof;
- (b) the time by which these will be repaid;
- (c) the total NPAs or bad loans of Public Sector Banks (PSBs) written off in the last five years, bank-wise;
- (d) whether NPAs and bad debts in PSBs are hampering the growth and prospects of banking sector in the country; and
- (e) if so the details of the NPAs and bad debts, bank-wise and the quantum of loans recovered in the last five years, bank-wise?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): The Government has issued recapitalisation bonds since FY2017-18 to fund capital infusion in banks. So far, recapitalisation bonds to the tune of Rs. 2.81 lakh crore have been issued by the Government, details of which are at Annex-1. The recapitalisation bonds will be fully repaid by 24.2.2037.

(c): Bank-wise data on total NPAs or bad loans of PSBs written off in the last five years, from FY 2017-18 to FY 2021-22, is at Annex-2.

(d) and (e): The asset quality of PSBs has improved significantly, with the GNPA ratio of PSBs reducing from 14.6% as on March-2018 to 6.1% as on September-2022. Further, capital to risk-weighted assets ratio (CRAR) of PSBs has increased from 11.7% in March 2018 to 14.6% in March 2022 and it stood at 14.5% in September-2022, as against regulatory requirement of 11.5%. Reduction in NPAs and improved capital position aid the banks to support growth through lending and improve the prospects of banking sector. The improved asset quality has also led to increased profitability of the PSBs, with their net profit increasing from ₹ 31,818 crore in FY2020-21, to ₹ 66,543 crore in FY2021-22, and ₹ 40,992 crore in H1 of FY2022-23.

Enabled by improved financials, PSBs have recorded a credit growth of 18.5% (year-on-year) as on September-22.

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Recapitalisation bonds issued by the Government to banks

(In crore Rs.)

Bank	2017-18	2018-19	2019-20	2020-21	2021-22
Bank of Baroda ¹	9,454	5,042	7,000	-	-
Bank of India	6,975	14,724	-	3,000	-
Bank of Maharashtra	2,523	4,703	831	-	-
Canara Bank ²	7,704	3,963	6,571	-	-
Central Bank of India	4,835	6,592	3,353	4,800	-
Indian Bank ³	1,500	11,740	4,687	-	-
Indian Overseas Bank	4,132	5,963	8,217	4,100	-
Punjab and Sind Bank	785	-	787	5,500	4,600
Punjab National Bank ⁴	11,678	25,839	17,757	-	-
State Bank of India	8,800	-	-	-	-
UCO Bank	5,132	6,406	4,272	2,600	-
Union Bank of India ⁵	8,601	21,028	11,968	-	-
IDBI Bank ⁶	7,881	-	4,557	-	-
Total	80,000	1,06,000	70,000	20,000	4,600

¹ Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda with effect from 1.4.2019

² Syndicate Bank was amalgamated into Canara Bank with effect from 1.4.2020

³ Allahabad Bank was amalgamated into Indian Bank with effect from 1.4.2020

⁴ Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank with effect from 1.4.2020

⁵ Andhra Bank and Corporation Bank were amalgamated into Union Bank of India with effect from 1.4.2020

⁶ IDBI Bank was re-categorised as a private sector bank by RBI with effect from 21.1.2019

Note: The figures of the banks amalgamated are incorporated into those for the respective bank into which they were amalgamated.

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Total NPAs of PSBs written off during the last five years

(In crore Rs.)

Bank Name	2017-18	2018-19	2019-20	2020-21	2021-22
Bank of Baroda ¹	7,148	19,292	15,912	14,782	17,967
Bank of India	8,976	7,405	7,618	8,815	10,443
Bank of Maharashtra	2,460	5,127	5,698	4,931	3,118
Canara Bank ²	10,710	21,042	12,432	7,642	8,210
Central Bank of India	2,924	10,375	4,169	5,992	1,236
Indian Bank ³	5,241	7,091	12,152	8,371	8,347
Indian Overseas Bank	6,908	7,794	16,405	4,618	3,769
Punjab and Sind Bank	7,407	12,253	13,365	15,877	18,312
Punjab National Bank ⁴	8,684	13,457	6,860	71	1,134
State Bank of India	39,151	58,905	52,362	34,402	19,666
UCO Bank	2,735	4,420	12,479	9,410	3,851
Union Bank of India ⁵	13,371	16,040	16,426	16,983	19,484
IDBI Bank ⁶	12,515	-	-	-	-
Public Sector Banks	1,28,229	1,83,202	1,75,877	1,31,894	1,15,536

Source: RBI

¹ Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda with effect from 1.4.2019² Syndicate Bank was amalgamated into Canara Bank with effect from 1.4.2020³ Allahabad Bank was amalgamated into Indian Bank with effect from 1.4.2020⁴ Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank with effect from 1.4.2020⁵ Andhra Bank and Corporation Bank were amalgamated into Union Bank of India with effect from 1.4.2020⁶ IDBI Bank was re-categorised as a private sector bank by RBI with effect from 21.1.2019

Note: The figures of the banks amalgamated are incorporated into those for the respective bank into which they were amalgamated.
