

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-217
ANSWERED ON- 05/12/2023

RISE IN NPAs OF BANKS AND CORPORATES

217. DR. M. THAMBIDURAI

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that the NPAs of banks and corporates have been on the rise during the last three years;
- (b) if so, the details thereof;
- (c) the details of the NPAs of Public Sector Banks and first ten big corporates, including the bad loans, during the last three years, year-wise, banks-wise and corporate-wise; and
- (d) the steps taken by Government to recover bad loans from the big corporates to reduce their NPAs and also the steps taken by Government to reduce NPAs of banks?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): As per Reserve Bank of India (RBI) data, gross non-performing assets (GNPAs) of scheduled commercial banks (SCBs) have been declining during the last three years. It has declined from Rs 8,35,051 crore (GNPA ratio of 7.33%) as on 31.3.2021 to Rs 7,42,397 crore (GNPA ratio of 5.82%) as on 31.3.2022 and further to Rs 5,71,544 crore (GNPA ratio of 3.87%) as on 31.3.2023. Similarly, GNPA of SCBs pertaining to corporates have also declined from Rs 5,15,150 crore as on 31.3.2021 to Rs 4,33,749 crore as on 31.3.2022 and further to Rs 2,75,298 crore as on 31.3.2023.

RBI has apprised under section 45 (E) of the RBI Act, RBI is prohibited from disclosing borrower wise credit information. However, Bank wise details of GNPA of public sector banks (PSBs) and GNPA of PSBs pertaining to top ten big corporates for the last three financial years are at annex.

Comprehensive measures/steps have been taken by the Government and Reserve Bank of India (RBI) to NPAs, including those pertaining to corporate companies, which has enabled GNPA of SCBs to decline from the peak of Rs. 10,36,187 crore (GNPA ratio of 11.18%) as on 31.3.2018 to Rs. 5,71,544 crore (GNPA ratio of 3.87%) as on 31.3.2023 (RBI provisional data). These measures include, *inter alia*, the following:

- (1) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code, 2016 (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners, and debarring willful 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.
- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been amended to make it more effective.
- (3) National Asset Reconstruction Company Limited has been set up as an asset reconstruction company with an aim to resolve stressed assets above Rs. 500 crore each. Government has also approved extending a guarantee of up to Rs. 30,600 crore to back Security Receipts issued by NARCL to Lending Institutions for acquiring stressed loan assets.
- (4) PSBs have also 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.
- (5) CRILC collects, stores and disseminates credit data to lenders, and banks are required to submit report on weekly basis to CRILC, in case of any default by borrowing entities with exposure of Rs. 5 crore and above.
- (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.
- (7) Willful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years.
- (8) Willful defaulters and companies with willful defaulters as promoters/directors have been debarred from accessing capital markets to raise funds.
- (9) Prudential Framework for Resolution of Stressed Assets was issued by RBI in 2019 to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.

Rajya Sabha unstarred question no. 217, regarding Rise in NPAs of banks and corporates

Bank wise details of gross NPA of public sector banks (PSBs) and gross NPA of PSBs pertaining to top ten big corporates for the last three financial years

Amounts in crore Rs.

Bank Name	31.3.2021		31.3.2022		31.3.2023	
	Total GNPA	GNPA pertaining to top ten big corporates	Total GNPA	GNPA pertaining to top ten big corporates	Total GNPA	GNPA pertaining to top ten big corporates
Bank of Baroda	66,671	13,616	54,059	10,816	36,764	10,329
Bank of India	56,535	13,668	45,605	7,608	37,686	5,222
Bank of Maharashtra	7,780	834	5,327	619	4,334	441
Canara Bank	60,288	11,248	54,436	10,299	46,160	10,884
Central Bank of India	29,277	6,595	28,156	6,022	18,386	3,331
Indian Bank	38,455	6,036	35,214	5,259	28,180	3,628
Indian Overseas Bank	16,323	2,775	15,299	2,549	14,072	2,970
Punjab and Sind Bank	9,334	3,162	8,565	3,134	5,648	2,014
Punjab National Bank	1,04,423	21,135	92,448	16,473	77,328	14,192
State Bank of India	1,26,389	28,832	1,12,023	20,973	90,928	13,691
UCO Bank	11,352	4,278	10,237	4,473	7,726	4,092
Union Bank of India	89,788	12,413	79,587	12,803	60,987	8,063

Source: RBI (provisional data for 31.3.2023)
