

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 2470

Answered on Tuesday, December 17, 2024/26 Agrahayana, 1946 (Saka)

Trend in rising AUM

2470 SHRI KESRIDEVSINH JHALA:

Will the Minister of FINANCE be pleased to state:

- (a) the trend in increase of Asset Under Management of banks during the last three years, year-wise including 2024;
- (b) the profits earned by Scheduled Commercial Banks (SCBs) during the last three years including 2024, bank-wise;
- (c) the trend in NPA across various SCBs during the last three years, including 2024; and
- (d) the steps taken by the Ministry towards recapitalisation of banks and improving NPA?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): The details of total assets, profits earned and gross NPAs of scheduled commercial banks (SCBs) of last three years, including 2024, is at annex.

Further, comprehensive steps have been taken by the Government and Reserve Bank of India (RBI) to reduce NPAs and enable banks to become self-reliant in capital raising. These steps 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.
- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Recovery of Debt and Bankruptcy Act have been amended to make it more effective.

- (3) Pecuniary jurisdiction of Debt Recovery Tribunal (DRTs) was increased from ₹ 10 lakh to ₹ 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions.
- (4) Public Sector Banks (PSBs) have set-up specialized stressed assets management verticals and branches for effective monitoring and focused follow-up of NPA accounts, which facilitates quicker and improved resolution/ recoveries. Deployment of Business correspondents and adoption of Feet-on-street model have also boosted the recovery trajectory of NPAs in banks.
- (5) Prudential Framework for resolution of stressed assets was issued by RBI 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.
- (6) Strengthening governance and management through instituting a professional board for appointment of top executives.
- (7) Encouraging PSBs to raise funds from the market through equity and bond markets, including issuance of capital instruments, such as Additional Tier-I and Tier-II bonds.

As a result of these steps, the Gross NPA ratio of SCBs has declined from peak of 11.18% as on 31.3.2018 to 2.75% as on 31.3.2024 and PSBs were able to raise capital to the tune of ₹ 1.53 lakh crore during FY2021-22 to FY2023-24.

Also, as per RBI's financial stability report of June 2024, its stress test shows that SCBs are well capitalised and capable of absorbing macroeconomic shocks even in the absence of any further capital infusion by stakeholders.

Referred in reply of Rajya Sabha Unstarred Question Number 2470 for answering on 17.12.2024 regarding 'Trend in rising AUM'

Details of total assets, profits earned and gross NPAs of Scheduled Commercial Banks of last three years

Amount in ₹ Crore

Particulars	31-03-2022	31-03-2023	31-03-2024
Total Assets	2,19,57,530	2,45,86,690	2,82,98,771
Profit after tax <i>(for the financial year ending on)</i>	1,82,140	2,62,807	3,49,588
Gross NPA	7,42,397	5,71,544	4,80,701

Source: RBI
