

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 1169
TO BE ANSWERED ON THE 22nd DECEMBER, 2017/PAUSHA 1, 1939 (SAKA)

QUESTION
NONPERFORMING ASSETS

**1169: SHRI A.P. JITHENDER REDDY:
SHRIG. HARI:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Financial Stability Report has revealed that the Gross Non Performing Assets (NPAs) of banks may rise from 9.6 per cent in March, 2017 to 10.2 per cent in March 2018 and if so, the details thereof;
- (b) the details of the steps taken by the Public Sector Banks (PSBs) with respect to rise in the ratio of Gross NPAs from 9.2 per cent to 9.6 per cent as stated in Financial Stability Report released in June, 2017 by Reserve Bank of India (RBI);
- (c) whether the report further indicated that there might be further downward risk jeopardising the central banks estimate for asset quality and if so, the details thereof and
- (d) the details of the steps taken in furtherance of RBI's recommendation to initiate solvency proceedings against the twelve large defaulters which together constitute 25 per cent of the total NPA, if so, the details thereof and if not, the reasons therefor?

ANSWER

**To be answered by
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHIV PRATAP SHUKLA)**

(a) to (d): As per Financial Stability Report (FSR) released by Reserve Bank of India (RBI) in June 2017, the stress test indicated that under the baseline scenario, the Gross Non-Performing Assets (GNPA) ratio of all Scheduled Commercial Banks (SCBs) may increase from 9.6 per cent in March 2017 to 10.2 per cent by March 2018. If the macroeconomic conditions deteriorate, the GNPA ratio may increase further under such consequential stress scenarios.

RBI has issued directions to certain banks for referring 12 accounts, with fund and non-fund based outstanding amount greater than Rs. 5,000 crore and with 60% or more classified as non-performing as of 31.3.2016, to initiate insolvency process under the Insolvency and Bankruptcy Code, 2016. These 12 accounts constituted about 25 per cent of the gross NPAs of the banking system. In accordance with RBI's directions, banks have filed applications in respect of the accounts before the Adjudicating Authorities concerned, within specified timelines.
