

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 2024
TO BE ANSWERED ON THE 29th DECEMBER, 2017/PAUSHA 08, 1939 (SAKA)

QUESTION
GROSS NPAs

2024: SHRI KALYAN BANERJEE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Gross Non-Performing Assets (NPAs) of the Public Sector Banks have almost doubled from September 2015 and reach about 15 lakh crore in September 2017 and if so, the details of the NPAs during the last five years and the reasons therefor;
- (b) whether the Government proposes to review the bail in plan for banks and if so, the details thereof; and
- (c) the steps taken/being taken by the Government and observations/suggestions of committees of RBI to minimise the NPAs?

ANSWER
To be answered by
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHIV PRATAP SHUKLA)

(a) As per Reserve Bank of India's data for domestic operations, Gross Non-Performing Assets (GNPAs) of Public Sector Banks (PSBs) as on 30.9.2015 were Rs. 2,99,688 crore and increased to Rs. 6,89,806 crore as on 30.9.2017. The GNPAs of PSBs for last five years are at Annexure.

As per RBI inputs, reasons for spurt in stressed assets in recent time have been observed to include, *inter alia*, factors such as aggressive lending practices during upturn, laxity in credit risk appraisal and loan monitoring in banks and wilful default or loan frauds in some cases, and slowdown in the global economy.

(b) A provision related to the bail-in instrument as one of the methods of resolution of specified service providers, including banks, is contained in the Financial Resolution and Deposit Insurance Bill, 2017, introduced in Lok Sabha on 10.8.2017, and stands referred to a Joint Committee of Parliament.

(c) The Insolvency and Bankruptcy Code, 2016 has been enacted and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) and the Recovery of Debts due to Banks and Financial Institutions (RDDBFI) Acts have been amended to support banks in their recovery efforts.

Reserve Bank of India (RBI) has introduced Scheme for Sustainable Structuring of Stressed Assets, Strategic Debt Restructuring Scheme, Flexible Structuring (5/25) schemes for restructuring debt, issued guidelines on Joint Lenders' Forum for resolution, and issued Corrective Action Plan for rectification, recovery and restructuring processes, to address stress because of Non-performing Assets.

Annexure

Lok Sabha Unstarred Parliament Question No. 2024, for 29.12.2017

Gross Non-performing Assets of Public Sector Banks

Amount in crore Rs.

Bank Group	Gross Non-Performing Assets				
	31.3.2013	31.3.2014	31.3.2015	31.3.2016	31.3.2017
Public Sector Banks	1,55,890	2,16,739	2,67,065	5,02,068	6,41,057

Source: Reserve Bank of India (Domestic Operations)