

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 1338

TO BE ANSWERED ON THE 9TH FEBRUARY 2018/MAGHA 20, 1939 (SAKA)

QUESTION
ACTION ON NPAs

1338:

SHRIMATI ARPITA GHOSH:
SHRI SHIVKUMAR UDASI:

SHRI D.S. RATHOD:
SHRI ASHOK MAHADEORAO NETE:

Will the Minister of FINANCE be pleased to state:

- whether the Non Performing Assets (NPAs) of banks are on the rise, if so, the details thereof and the total NPA amount in the country;
- whether banks are facing difficulties in recovering the loans which have been declared as NPA and if so, the details thereof;
- whether the Government has decided to take strict action against loan defaulters and if so, the details thereof;
- the remedial measures taken/being taken by the Government/Reserve Bank of India to control/resolve NPAs; and
- the reason for bringing up a bill like Financial Resolution and Deposit Insurance, where public money will be at stake, while the NPA issues are not resolved by the Government?

ANSWER

To be answered by

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHIV PRATAP SHUKLA)

(a): As per Reserve Bank of India (RBI) data, combined Gross NPAs of Scheduled Commercial Banks have declined marginally from 10% as on 30.6.2017 to 9.8% as on 30.9.2017.

(b) to (e): Recovery of loans was being effected under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act and through Debts Recovery Tribunals. SARFAESI Act was amended in 2016 to make it more effective. Further, six new Debts Recovery Tribunals have been established to expedite recovery. Insolvency and Bankruptcy Code, 2016 has been enacted to create a unified framework for resolving insolvency and bankruptcy matters, and to provide for time bound resolution of stressed assets. The Banking Regulation Act, 1949 has been amended, to provide for authorisation to RBI to issue directions to banks to initiate the insolvency resolution process under IBC. 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% of the GNPA of the banking system.

In addition to the above steps for addressing resolution of NPAs, the proposed Financial Resolution and Deposit Insurance Bill, 2017 aims to provide for a comprehensive resolution mechanism with the objective of protecting consumers and public funds, thereby contributing to the stability and resilience of the financial system. The provisions of the bill do not modify present protections to the depositors.
