

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 3548
TO BE ANSWERED ON THE 16th MARCH 2018/PHALGUNA 25, 1939 (SAKA)

QUESTION
STRESS LOANS OF PSBs

3548: SHRI K. PARASURAMAN:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government is concerned that India has nearly two dozen State run bank accounts for 88 per cent of the bad loans;
- b) if so, the details thereof and the details about stressed loans of the nationalised banks across the country;
- c) whether the Government has fixed any deadline for the recovery of such stressed loans; and
- d) if so, the details thereof and the action taken by the Government in this regard?

ANSWER

To be answered by

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHIV PRATAP SHUKLA)

(a) and (b): As per Reserve Bank of India (RBI) provisional data on global operations, as on 31.12.2017, 21 Public Sector Banks (PSBs) had aggregate gross Non-Performing Assets (GNPAs) of Rs. 7,77,280 crore, which is about 86.40 per cent of the aggregate GNPAs of Scheduled Commercial Banks.

As per RBI provisional data on global operations, as on 31.12.2017, the aggregate GNPAs of nationalised banks were Rs. 5,27,503 crore.

(c) and (d): Insolvency and Bankruptcy Code, 2016 has been enacted for time-bound resolution of stressed assets. It provides that the insolvency resolution process shall be completed within a period of 180 days from the date of admission of the application to initiate such process, which may be extended by a further period not exceeding 90 days by order of the Adjudicating Authority. Further, the Banking Regulation Act, 1949 has been amended last year to provide for authorisation by the Government to RBI, for issuing directions to banks to initiate the insolvency resolution process under the Code. In terms of authorisation given by the Government, under the provisions of this amending legislation, RBI has issued directions to certain banks for referring 12 accounts, with outstanding amounts 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 Code. In accordance with these directions, banks have filed applications in respect of these accounts before the Adjudicating Authority. Further, keeping in view the enactment of the Code, RBI has recently issued a revised framework for resolution of stressed assets, which provides for time-bound resolution of high-value stressed accounts, requiring filing of insolvency application under the Code in case of non-implementation of Resolution Plan within 180 days.