

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 3627

TO BE ANSWERED ON THE 16th MARCH, 2018/PHALGUN 25, 1939 (SAKA)

QUESTION
CAPITALIZATION OF FINANCIAL SECTOR

3627: SHRI KALYAN BANERJEE:

Will the Minister of FINANCE be pleased to state:

- (a) whether on announcement of recapitalization of Indian banking sector, the bank's Non-Performing Assets (NPAs) are growing constantly during the last two months and if so, the details thereof;
- (b) whether the Government has identified the big defaulters account of bad loans of the Public Sector Banks and total bad loans upto February, 2018 and if so, the details thereof;
- (c) the details of clear proposal of the Government with large budgetary support towards recapitalization of the financial sector; and
- (d) whether the Government proposes to use the foreign exchange reserves for shoring up the bank capital therein and if so, the details thereof?

ANSWER

To be answered by

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHIV PRATAP SHUKLA)

(a): Most recent audited data on gross NPAs of banks are for the quarter ended December 2017. As per Reserve Bank of India (RBI) data, gross NPAs of Scheduled Commercial Banks have been rising steadily since the last eight financial years.

(b): As per RBI data on global operations, the gross NPAs of Public Sector Banks, as on 31.12.2017, were Rs. 7,77,280 crore.

RBI has apprised that it 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.

(c) To address regulatory capital requirements, increase credit off-take and catalyse economic growth, Government has announced and commenced recapitalisation of PSBs to the tune of Rs. 2,11,000 crore over the current and next financial years. Of this, Rs. 1,53,139 crore is through infusion of capital by the Government, while the balance is envisaged through capital raising by banks themselves from markets.

(d) As per inputs from the Department concerned, no such proposal is under consideration
