

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 2984
TO BE ANSWERED ON THE 3rd AUGUST 2018 / SHRAVANA 12, 1940 (SAKA)

QUESTION
ANNUAL GROWTH OF NPAs

2984: SHRI DEEPENDER SINGH HOODA:

Will the Minister of FINANCE be pleased to state:

- a) the annual growth in Non Performing Assets (NPAs) of Public Sector Banks in the last four financial years;
- b) the details of the likelihood of further rise in NPAs in the current financial year; and
- c) the details of the proportion of NPAs coming from large sized capital intensive businesses as compared to medium and small enterprises?

ANSWER

To be answered by

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

(a): The gross advances of Scheduled Commercial Banks (SCBs) increased from Rs. 25,03,431 crore as on 31.3.2008 to Rs. 68,75,748 crore as on 31.3.2014, as per the global operations data of the Reserve Bank of India (RBI). As per RBI inputs, the primary reasons for spurt in stressed assets have been observed to be, *inter-alia*, due to aggressive lending practices, wilful default/loan frauds/corruption in some cases, and economic slowdown. Asset Quality Review (AQR) carried out in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non-Performing Assets (NPAs). Expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were reclassified as NPAs and provided for expected losses. During financial year (FY) 2017-18, all such schemes for restructuring stressed loans were withdrawn. The aggregate gross NPAs of PSBs increased primarily as a result of this transparent recognition of stressed assets as NPAs, from Rs. 2,16,739 crore, as on 31.3.2014, to Rs. 8,45,475 crore, as on 31.3.2018 (provisional data), as per RBI data on domestic operations.

(b): As per unaudited financial results for the first quarter of the current financial year, declared by six Public Sector Banks (Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Indian Overseas Bank, Oriental Bank of Commerce and Vijaya Bank) till 31.7.2018, their aggregate gross NPAs showed reduction of Rs. 4,464 crore vis-a-vis gross NPAs as on 31.3.2018.

(c): With regard to details of the proportion of NPAs coming from large sized capital intensive businesses as compared to medium and small enterprises, RBI has apprised that required information is not available.
