

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-1902
ANSWERED ON- 19/12/2022

DECREASE IN BANK NPAs

1902. SHRI RAVNEET SINGH BITTU
SHRI PRADYUT BORDOLOI

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that the Non-Performing Assets (NPAs) of the public sector banks have come down in the recent years and if so, the details thereof during the last five years, year-wise;
- (b) whether it is a fact that the NPAs of the public sector banks have been reduced primarily due to the writing off of loans from the account books of these public sector banks and if so, the details thereof, public sector bank-wise;
- (c) the details of the total amount of loans which have been written off by various banks in the country during the said period;
- (d) the total amount of written off loans which could be recovered during the said period, bank-wise;
- (e) the details of the top 50 loan write off and the top 50 wilful bank defaulters during the said period; and
- (f) the details of the steps being taken by the Government to recover written off loans and also to further reduce NPAs of the public sector banks?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (f): The gross NPAs of public sector banks (PSBs) which had peaked to Rs. 8,95,601 crore (Gross NPA ratio of 14.58%) in 2018 primarily as a result of the Asset Quality Review undertaken by the Reserve Bank of India (RBI) whereby the stressed assets were transparently recognised as NPAs, have since declined to Rs. 5,40,958 crore (Gross NPA ratio of 7.28%) as on 31.3.2022, consequent to Government's strategy of recognition, resolution, recapitalisation and reforms. Decline in NPAs can be due to upgradation of NPA accounts, recoveries in NPA accounts and lower slippages. In the last five financial years, the PSBs have made an aggregate recovery of Rs. 4,80,111 crore from NPA accounts and upgradation of NPAs of Rs. 1,45,356 crore. Further, slippages into NPAs have reduced from Rs. 3,38,710 crore for FY 2016-17 to Rs. 1,44,315 crore for FY 2021-22, all of which has resulted in decline of NPAs. The decline in NPAs can also be due to write-off which is primarily an exercise undertaken for cleaning of balance-sheet, avail of tax benefit and optimise capital by PSBs, as per RBI guidelines and banks' board approved policies. As per RBI data, year-wise details of gross NPAs in PSBs during the last five financial years are as under:

As on	Amount (in crore Rs.)
31.3.2018	8,95,601
31.3.2019	7,39,541
31.3.2020	6,78,317
31.3.2021	6,16,616
31.3.2022	5,40,958

Bank-wise details of NPAs written off and recoveries made in written off accounts by PSBs during the last five financial years are at **Annex-1**.

With regard to the details of the top 50 loans that were written off, RBI has informed that account-wise information on written off loan accounts is not maintained by it. Further, under the provisions of section 45E of the RBI Act, 1934, RBI is prohibited from disclosing borrower-wise credit information, since the credit information submitted by a bank is treated as confidential and is not to be published or otherwise disclosed. However, Scheduled Commercial Banks and All Indian Financial Institutions report certain credit information of all borrowers having aggregate credit exposure of Rs. 5 crore and above to RBI, under its Central Repository of Information on Large Credits (CRILC) database. As per the CRILC data, the details of top 50 wilful defaulters are at **Annex-2**.

Comprehensive steps have been taken by the Government to deter defaulters, to take effective action against them and to recover the default amount from them, including recovery from written off loans. It has enabled PSBs to recover an aggregate amount of Rs. 4,80,111 crore during the last five financial years. The steps taken to reduce NPAs, include, *inter alia*, the following –

- (1) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners, and debarring wilful defaulters from the resolution process. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC. Under IBC, resolution plans have been approved in 553 cases up to September 2022, with Rs. 2.43 lakh crore amount realisable by financial creditors.
- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been amended to make it more effective, with provision for three months' imprisonment in case the borrower does not provide asset details, and for the lender to get possession of mortgaged property within 30 days.
- (3) As per RBI instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years.
- (4) Wilful defaulters and companies with wilful defaulters as promoters/directors have been debarred from accessing capital markets to raise funds, *vide* Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2016.
- (5) Jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakh to Rs. 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions.
- (6) Under the PSB Reforms Agenda, comprehensive and automated Early Warning Systems (EWS) were instituted in PSBs, with ~80 EWS triggers and use of third-party data for time-bound remedial actions in the borrowing accounts. Further, PSBs have created Stressed Asset Management Verticals for stringent recovery, segregated pre- and post-sanction follow-up roles for clean and effective monitoring, and engaging specialised monitoring agencies for monitoring of large-value accounts.
- (7) The Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment of property of a fugitive economic offender, confiscation of such offender's property and disentitlement of the offender from defending any civil claim.
- (8) All Credit Institutions have been mandated by RBI to become members of all credit information companies (CICs) and submit credit information, including historical data, pertaining to borrowers to CICs, and the data to be updated regularly and to be shared with other credit institutions.

Lok Sabha unstarred question no. 1902, regarding Decrease in Bank NPAs

Details of NPAs written off by Public Sector Banks

Amounts in crore Rs.

Bank	Amount written off					Recovery from written-off accounts				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Bank of Baroda ¹	7,148	19,292	15,912	14,782	17,967	917	1,295	1,532	2,985	2,510
Bank of India	8,976	7,405	7,618	8,815	10,443	408	971	1,775	530	1,097
Bank of Maharashtra	2,460	5,127	5,698	4,931	3,118	138	245	342	844	642
Canara Bank ²	10,710	21,042	12,431	7,642	8,210	724	1,874	1,196	3,032	2,747
Central Bank of India	2,924	10,375	4,169	5,992	1,236	410	557	693	297	332
Indian Bank ³	5,242	7,091	12,151	8,371	8,347	249	158	261	618	1,612
Indian Overseas Bank	6,908	7,794	16,405	4,618	3,769	3	28	39	32	19
Punjab and Sind Bank	460	1,635	1,781	71	1,134	49	160	178	125	261
Punjab National Bank ⁴	15,631	24,076	18,444	15,877	18,312	1,351	3,213	4,333	2,498	3,441
State Bank of India	39,151	58,905	52,362	34,402	19,666	5,333	8,345	9,250	10,297	7,782
UCO Bank	2,735	4,420	12,479	9,410	3,851	182	448	1,003	986	1,546
Union Bank of India ⁵	13,371	16,040	16,426	16,983	19,484	474	1,774	3,401	2,537	2,750
IDBI Bank Limited ⁶	12,515					219				

Source: RBI, Global Operations

¹ Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda with effect from 1.4.2019

² Syndicate Bank was amalgamated into Canara Bank with effect from 1.4.2020

³ Allahabad Bank was amalgamated into Indian Bank with effect from 1.4.2020

⁴ Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank with effect from 1.4.2020

⁵ Andhra Bank and Corporation Bank were amalgamated into Union Bank of India with effect from 1.4.2020

⁶ IDBI Bank Limited, was recategorised as a private sector bank by RBI with effect from 21.1.2019.

Note: The figures of the banks amalgamated are incorporated into those for the respective bank into which they were amalgamated.

Lok Sabha unstarred question no. 1902, regarding Decrease in Bank NPAs

Details of top 50 wilful defaulters in Scheduled Commercial Banks as on 31.3.2022

Amounts in crore Rs.

Borrower Name	Amount owed
Gitanjali Gems Limited	7,848
Era Infra Engineering Limited	5,879
Rei Agro Limited	4,803
Concast Steel and Power Limited	4,596
ABG Shipyard Limited	3,708
Frost International Limited	3,311
Winsome Diamonds and Jewellery Limited	2,931
Rotomac Global Private Limited	2,893
Coastal Projects Limited	2,311
Zoom Developers Private Limited	2,147
Kudos Chemie Limited	2,082
VMC Systems Limited	2,001
Transstroy (India) Limited	1,932
Amtek Auto Limited	1,926
Deccan Chronicle Holdings Limited	1,890
IVRCL Limited	1,766
Best Foods Limited	1,653
Forever Precious Jewellery and Diamonds Private Limited	1,639
Shri Lakshmi Cotsyn Limited	1,599
Siddhi Vinayak Logistic Limited	1,588
Pratibha Industries Limited	1,497
Svogl Oil Gas and Energy Limited	1,486
Surya Vinayak Industries Limited	1,481
Unity Infraprojects Limited	1,476
Hanung Toys and Textiles Limited	1,449
Nakoda Limited	1,448
Gili India Limited	1,447
EMC Limited	1,342
S Kumars Nationwide Limited	1,334
Rohit Ferro-Tech Limited	1,333
Sterling Biotech Limited	1,311
Amira Pure Foods Private Limited	1,293
Shree Ganesh Jewellery House (I) Limited	1,157
Gupta Coal India Private Limited	1,152
Nakshatra Brands Limited	1,149
Sintex Industries Limited	1,147
Sterling Oil Resources Limited	1,028
Wind World (India) Limited	993
Ezeego One Travel and Tours Limited	944
Parekh Aluminex Limited	934
Corporate Ispat Alloys Limited	933
JVL Agro Industries Limited	932
First Leasing Company of India Limited	896
Diamond Power Infrastructure Limited	886
Shri Lal Mahal Limited	881
Kingfisher Airlines Limited	866
Jain Infraprojects Limited	853
Metalyst Forgings Limited	818
Firestar International Limited	803
Jay Polychem (India) Limited	798

Source: RBI
