

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO-†1736
ANSWERED ON 31st JULY, 2023 / SRAVANA 9, 1945 (SAKA)

DECLINE IN THE NPA

†1736. SHRI SHANKAR LALWANI
DR. BHARATIBEN DHIRUBHAI SHIYAL
SHRI ADALA PRABHAKARA REDDY
DR. ARVIND KUMAR SHARMA

Will the Minister of FINANCE be pleased to state:-

- (a) whether there has been continuous decline in the NPA (Non-Performing Assets) of banks;
- (b) if so, the bank-wise details during the last three years;
- (c) the details of the various steps being taken/likely to be taken to reduce the NPA in the Indian Banking System and dispose of the matters lying pending since long time;
- (d) the progress made under the same and the benefits realised so far; and
- (e) the details of the progress made with respect to the implementation of Mission Indradhanush for Public Sector Banks (PSBs)?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): The Gross NPAs of Scheduled Commercial Banks (SCBs) have declined in the last six financial years from Rs. 10,36,187 crore (gross NPA ratio of 11.18%) as on 31.3.2018 to Rs. 5,71,515 crore (gross NPA ratio of 3.87%) as on 31.3.2023 (RBI provisional data). Bank-wise details of gross NPAs of SCBs during the last three financial years are at **Annex**.

Comprehensive steps have been taken to recover and to reduce NPAs, enabled by which SCBs have made an aggregate recovery of Rs. 8,19,211 crore in NPAs, including written-off loans, during the last six financial years (RBI provisional data for FY 2022-23). These steps include, *inter alia*, the following:

- (1) Change in credit culture has been effected, with 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.

- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been amended to make it more effective.
- (3) Pecuniary 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.
- (4) 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.
- (5) PSBs have also 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.
- (6) 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.
- (7) Wilful defaulters and companies with wilful defaulters as promoters/directors have been debarred from accessing capital markets to raise funds.
- (8) Prudential Framework for Resolution of Stressed Assets was issued by RBI in 2019 to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.

(e): Government, launched “Indradhanush” scheme in August 2015 for comprehensive framework to revamp and improve Public Sector Banks (PSBs), and had implemented structural and policy changes, which include:

- (1) Financial Services Institutions Bureau (erstwhile Bank Board Bureau established in 2016) has been constituted for arm’s length selection of top management in PSBs.
- (2) The post of Chairman and Managing Director has been separated into posts of MD & CEO and non-executive chairman to ensure appropriate checks and balances.
- (3) Capital infusion has been done in banks to supplement the achievement of regulatory capital norms by PSBs through their own efforts and, in addition, based on performance and potential, augmenting their growth capital.
- (4) The Government has issued a circular for non- interference from Government and banks to take their decision independently keeping the commercial interest of the organisation in mind.
- (5) Revised framework of Key Performance Indicators (KPIs) for whole time directors has been introduced, and
- (6) Banking reforms, including EASE reforms, have been initiated to address various issue, which include, *inter alia* credit discipline, strengthening of risk management practices, responsible lending, improved governance, adoption of technology, enabling customer centricity and supporting financial inclusion.

As a result of Indradhanush Scheme and other reforms, implemented by the government, performance of PSBs has significantly improved. All PSBs are in profit and adequately capitalised, and asset quality and provisioning coverage ratio of PSBs have improved significantly. Also, all PSBs, earlier placed under Prompt Corrective Action (PCA) framework by RBI has been removed from PCA restriction.

Lok Sabha unstarred question no. †1736, regarding DECLINE IN THE NPA

Details of gross non-performing assets (NPAs) of Scheduled Commercial Banks (SCBs) during the last three financial years

Amounts in crore Rs.

Bank	Gross NPAs		
	As on 31.3.2021	As on 31.3.2022	As on 31.3.2023
American Express Banking Corporation	253	227	288
AU Small Finance Bank Limited	1,503	924	981
Australia and New Zealand Banking Group Limited	25	25	-
Axis Bank Limited	22,682	18,566	17,019
Bandhan Bank Limited	5,758	6,380	5,299
Bank of Bahrain and Kuwait B.S.C.	14	17	18
Bank of Baroda	66,671	54,059	36,764
Bank of Ceylon	33	54	50
Bank of India	56,535	45,605	37,686
Bank of Maharashtra	7,780	5,327	4,334
Bank of Nova Scotia	64	64	0
Barclays Bank PLC	268	111	32
BNP Paribas	7	6	-
Canara Bank	60,288	54,436	46,160
Capital Small Finance Bank Limited	78	117	153
Central Bank of India	29,277	28,156	18,386
Citibank N.A.	991	759	207
City Union Bank Limited	1,893	1,933	1,920
Cooperatieve Rabobank U.A.	372	150	104
Credit Agricole Corporate and Investment Bank	3	3	3
CSB Bank Limited	393	290	263
CTBC Bank Company Limited	2	1	1
DBS Bank India Limited	488	4,534	2,743
DCB Bank Limited	1,083	1,290	1,123
Deutsche Bank AG	1,457	2,732	1,748
Doha Bank Q.P.S.C	27	27	27
Equitas Small Finance Bank Limited	643	837	724
ESAF Small Finance Bank Limited	564	950	352
Federal Bank Limited	4,602	4,137	4,184
Fincare Small Finance Bank Limited	354	573	288
FirstRand Bank Limited	28	-	-
HDFC Bank Limited	14,999	16,101	18,012
Hongkong and Shanghai Banking Corporation Limited	913	644	524
ICICI Bank Limited	40,841	33,295	29,986
IDBI Bank Limited	36,212	34,115	10,969
IDFC First Bank Limited	4,303	4,469	3,884
Indian Bank	38,455	35,214	28,180

Bank	Gross NPAs		
	As on 31.3.2021	As on 31.3.2022	As on 31.3.2023
Indian Overseas Bank	16,323	15,299	14,072
IndusInd Bank Limited	5,795	5,517	5,826
Jammu a Kashmir Bank Limited	6,955	6,521	5,204
Jana Small Finance Bank Limited	858	757	709
Karnataka Bank Limited	2,588	2,251	2,293
Karur Vysya Bank Limited	4,143	3,431	1,458
KEB Hana Bank	40	40	40
Kotak Mahindra Bank Limited	7,426	6,470	5,768
Lakshmi Vilas Bank Limited	4,845	-	-
Mizuho Bank Limited	6	6	6
Nainital Bank Limited	651	521	448
North East Small Finance Bank Limited	192	190	347
PT Bank Maybank Indonesia TBK	18	-	-
Punjab and Sind Bank	9,334	8,565	5,648
Punjab National Bank	1,04,423	92,448	77,328
Qatar National Bank (Q.P.S.C.)	50	53	52
RBL Bank Limited	2,602	2,728	2,420
Sberbank	92	41	22
SBM Bank (India) Limited	88	93	97
Shinhan Bank	128	154	156
Shivalik Small Finance Bank Limited	-	33	33
Societe Generale	79	79	79
Sonali Bank	4	4	4
South Indian Bank Limited	4,143	3,648	3,708
Standard Chartered Bank	4,674	3,886	3,233
State Bank of India	1,26,389	1,12,023	90,928
Suryoday Small Finance Bank Limited	394	598	191
Tamilnad Mercantile Bank Limited	1,085	571	521
The Dhanalakshmi Bank Limited	657	534	511
UCO Bank	11,352	10,237	7,726
Ujjivan Small Finance Bank Limited	1,071	1,284	631
Union Bank of India	89,788	79,587	60,987
United Overseas Bank Limited	75	75	55
Unity Small Finance Bank Limited	-	-	3,767
Utkarsh Small Finance Bank Limited	315	648	432
Woori Bank	-	-	8
Yes Bank Limited	28,610	27,976	4,395

Source: RBI (provisional data for 31.3.2023)
