

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 659**

Answered on the July 24, 2023/Sravana 2, 1945 (Saka)

**Issue of Retail Borrowers**

659. SHRI SYED IMTIAZ JALEEL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the issue of retail borrowers missing their monthly payments;
- (b) if so, the details thereof;
- (c) whether the Government has identified any specific reasons behind the increase in retail borrowers missing payments, if so, the details thereof and measures being taken to tackle these issues;
- (d) whether the Government is proposing any measures to provide relief or assistance to retail borrowers who are struggling to make monthly payments;
- (e) the proposal of the Government to strengthen regulations and monitoring mechanisms to ensure timely modification and resolution of retail borrowers financial difficulties; and
- (f) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KARAD)

(a) to (f): As per the Reserve Bank of India (RBI), while the retail loans grew at a compounded annual growth rate (CAGR) of 19.01% from March 2021 to March 2023, the Non-Performing Assets declined from 2.22% to 1.45% during the same period. Despite increase in policy repo rates by 250 bps since May 2022, share of retail borrowers having missed their payment due date by 0-90 days, declined to 8.05% in March 2023 from 9.01% in June 2022. With increased retail loan demand and declining retail stressed assets, overall retail portfolio is placed comfortably.

To identify and monitor stress in loan accounts including that of retail borrowers, Public Sector Banks are taking a number of steps including, *inter-alia*, deployment of Early Warning Signals (EWS) and enhanced monitoring of portfolio where built-up of stress is observed. The RBI's Prudential Framework for Resolution of Stressed Assets dated 7.6.2019, provides a steady state, principle-based framework for resolution of stressed assets as it enables the lenders to design and implement suitable resolution plans to address the stress faced by borrowers, subject to specifies conditions.

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