

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-4787
ANSWERED ON-23.03.2020

NPAs of PSBs

4787. SHRI VELUSAMY P.:

Will the Minister of FINANCE be pleased to state:

- (a) the total amount of Non-Performing Asset (NPA) of Public Sector Banks (PSBs) pertaining to the unrated exposure for the last three years and the current year;
- (b) whether the Government has advised the PSBs to consider loans for the rated borrowers only pertaining to the bigger loans to corporate sector, if so, the details thereof;
- (c) whether the PSBs are reporting more than Rs. 5 crore loan with the Central Repository of Information on Large Credits (CRILC) as per RBI guidelines; and
- (d) whether this reporting system to CRILC is applicable to private banks also and if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a): Reserve Bank of India (RBI) has informed that data on total amount of NPAs of PSBs, pertaining to the unrated exposure during the last three years and current year, are not maintained by it.

(b): RBI has apprised that there is no specific regulatory prescription of compulsory external rating requirement of borrowers, and that in a deregulated credit environment, banks are free to take credit related decisions within their Board-approved policies and RBI's prudential guidelines. RBI has further informed that as per extant capital regulations, exposure of banks are assigned risk weights based on credit rating and the capital required to be maintained is linked to the total risk weighted assets of a bank. As such, a higher rated exposure will have a lower risk weight and, consequently, lower capital is required to be maintained. Borrowers can nevertheless choose to remain unrated and bank's exposure to unrated borrowers is assigned the risk weight applicable to unrated corporates and capital is maintained accordingly by banks.

(c) and (d): RBI has informed that under the CRILC database, PSBs, Private Sector Banks, Foreign Banks, Scheduled Small Finance Banks and All India Financial Institutions report certain credit information of borrowers having aggregate fund-based and non-fund based exposure of Rs. 5 crore and above.
