

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
LOK SABHA  
UNSTARRED QUESTION NO-†54  
ANSWERED ON- 19/07/2021

RECOVERY OF NPAs

†54. SHRI BASANTA KUMAR PANDA

Will the Minister of FINANCE be pleased to state:-

- (a) whether the recovery of Non Performing Assets (NPAs) has decreased during the last three years;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the corrective steps being taken by the Government to ensure speedy recovery of NPAs by public sector banks?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): As per Reserve Bank of India (RBI) data on global operations, Scheduled Commercial Banks (SCBs) have recovered an amount of Rs. 4,18,687 crore during the last three financial years, with recovery as a percentage of their gross NPA at the beginning of the financial year increasing from 13.1% in FY2017-18 to 15.1% in FY2018-19 and to 15.8% in FY2019-20, and declining thereafter to 12.8% in FY2020-21 (provisional data as on 31.3.2021) in the backdrop of the pandemic.

Comprehensive steps have been taken by the Government for speedy recovery of NPAs, including those of public sector banks (PSBs). These, *inter-alia*, include the following:

- (i) 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 394 cases up to June 2021, with Rs. 2.45 lakh crore amount realisable by financial creditors.
- (ii) A framework has been put in place through rules under IBC for insolvency and liquidation proceedings of systemically important financial service providers other than banks, which were earlier not covered under IBC. Under this, resolution plan

of such financial service provider for realisable amount of Rs. 37,167 crore has been approved.

- (iii) IBC has been amended in April 2021, providing for initiation of pre-packaged insolvency resolution process to facilitate speedier resolution of micro, small and medium enterprise (MSME) debtors.
- (iv) With Government infusion supplementing the raising of capital by PSBs from market, PSBs have achieved a high provisioning coverage ratio of 83.7% as on 31.3.2021, equipping them to take decision on resolution of NPAs without being constrained on account of such decision impacting their profitability.
- (v) To ensure timely and better realisation in one-time settlements (OTSs), end-to-end OTS platform and portal have been put into place in PSBs, along with e-B<sup>क्रय</sup> platform for online auction of stressed assets.

\*\*\*\*\*