

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
LOK SABHA  
UNSTARRED QUESTION NO-5220  
ANSWERED ON- 04/04/2022

NPAs of PSBs

5220. SHRI JUAL ORAM

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Non-Performing Assets (NPAs) of the Public Sector Banks (PSBs) are piling up;
- (b) if so, the details thereof as on 31 December, 2021, bank-wise;
- (c) the reasons for the increase of the NPAs; and
- (d) the steps taken to bring down the rise of the NPAs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): As per Reserve Bank of India data, gross non-performing assets (NPAs) as a percentage of gross advances of public sector banks (PSBs) have declined from 11.59% as on 31.3.2019, to 10.25% as on 31.3.2020, to 9.11% as on 31.3.2021 and further to 7.88% as on 31.12.2021.

Comprehensive steps have been taken by the Government to improve the recovery of NPAs. The steps taken 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 debaring 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 457 cases up to December 2021, with Rs. 2.50 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) 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. Six new DRTs have also been established to expedite recovery.
- (4) Key reforms have been instituted as part of the Public Sector Banks Reforms Agenda, including, *inter alia*, the following:
  - (i) Stressed Asset Management Verticals were set up in banks for focused slippage prevention, recovery arrangement and time-bound action in respect of large-value stressed assets.
  - (ii) To ensure timely and better realisation in one-time settlements (OTSs), end-to-end OTS platforms have been set up in PSBs.

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