

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO 1013
TO BE ANSWERED ON THE 4th DECEMBER, 2015 / AGRAHAYANA 13, 1937 (SAKA)

QUESTION
INDRADHANUSH PLAN FOR PSBs.

1013: KUMARI SUSHMITA DEV

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SHRI SANJAY DHOTRE

SHRI SANGANNA AMARAPPA

SHRI DUSHYANT CHAUTALA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has announced a plan called 'Indradhanush' to improve the efficiency and functioning of all Public Sector Banks (PSBs) with a view to reduce their Non-Performing Assets (NPAs) and if so, the salient features thereof;
- (b) whether chronic and complex problems in repayment of loans can be attributed to certain flaws in the banking system resulting in piling up of NPAs day by day and if so, the details thereof;
- (c) the details and the status of total NPAs along with the loan amount recovered/ written off during each of the last three year and the current year, bank and State-wise;
- (d) the number of cases in which Strategic Debt Restructuring Scheme Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) have been initiated by the banks of revitalising distressed assets; and
- (e) the other remedial measures taken/ being taken by the Government to reduce NPAs of PSBs?

ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b): The Government has announced a plan called 'Indradhanush' to improve the efficiency and functioning of all Public Sector Banks (PSBs) including a view to reduce their Non-Performing Assets (NPAs). Due to several factors, projects are increasingly stalled/stressed thus leading to NPA burden on banks. Major reasons affecting these projects were delay in obtaining permits / approvals from various governmental and regulatory agencies, and land acquisition, delaying Commercial Operation Date (COD); lack of availability of fuel, both coal and gas; cancellation of coal blocks;

closure of Iron Ore mines affecting project viability; lack of transmission capacity; limited off-take of power by Discoms given their reducing purchasing capacity; funding gap faced by limited capacity of promoters to raise additional equity and reluctance on part of banks to increase their exposure given the high leverage ratio; inability of banks to restructure projects even when found viable due to regulatory constraints.

(c): The details are at Annex.

(d): The number of cases in which Strategic Debt Restructuring has been done and cases where action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) has been initiated by the banks of revitalising distressed assets is as under:

	Strategic Debt Restructuring Scheme	SARFAESI
No. of Cases	66	317181

(e): The Government has taken various measures which inter alia include giving a one-time financial assistance to revive 'physically incomplete and languishing' National Highway (NH) projects, Rs 3.27 lakh crore (from various Financial Institutions including Rs 1.95 lakh crore from banks) debt-recast and reform package to revive loss-making state discoms utilities and customs duty on steel reduced to help reduce adverse impact on domestic steel producers from dumping.

RBI as the regulator has issued guidelines which inter alia provide for early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders, Framework for Revitalizing Distressed Assets in the Economy – Review of the Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP).

ANNEX TO QUESTION NO 1013

Public Sector Bank-wise data on Gross NPAs and recoveries during the financial year ended (Rs. in Crore)													
Sr. No.	Bank Name	Gross NPA at the end of financial year				Write Off incl. compromise				Total NPA Reduction			
		2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
1	Allahabad Bank	2,059	5,137	8,068	8,358	1,001	1,352	782	2,109	1,821	2,814	3,090	4,736
2	Andhra Bank	1,798	3,714	5,858	6,877	169	334	263	1,124	485	825	689	2,405
3	Bank of Baroda	4,465	7,983	11,876	16,261	1,215	2,356	964	1,564	2,131	3,326	2,941	4,130
4	Bank of India	5,894	8,765	11,869	22,193	2,415	2,415	1,767	801	4,107	4,419	5,708	6,327
5	Bank of Maharashtra	1,297	1,138	2,860	6,402	395	663	401	264	753	967	867	1,091
6	Bharatiya Mahila Bank Ltd.	0	0	0	0	0	0	0	0	0	0	0	0
7	Canara Bank	4,032	6,260	7,570	13,040	1,460	1,535	1,591	1,472	3,695	3,591	7,134	5,400
8	Central Bank of India	7,273	8,456	11,500	11,873	629	1,061	1,995	1,386	1,970	3,942	4,525	6,206
9	Corporation Bank	1,274	2,048	4,737	7,107	565	709	463	779	719	1,023	867	1,369
10	Dena Bank	957	1,452	2,616	4,393	194	237	479	515	608	624	1,256	1,897
11	IDBI Bank Limited	4,551	6,450	9,960	12,685	319	383	1,393	1,609	794	841	2,196	3,376
12	Indian Bank	1,851	3,565	4,562	5,670	506	520	628	550	769	1,178	1,836	2,231
13	Indian Overseas Bank	3,920	6,608	9,020	14,922	1,166	1,642	1,474	3,131	2,354	2,913	4,490	6,114
14	Oriental Bank of Commerce	3,580	4,184	5,618	7,666	933	1,416	1,252	925	2,238	2,610	2,593	2,466
15	Punjab & Sind Bank	763	1,537	2,554	3,082	39	50	204	263	212	320	603	714
16	Punjab National Bank	8,720	13,466	18,880	25,695	126	997	1,947	6,587	2,331	3,901	5,396	9,845
17	Syndicate Bank	3,183	2,979	4,611	6,442	891	1,297	1,025	1,527	2,573	2,347	2,062	3,669
18	UCO Bank	4,086	7,130	6,621	10,265	391	617	1,423	1,401	1,465	2,118	4,470	3,908
19	Union Bank of India	5,450	6,314	9,564	13,031	938	1,129	913	931	1,933	3,110	2,229	2,199
20	United Bank of India	2,176	2,964	7,118	6,553	233	1,094	481	761	1,144	1,697	3,853	4,652
21	Vijaya Bank	1,718	1,533	1,986	2,443	214	543	296	791	1,598	1,787	1,721	2,370
22	State Bank of Bikaner & Jaipur	1,651	2,119	2,733	2,945	275	463	399	363	756	1,160	1,510	1,475
23	State Bank of Hyderabad	2,007	3,186	5,824	4,985	265	343	31	355	1,362	1,638	2,184	3,889
24	State Bank of India	39,676	51,189	61,605	56,725	744	5,594	13,177	21,313	10,362	20,480	31,100	34,324
25	State Bank of Indore	0	0	0	0	0	0	0	0	0	0	0	0
26	State Bank of Mysore	1,503	2,081	2,819	2,136	165	275	403	740	672	1,080	1,359	2,578
27	State Bank of Patiala	1,888	2,453	3,758	4,360	120	28	463	755	1,061	1,469	2,759	4,107
28	State Bank of Travancore	1,489	1,750	3,077	2,357	182	176	196	526	2,087	2,145	3,605	5,195
	PUBLIC SECTOR BANKS	1,17,262	1,64,462	2,27,264	2,78,468	15,551	27,231	34,409	52,542	49,999	72,324	1,01,042	1,26,671

Source: RBI- Off-site balance sheet returns (annual returns), as reported by banks, global operations.

