

- iv. Establishing National Financial Reporting Authority as an independent regulator.
- v. Issuing instructions/advisories to PSBs to decide on publishing photographs of willful defaulters, in terms of RBI's instructions and as per their Board-approved policy.
- vi. Freezing of bank accounts 3.38 lakhs inoperative companies over the last two financial years.

Adverse impact of NPAs on economy

†2462. SHRIMATI SAMPATIYA UIKEY:

SHRI VISHAMBHAR PRASAD NISHAD:

CH. SUKHRAM SINGH YADAV:

SHRIMATI CHHAYA VERMA:

Will the Minister of FINANCE be pleased to state:

- (a) the NPAs amount of various banks in the country that has been written off during the last five years, the details thereof, bank-wise;
- (b) whether any assessment has been made about its adverse effects on economy to find out that as to what extent the economy was adversely hit by banks' NPAs which led to an economic slowdown; and
- (c) the details of the loans taken by farmers and traders which turned into NPAs out of the total NPAs of banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per data of the Reserve Bank of India (RBI), aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from ₹ 25,03,431 crore as on 31.3.2008 to ₹ 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, *inter-alia*, aggressive lending practices, wilful default / loan frauds /corruption in some cases, and economic slowdown. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non Performing Assets (NPAs). As a result of AQR and

†Original notice of the question was received in Hindi.

subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of SCBs, as per RBI data on global operations, rose from ₹ 3,23,464 crore as on 31.3.2015 to ₹ 10,36,187 crore as on 31.3.2018, and as a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, have since declined by ₹ 97,996 crore to ₹ 9,38,191 crore as on 30.6.2019.

As per RBI guidelines and policy approved by bank Boards, non-performing loans, including, *inter-alia*, those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off. Banks decide on write-offs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As borrowers of written-off loans continue to be liable for repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower. Bank-wise details of NPAs written-off by SCBs in the last five financial years (FYs) are given in the Statement-I (*See* below).

The Gross Domestic Produce for the Indian economy has grown at an average annual growth rate of 7.5% over the last five FYs, with growth rate of 6.8% (provisional estimates) in the financial year 2018-19, enabled by growth in gross advances of SCBs of an average of 9.3% over the last five FYs and growth of 13.3% in the financial year 2018-19. Details in this respect are given in the Statement-II (*See* below).

With regard to the details of share of loans taken by farmers and traders which turned into NPAs, RBI has apprised that the said information is not maintained. RBI has further apprised that as per RBI data on domestic operations, the share of "Agriculture and allied activities" and "Services—Trade" in gross NPAs of SCBs was 12.71 per cent and 4.56 per cent respectively as on 31.3.2019.

Statement-I*Reduction in NPAs - due to write-offs by Scheduled Commercial Banks*

						Amounts in crore ₹
Bank	FY. 2014-15	FY. 2015-16	FY. 2016-17	FY. 2017-18	FY. 2018-19	
1	2	3	4	5	6	7
AB Bank Limited	-	-	-	-	9	As per data of the Reserve Bank of India (RBI, aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from ₹ 25,03,431 crore as on 31.3.2008 to ₹ 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, <i>inter-alia</i> , aggressive lending practices, wilful default/loan frauds / corruption in some cases, and
Abu Dhabi Commercial Bank PJSC	-	-	-	-	22	
Allahabad Bank	2,109	2,126	2,442	3,635	4,219	
American Express Banking Corporation	47	82	106	101	166	
Andhra Bank	1,124	814	1,623	1,666	2,280	
AU Small Finance Bank Limited	-	-	-	10	20	
Australia and New Zealand Banking Group Limited	19	-	-	-	-	
Axis Bank limited	1,210	3,234	1,987	11,274	8,278	
Bandhan Bank Limited	-	-	31	51	277	

1	2	3	4	5	6	7	
Bank of America, National Association	13	-	-	11	-	economic slowdown. As a result of AQR initiated in 2015 and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and were provided for. As a result of Government's 4Rs strategy of recognition, resolution, recapitalisation and reforms, gross NPAs of SCBs have declined by ₹ 97,996 crore to ₹ 9,38,191 crore as on 30.6.2019.	
Bank of Bahrain and Kuwait B.S.C.	18	37	5	58	0		
Bank of Baroda	1,563	1,554	4,348	4,948	13,102		
Bank of India	866	2,374	7,346	8,976	7,405		
Bank of Maharashtra	264	903	1,374	2,460	5,127		
Bank of Nova Scotia	-	30	101	160	26		
Barclays Bank PLC	143	120	173	4	-		
Canara Bank	1,472	3,387	5,545	8,310	14,267		
Catholic Syrian Bank Limited	111	142	139	9	301		
Central Bank of India	1,386	1,334	2,396	2,924	10,375		
Citibank N.A.	971	359	365	460	505		As per RBI guidelines and policy approved by bank Boards, non-performing loans, including, <i>inter-alia</i> , those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet
City Union Bank Limited	148	125	163	195	264		
Cooperatieve Rabobank U.A.	-	-	-	206	80		
Corporation Bank	779	2,495	3,574	8,228	5,989		
Credit Agricole Corporate and	-	-	263	72	251		

Investment Bank					
CTBC Bank Co., Limited	-	4	-	' 60	-
DBS Bank India Limited	867	135	945	144	17
DCB Bank Limited	47	60	44	32	67
Dena Bank	515	760	833	661	4,672
Deutsche Bank AG	81	15	16	30	169
Equitas Small Finance Bank Limited	-	-	27	179	61
Federal Bank Limited	233	452	236	212	186
Firststrand Bank Limited	34	-	42	14	-
HDFC Bank Limited	1,840	1,854	2,323	3,266	4,568
Hongkong And Shanghai Banking Corporation Limited	143	87	139	66	359
ICICI Bank Limited	1,696	2,955	12,192	8,350	11,557
IDBI Bank Limited	1,609	5,459	2,868	12,515	15,918
IDFC First Bank limited	-	-	1,371	998	1,272
Indian Bank	550	926	437	1,606	2,872

of the bank concerned by way of write-off. Banks themselves write-off NPAs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As borrowers of written-off loans continue to be liable for repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower.

1	2	3	4	5	6	7
Indian Overseas Bank	2,087	2,067	3,066	6,908	7,794	
IndusInd Bank Limited	602	281	466	783	1,923	
ING Vysya Bank Limited	393	-	-	-	-	
Jammu and Kashmir Bank Limited	25	12	76	1,564	923	
Jpmorgan Chase Bank National Association	5	-	65	-	-	
Karnataka Bank Limited	219	305	458	712	808	
Karur Vysya Bank Limited	151	943	264	362	447	
KBC Bank NV	38	-	-	-	-	
Kotak Mahindra Bank Limited	99	289	422	407	220	
Lakshmi Vilas Bank Limited	15	160	92	272	261	
Mufg Bank Limited	-	-	98	-	-	
Nainital Bank Limited	0	0	1	13	1	
Oriental Bank of Commerce	925	1,668	2,308	6,357	6,457	
Punjab and Sind Bank	263	335	491	460	1,635	
Punjab National Bank	5,996	6,485	9,205	7,407	12,253	

RBL Bank Limited	5	73	69	159	320
SBM Bank (India) Limited	44	17	13	57	-
Shinhan Bank	-	6	-	-	-
South Indian Bank Limited	43	321	609	629	287
Standard Chartered Bank	185	201	2,813	604	2,309
State Bank of India	21,303	15,955	20,339	39,151	58,905
State Bank of Bikaner and Jaipur	363	643	1,560	Merged into SBI	
State Bank of Hyderabad	355	1,204	1,430		
State Bank of Mysore	740	588	161		
State Bank of Patiala	755	1,156	3,528		
State Bank of Travancore	456	398	556		
Suryoday Small Finance Bank limited	-	-	-	43	34
Syndicate Bank	1,055	1,430	1,271	2,400	6,775
Tamilnad Mercantile Bank limited	55	99	244	594	264
The Dhanalakshmi Bank Limited	180	112	189	2	3
The Royal Bank of Scotland PLC	34	61	-	49	115

1	2	3	4	5	6	7
UCO Bank	-	1,573	1,937	2,735	4,420	
Ujjivan Small Finance Bank Limited	-	-	-	176	178	
Union Bank of India	931	792	1,264	3,477	7,771	
United Bank of India	761	649	714	1,867	5,365	
Utkarsh Small Finance Bank limited	-	-	-	-	30	
Vijaya Bank	791	510	1,068	1,539	1,518	
Yes Bank limited	53	258	142	709	469	

Source: RBI

Statement-II

Details of growth of India's Gross Domestic Produce (GDP) and of the gross advances of Scheduled Commercial Banks in their global operations

Financial year	Growth in gross advances (year-on-year)	GDP Growth
2014-15	9.7%	7.4%
2015-16	8.7%	8.0% *
2016-17	4.5%	8.2% #
2017-18	10.5%	7.2% @
2018-19	13.3%	6.8% \$

Source: RBI (growth in gross advances of SCBs) and Ministry of Statistics and Programme Implementation (GDP)

* Third revised estimates.

Second revised estimates.

@ First revised estimates.

\$ Provisional estimates.

Measures to boost MSME sector's credit growth

2463. SHRI RAJKUMAR DHOOT:

SHRI AHMED PATEL:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that despite rate cuts and Government's push by providing various incentives, the MSME sector's credit growth is continuously sliding;
- (b) if so, the details thereof and reasons behind this slide; and
- (c) the remedial measures Government has taken or proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per data reported by Reserve Bank of India (RBI), the outstanding credit of Scheduled Commercial Banks (SCBs) to Micro, Small and Medium Enterprises (MSMEs) has increased from ₹ 12.96 lakh crore as of March, 2017 to ₹ 13.24 lakh crore as of March, 2018, and further to ₹15.11 lakh crore as