

above ₹ 1 lakh for other than motor insurance. These limits were prescribed in 2015. The Regulation provides for review of these limits every three years.

The objective of this Regulation is to ensure that policyholders receive their claims speedily in case of small claims. If the policyholder is not satisfied with the decision of the insurer on the settlement of claim, there is provision to seek redress by approaching the Insurance Ombudsman and other consumer fora or courts

Non-performing assets in PSBs

1042. SHRI TIRUCHI SIVA: Will the Minister of FINANCE be pleased to state:

(a) the amount of Non-Performing Assets (NPAs) in Public Sector Banks (PSBs) for the years 2015- 2019, year-wise and bank-wise;

(b) the percentage of these Non-Performing Assets that the Public Sector Banks have waived off for the years 2015-2019, year wise and bank-wise; and

(c) the Total number of Non-Performing Assets in the country for the year 2018-2019 and the percentage of such NPAs that belong to Public Sector Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) As per Reserve Bank of India (RBI)'s data on global operations, aggregate gross advances of PSBs increased from ₹ 18,19,074 crore as on 31.3.2008 to ₹ 52,15,920 crore as on 31.3.2014. As per RBI inputs, the primary reasons for 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 NPAs. As a result of AQR and 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 Further, all such schemes for restructuring stressed loans were withdrawn.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 PSBs, as per RBI data on global operations, rose from ₹ 2,79,016 crore as on 31.3.2015, to ₹ 8,95,601 crore as on 31.3.2018, and as a result of Government's strategy of recognition, resolution, recapitalisation and reforms, have since declined to ₹ 7,27,296 crore as on 30.9.2019. Details of bank-wise and year-wise NPAs in PSBs are given in Statement (*See below*).

With regard to details of percentage of NPAs waived-off by PSBs during the years 2015 to 2019, RBI has informed that the information sought is not maintained by it.

Government has implemented a comprehensive strategy, consisting of recognition of NPAs transparently, resolution and recovery of value from stressed accounts, recapitalisation of PSBs, and reforms in PSBs and the wider financial ecosystem for a responsible and clean system. Comprehensive steps have been taken under the Government strategy to reduce NPAs of PSBs, including, *inter-alia*, 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 and debarring them from raising funds from the market.
- (ii) 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.
- (iii) Suits for recovery of dues are also filed by banks before Debts Recovery Tribunals (DRTs). Six new DRTs have been established to expedite recovery.
- (iv) Over the last five financial years (FYs) including the current financial year till date, PSBs, including IDBI Bank, which has been recategorized by RBI as a private sector bank on 21.1.2019, have been recapitalised to the extent of ₹ 4.07 lakh crore, with infusion of ₹ 3.22 lakh crore by the Government and mobilisation of over ₹ 0.85 lakh crore by the banks themselves, enabling them to pursue timely resolution of NPAs.
- (v) Key reforms have been instituted in PSBs as part of the PSBs Reforms Agenda, including the following:—
 1. Board-approved Loan Policies of PSBs now mandate tying up necessary clearances/approvals and linkages before disbursement, scrutiny of group balance-sheet and ring-fencing of cash flows, non-fund and tail risk appraisal in project financing.

2. Use of third-party data sources for comprehensive due diligence across data sources has been instituted, thus mitigating risk on account of misrepresentation and fraud.
3. Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above ₹ 250 crore.
4. To ensure timely and better realisation in one-time settlements (OTSs), online end-to-end OTS platforms have been set up.

Enabled by the above steps, as per RBI data on global operations, the NPAs of PSBs, after reaching a peak of ₹ 8,95,601 crore as on 31.3.2018, have declined to ₹ 7,27,296 crore as on 30.9.2019. Further, PSBs have effected recovery of ₹ 3,47,136 crore over the last four financial years and the first two quarters of the current financial year, including record recovery of ₹ 1,21,076 crore during FY 2018-19. Since IDBI Bank Limited was recategorised as a private sector bank by RBI with effect from 21.1.2019, the figures cited for PSBs including those for IDBI Bank Limited for the period upto FY 2017-18 only.

(c) As per RBI data in FY 2018-19, NPAs of PSBs on domestic operations declined by ₹ 1,35,366 crore, while NPAs of non-PSBs Scheduled Commercial Banks increased by ₹ 52,822 crore.

Statement

Data on gross NPAs as reported by Public Sector Banks

	(₹ in crore)				
Bank	2014-15	2015-16	2016-17	2017-18	2018-19
Allahabad Bank	8,358	15,385	20,688	26,563	28,705
Andhra Bank	6,877	11,444	17,670	28,124	28,974
Bank of Baroda	16,261	40,521	42,719	56,480	48,233
Bank of India	22,807	49,879	52,045	62,328	60,661

Bank	2014-15	2015-16	2016-17	2017-18	2018-19
Bank of Maharashtra	6,402	10,386	17,189	18,433	15,324
Canara Bank	13,040	31,638	34,202	47,468	39,224
Central Bank of India	11,873	22,721	27,251	38,131	32,356
Corporation Bank	7,107	14,544	17,045	22,213	20,724
Dena Bank	4,393	8,560	12,619	16,361	12,768
IDBI Bank Limited#	12,685	24,875	44,753	55,588	
Indian Bank	5,670	8,827	9,865	11,990	13,353
Indian Overseas Bank	14,922	30,049	35,098	38,180	33,398
Oriental Bank of Commerce	7,666	14,702	22,859	26,134	21,717
Punjab and Sind Bank	3,082	4,229	6,298	7,802	8,606
Punjab National Bank	25,695	55,818	55,370	86,620	78,473
State Bank of India (SBI)	56,738	98,185	1,12,343	2,23,427	1,72,750
Bharatiya Mahila Bank Limited	-	1	55		
State Bank of Bikaner and Jaipur	2,945	3,603	10,677		
State Bank of Hyderabad	4,985	6,591	18,212	Merged into SBI	
State Bank of Mysore	2,136	3,636	9,915		
State Bank of Patiala	4,360	6,767	17,847		
State Bank of Travancore	2,357	3,200	8,817		
Syndicate Bank	6,442	13,832	17,609	25,759	24,680
UCO Bank	10,186	20,908	22,541	30,550	29,888
Union Bank of India	13,031	24,171	33,712	49,370	48,729
United Bank of India	6,553	9,471	10,952	16,552	12,053
Vijaya Bank	2,443	6,027	6,382	7,526	8,923

Figures cited above for PSBs include those for #IDBI Bank Limited, which was recategorised as a private sector bank by RBI with effect from 21.01.2019.

Source: RBI