

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-852**  
ANSWERED ON- 09/02/2021

**NPAs IN PUBLIC SECTOR BANKS**

852. SHRI VAIKO  
MS. SAROJ PANDEY

Will the Minister of FINANCE be pleased to state:-

- (a) whether the economic fallout of the COVID-19 pandemic has led to higher Non-Performing Assets (NPAs) or bad loans in the Public Sector Banks (PSBs) and private banks in India;
- (b) if so, the details thereof;
- (c) whether Government has any recapitalisation plan for these banks to make them buffer in loan distribution to various sectors;
- (d) if so, the details thereof; and
- (e) if not, other measures taken to help banks to overcome the capital requirements and Cash Reserve Ratio (CRR)?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): With regard to whether the economic fallout of the COVID-19 pandemic has led to higher NPAs or bad loans in PSBs and private banks in India, the Reserve Bank of India has informed that the gross NPA ratios of PSBs and private sector banks have declined to 9.39% and 4.93% respectively in September 2020, from 10.25% and 5.45% respectively in March 2020.

(c) and (d): Banks require capital on an ongoing basis both for credit growth and for meeting regulatory norms for capital adequacy against their existing loans. PSBs source capital through internal capital generation and mobilisation of capital from markets. Government infuses capital in PSBs from time to time to supplement their efforts to meet capital requirement. During the current financial year, up to 31.1.2021, PSBs have raised capital of Rs. 50,982 crore in the form of both equity and bonds. To supplement this, Government has infused capital of Rs. 5,500 crore in PSBs out of budget provision of Rs. 20,000 crore made for this purpose in the current financial year. Further, for the financial year 2021-22, provision of Rs. 20,000 crore for recapitalisation of PSBs has been included in the budget proposals tabled in Parliament.

(e): Question does not arise.

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