

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-213
ANSWERED ON- 05/12/2023

TOTAL NPAs OR BAD LOANS OF BANKS

213. SHRI R. GIRIRAJAN

Will the Minister of FINANCE be pleased to state:-

- (a) whether Government has written off ₹ 25 Lakh Crores in the last five years and if so, the details thereof bank-wise;
- (b) the total NPAs or bad loans of banks as on date, bank-wise;
- (c) the effective measures taken by Government to recover such bad loans and NPA amount from defaulters; and
- (d) whether Government has allowed even up to 50 per cent haircut to recover the NPAs and Bad debts and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): The Government does not write-off any loan given to borrowers by banks. As per Reserve Bank of India (RBI) guidelines and policy approved by banks' Boards, NPAs, 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 evaluate/consider the impact of write-offs as part of their regular exercise to clean up their balance-sheet, avail tax benefit and optimise capital, in accordance with the said guidelines and policies of the respective Boards. Such write-off does not result in waiver of liabilities of borrowers to repay and therefore, write-off does not benefit the borrowers. The borrowers of written-off loans continue to be liable for repayment and banks continue to pursue recovery actions initiated in written-off accounts through various recovery mechanisms available to them, such as filing of a suit in civil courts or in Debts Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, through negotiated settlement/compromise, and through sale of non-performing assets. As per RBI data, scheduled commercial banks (SCBs) have written-off an aggregate loan amount of Rs. 10.57 lakh crore during the last five financial years.

(b) and (c): Bank-wise details of gross NPAs of SCBs as on 31.03.2023 are at Annex. Comprehensive steps have been taken to recover NPAs, enabled by which, SCBs have made an aggregate recovery of Rs. 7,15,507 crore (RBI provisional data for FY 2022-23) in NPA accounts, including written-off loans, during the last five financial years. These steps include, *inter alia*, the following:

- (1) Change in credit culture has been effected, with 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. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC.
- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been amended to make it more effective.
- (3) The pecuniary 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.
- (4) National Asset Reconstruction Company Limited has been set up as an asset reconstruction company with an aim to resolve stressed assets above Rs. 500 crore each. Government has also approved extending a guarantee of up to Rs. 30,600 crore to back Security Receipts issued by NARCL to Lending Institutions for acquiring stressed loan assets.
- (5) PSBs have also created Stressed Asset Management Verticals for stringent recovery, segregated pre- and post-sanction follow-up roles for clean and effective monitoring, and engaging specialised monitoring agencies for monitoring of large-value accounts.
- (6) Prudential Framework for Resolution of Stressed Assets was issued by RBI in 2019 to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.

(d): As per RBI guidelines, banks are required to have a Board-approved loan recovery policy in place, which, *inter-alia*, sets down the manner of recovering of dues and norms for permitted sacrifice.

Rajya Sabha unstarred question no. 213, regarding Total NPAs or Bad Loans of Banks

**Details of gross non-performing assets (NPAs) of Scheduled Commercial Banks
as on 31.3.2023**

Amounts in crore Rs.

Bank	Gross NPAs
American Express Banking Corporation	288
AU Small Finance Bank Limited	981
Australia and New Zealand Banking Group Limited	-
Axis Bank Limited	17,019
Bandhan Bank Limited	5,299
Bank of Bahrain and Kuwait B.S.C.	18
Bank of Baroda	36,764
Bank of Ceylon	50
Bank of India	37,686
Bank of Maharashtra	4,334
Bank of Nova Scotia	0
Barclays Bank PLC	32
BNP Paribas	-
Canara Bank	46,160
Capital Small Finance Bank Limited	153
Central Bank of India	18,386
Citibank N.A.	207
City Union Bank Limited	1,920
Cooperatieve Rabobank U.A.	104
Credit Agricole Corporate and Investment Bank	3
CSB Bank Limited	263
CTBC Bank Company Limited	1
DBS Bank India Limited	2,743
DCB Bank Limited	1,123
Deutsche Bank AG	1,748
Doha Bank Q.P.S.C	27
Equitas Small Finance Bank Limited	724
ESAF Small Finance Bank Limited	352
Federal Bank Limited	4,184
Fincare Small Finance Bank Limited	288
FirstRand Bank Limited	-
HDFC Bank Limited	18,012
Hongkong and Shanghai Banking Corporation Limited	524
ICICI Bank Limited	29,986
IDBI Bank Limited	10,969
IDFC First Bank Limited	3,884
Indian Bank	28,180

Bank	Gross NPAs
Indian Overseas Bank	14,072
IndusInd Bank Limited	5,826
Jammu a Kashmir Bank Limited	5,204
Jana Small Finance Bank Limited	709
Karnataka Bank Limited	2,293
Karur Vysya Bank Limited	1,458
KEB Hana Bank	40
Kotak Mahindra Bank Limited	5,768
Lakshmi Vilas Bank Limited	-
Mizuho Bank Limited	6
Nainital Bank Limited	448
North East Small Finance Bank Limited	347
PT Bank Maybank Indonesia TBK	-
Punjab and Sind Bank	5,648
Punjab National Bank	77,328
Qatar National Bank (Q.P.S.C.)	52
RBL Bank Limited	2,420
Sberbank	22
SBM Bank (India) Limited	97
Shinhan Bank	156
Shivalik Small Finance Bank Limited	33
Societe Generale	79
Sonali Bank	4
South Indian Bank Limited	3,708
Standard Chartered Bank	3,233
State Bank of India	90,928
Suryoday Small Finance Bank Limited	191
Tamilnad Mercantile Bank Limited	521
The Dhanalakshmi Bank Limited	511
UCO Bank	7,726
Ujjivan Small Finance Bank Limited	631
Union Bank of India	60,987
United Overseas Bank Limited	55
Unity Small Finance Bank Limited	3,767
Utkarsh Small Finance Bank Limited	432
Woori Bank	8
Yes Bank Limited	4,395

Source: RBI (provisional data for 31.3.2023)
