

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA  
UNSTARRED QUESTION NO: 47  
TO BE ANSWERED ON THE 11<sup>th</sup> DECEMBER, 2018/AGRAHAYANA 20, 1940

QUESTION  
**ROLE OF RBI IN INCREASE OF NPAs**

**47. SHRI KAPIL SIBAL:**

Will the Minister of FINANCE be pleased to state:

- a) whether there has been rise in the NPAs during 2017-18 to ₹ 9.61 lakh crore, the details of NPAs since last three years till date, year-wise;
- b) if so, whether it is a fact that the CAG said that the increase in NPAs is due to asset liability mismatch, if so, the details thereof and if not, the reasons therefor; and
- c) whether the CAG has said that the increase in NPAs is due to the role played by RBI?

**ANSWER**

**To be answered by**  
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
**(SHRI SHIV PRATAP SHUKLA)**

(a): Gross advances of Scheduled Commercial Banks (SCBs) increased from Rs. 23,33,823 crore as on 31.3.2008 to Rs. 61,00,848 crore as on 31.3.2014, as per the domestic operations data of the Reserve Bank of India (RBI). 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 non-performing assets (NPAs). As a result of AQR and subsequent transparent recognition by PSBs, 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. During the financial year 2017-18, all such schemes for restructuring stressed loans were withdrawn.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 domestic operations, rose from Rs. 7,28,808 crore as on 31.3.2017 to Rs. 9,62,621 crore as on 31.3.2018 and has declined to Rs. 9,46,062 crore (provisional data) as on 30.9.2018.

(b) and (c): The Office of the Comptroller and Auditor General of India (CAG) has apprised that audit of Public Sector Banks and RBI does not fall within CAG's audit mandate.

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