

Low recoveries of NPAs: RBI data

While public sector banks have claimed a Rs. 1,50,960 crore reduction in their non-performing asset (NPA) levels over 2017-18, about 55% of this was due to write-offs and only 27% was actual recoveries, according to data provided by RBI Governor Urjit Patel to the parliamentary Standing Committee on Finance.

According to the data reviewed by *The Hindu*, public sector banks saw a Rs. 1,50,960 crore reduction in their NPA levels from the start of financial year 2017-18 till December 31, 2017. However, the data also showed that the same period saw Rs. 2,37,475 crore of loans being added to the NPA list, thereby leading to an overall worsening of the NPA situation. Further, within the Rs. 1,50,960 crore 'reduction in NPAs', about 55% or Rs. 84,272 crore was due to write-offs. The data shows that only Rs. 41,391 crore, or 27%, of the reduction in NPA levels was due to actual recoveries. In addition, Rs. 25,297 crore worth of loans were upgraded from NPA status.

Private sector banks saw a reduction of Rs. 46,091 crore in their NPA levels by December 31, 2017 compared with what they were as of April 1, 2017. But, fresh additions to the NPA list amounted to Rs. 60,800 crore.

For private sector banks, about 40.2% of the reduction in their NPA levels was due to write-offs. Actual recoveries accounted for 34.2% of the reduction, while upgrades accounted for 24.1% of the reductions. Gross NPAs with public sector banks stood at Rs. 7,77,280 crore at the end of December 2017, up from Rs. 5,39,968 crore as on March 31, 2016. For private sector banks, gross NPA levels grew to Rs. 1,07,796 crore by December 31, 2017 from Rs. 55,853 crore as on March 31, 2016.

The data also showed that bank frauds increased in both number and value over the last three years.

While 4,693 frauds of more than Rs. 1 lakh were reported in 2015-16, this increased to 5,904 in 2017-18, an increase of about 26%. Over the same period, the value of these frauds increased from Rs. 18,698.8 crore to Rs. 32,361.27 crore.

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