

IN Q1, GOVT. BANKS' NPAS SHRANK BY RS. 21,000 CR.

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

Rajiv Kumar

The Finance Ministry said on Monday that the stock of non-performing assets (NPAs) in public sector banks (PSBs) reduced in the April-June quarter.

In a presentation, Rajiv Kumar, Secretary, Financial Services, said the stock of NPAs is 'no longer rising' as it has reduced by Rs. 21,000 crore in the first quarter, which also saw a record cash recovery of Rs. 36,551 crore, or 49% of the total recovery made in entire 2017-18, which was Rs. 74,562 crore.

The Ministry pointed to the healthy provision coverage ratio of 63.7% at the end of June.

Credit to MSMEs

The Ministry also said credit to micro, small and medium enterprises (MSMEs) rose 26.7% for loans less than Rs. 10 lakh, 21.4% for loans between Rs. 10 lakh and Rs. 50 lakh and 16.9% for loans of Rs. 50 lakh to Rs. 1 crore. Overall credit growth in this segment stood at 10.49% year-on-year in the first quarter.

Indian banks, particularly PSBs, have been witnessing a rise in NPAs for more than three years now with gross NPAs touching 15.6% as at March end, according to RBI data.

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