

A PROJECT ON
**‘NON-PERFORMING ASSETS IN INDIAN BANKING SECTOR AND EMERGING
SOLUTIONS’**

SUBMITTED BY

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DECLARATION

I undersigned, hereby declare that the project titled '**NON-PERFORMING ASSETS IN INDIAN BANKING SECTOR AND EMERGING SOLUTIONS**' submitted in partial fulfilment for qualifying **POST GRADUATE Diploma in Banking Law** of **The national University of Advanced Legal Studies (NUALS), Kochi.**

The empirical finding in this project report is not copied from any report and are true and the best of my knowledge.

Date: 29/01/2022

Place: Kochi

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TABLE OF CONTENTS

SI No	Topic	Page No.
1	Introduction	4
2	What is a Non-Performing Asset (NPA)	4
3	The Evolvment of NPA Regulations	4-7
4	Reasons for accounts turning into NPAs	7
5	Recovery Channels available in India	8-12
6	Operation of various NPA recovery channels	13-18
7	An overview of NPAs in India	19-26
8	Future Outlook	26-27
9	Non-Performing Assets of major developed markets	27
10	Conclusion	27-28
11	Annexure 1	29-31

1. Introduction

The Banking Sector constitutes the most significant part of India's financial system. The three decades from 1969 to 1990, characterised by the Nationalization of Banks, focused on the economic and social development of the country. The thrust was on broadening the banking sector, making it available to a large stratum of society, paving the way to rural economic development and employment generation. However, the social development role had also resulted in the decline of productivity and erosion of profitability and had shaken the foundation of many public sector banks.

In this backdrop, the Economic Reforms of 1991 were brought in, and the 'Narasimham Committee Recommendations' was implemented in the Banking/Financial Sectors. The purpose of the Reforms was to ensure the development of a sound banking system and practices, coupled with overall future growth and stability of the economic and financial sectors of the country. The Liberalization aspect of the Economic Reforms opened up tremendous opportunities, avenues and resources for the common public and corporate houses alike. But it also led to an increase in unhealthy lending practices to withstand and survive in the highly competitive markets resulting in the mounting up of 'Non-Performing Assets', especially in the last two decades.

2. What is a Non Performing Asset (NPA)

Banking accepts deposits (liabilities) from the public and loans to needy segments. When the loans (assets) stop generating interest income or the repayment, they turn into a non-performing asset.

As the level of non-performing assets (also termed as bad assets) increases, the public money is being held up, and the banks slow down funding to the sectors with a high level of NPAs. As a result, it affects the banks' bottom line by making more significant provisions for bad assets, thereby increasing the liquidity concerns. On the other hand, a lack of sufficient financial assistance chokes the industries and projects across the spectrum.

3. The Evolvement of NPA Regulations

Until the early '80s, the classification of the health of loan accounts was left to the banks and their auditors. In 1985, the Health Code System (HSC) of classification of loan accounts from 1 (satisfactory) to 8 (bad and doubtful assets) was introduced by the A Ghosh Committee. As

the HSC system did not match the International Standards, as recommended by Narasimham Committee, the present-day classification of Standard, Sub Standard, Doubtful and Loss assets was implemented in a phased manner in 1992. Further, the Income Recognition and Asset Classification Norms were introduced by RBI to bring uniformity among banks and to tighten the standards at par with the best international practices. The 90 days NPA norms were implemented in 2001, with which the asset classification guidelines were brought at par with international standards.

Classification of NPAs and Provisioning to be made by Banks

According to the latest Master Circular on 'Income Recognition and Asset Classification Norms' dated 01.10.2021, a Non-Performing Asset is a loan or advance where;

1. interest and/or instalment of principal remains overdue for more than 90 days in the case of term loans
2. In the case of Overdraft/ Cash Credit Limits- the account is in 'out of order' status- if the outstanding balance is continuously more than the sanctioned limit/ drawing power for more than 90 days or if there are not enough credits into the account to cover the interest debited in the account even if the outstanding balance is below the sanctioned limit/drawing power available.
3. If a bill discounted/purchased remains overdue for more than 90 days from the due date
4. If the interest/instalment remains unpaid for more than two crop seasons in the case of short duration crops and more than one crop season in the case of long duration crops.
5. The outstanding liquidity facility remains overdue for more than 90 days, or the receivables corresponding to the positive mark to market value of a derivative contract remains unpaid for more than 90 days.

The interest/recovery in the NPA accounts is accounted on an actual realization basis, unlike the accrual basis which is applicable for performing accounts.

Non-performing assets (NPAs) are broadly classified into Gross NPAs and Net NPAs.

Gross NPAs- Outstanding Balance in the NPA account Minus Interest kept in Suspense Account.

Net NPAs: Gross NPA Minus the Provisions made for the account.

Based on the period of an account remaining in NPA status, the classifications are done in the following manner:

SI No	Asset Classification & Description	Period as NPA	Provision to be made by banks	Accelerated provision to be made if the directors appear in wilful defaulters list for more than once
1	Standard Assets Performing & income generating	NA	0.25% to 1%	NA
2	Sub Standard Assets (secured) Remained NPA for a period less than or equal to 12 months. If deficiencies are not corrected, the bank may sustain some loss.	< 6months	15%	15%
		>= 6months to 1 year	15%	25%
3	Sub Standard Assets (Un secured) Remained NPA for a period less than or equal to 12 months. If deficiencies are not corrected, the bank may sustain some loss.	< 6months	25% non infra	25%
			20% infra	
		>= 6months to 1 year	25% non infra	40%
			20% infra	
3	Doubtful Assets			
	Doubtful 1 2 nd Year of becoming NPA	2 nd Year	25% secured portion	40% secured portion
			100% unsecured portion	100% unsecured portion
	Doubtful 2 3 rd & 4 th years of becoming NPA	3 rd & 4 th years	40% secured portion	100% for both secured and unsecured portions
			100% unsecured portion	
	Doubtful 3 5 th year onwards from NPA date	5 th year onwards	100%	100%
4	Loss Recovery is impossible	Any time from ab initio	100%	100%

Besides the above, the restructured assets will attract provisions ranging from 5% to 10% according to respective norms. Banks are advised to maintain Provision Coverage Ratio (PCR) of 70%- The ratio of provisioning to gross non-performing assets.

4. Reasons for accounts turning into NPAs

1) Internal Factors

- Lack of sufficient funds to run the business properly.
- Diversion of loan funds into the acquisition of assets unrelated to the business or group / personal purposes
- Expansions/ Asset Acquisitions without proper planning or conducting a market study, feasibility, viability, demand-supply situation, usage of obsolete technology, obsolete products, inadequate experience, capacity to arrange sufficient capital and finance, non-availability of skilled workforce, strained labour relationship etc.
- Improper/Mismanagement of systems, siphoning off funds from business, Wilful default, frauds, misappropriation etc.
- Delay in project completion, cost escalation

2) External Factors

- Non-availability of necessary raw materials, shortage of power, water and other resources.
- Govt. policies concerning the raw materials and finished products, changes in duties and taxes.
- Political scenario and administrative delays in granting various approvals.
- Policies of foreign countries in case of exports.
- Lower exports and imports due to Global recession and Pandemic
- Industrial/ Economic Recession, Pandemic impacts, natural calamities, accidents etc.
- Deficiencies on part of the banks
 - Improper assessment of limits
 - Bad lending practices without doing the due diligence of the background of the borrower, the industry performance, the market, financial health of the borrower, past track record, integrity of the borrower.
 - Competition among banks resulting in unjustifiable sanctions, concessions without doing a cost-benefit analysis, increased sanctioning of unsecured loans
 - Lack of proper monitoring and follow up, delayed disbursements delayed receipts of govt. grants/subsidies, delay in settlement of payments from govt authorities.

5. Recovery Channels available in India

Various enactments have been implemented by Govt and RBI to control and recover the bad loans over the past few decades. The gist of the enactments and a brief analysis on the effectivity of these enactments in NPA recovery are mentioned below.

SI No	Method	Description
1	Civil Litigation	<ul style="list-style-type: none">➤ The age old system of filing suit with civil court for recovery of defaulted loan amount.
2	Lok Adalat	<ul style="list-style-type: none">➤ Conceptualized as an Alternative Disputes Redressal Mechanism and is conducted by National Legal Services Authority along with other legal service institutions, under Legal Services Authority Act ,1987.➤ Has the effect of a civil decree and no appeal can be filed. Different levels of Lok Adalats are in place starting from Taluk Level to District, High Court, State, National, Permanent and Mobile.➤ Accepts matters in both pre litigation and pending litigation stages up to Rs.20 lakhs and provides dispute resolution.
3	Debt Recovery Tribunals	<ul style="list-style-type: none">➤ Set up under 'The Recovery of Debts and Bankruptcy Act' of 1993, DRTs and DRATs (Debt Recovery Appellate Tribunals) provide speedy recovery redressal to lenders and borrowers through filing Original Applications (OAs) and Appeals.➤ Was made effective from 24.06.1993 and is applicable to whole of India except the State of Jammu & Kashmir.➤ It is a one-member tribunal- headed by the Presiding Officer who has been or is acting as or qualified to act as a District Judge and is appointed by Central Government. Tenure of office is 5 years, eligible for reappointment, but cannot hold office after attaining 65 years.➤ There are 39 DRTs and 5 DRATs which are single Member Tribunals supported by other officials. The

		<p>recently enabled e-DRT project provides improved access, efficiency and transparency and provides e-filing, e-payment of fees, cause list generation etc.</p> <ul style="list-style-type: none"> ➤ With effect from 06.09.2018, the pecuniary jurisdiction of DRTs was enhanced from the earlier amount of Rs.10 lakhs to Rs.20 lakhs. It is applicable for both secured and unsecured loans.
4	SARFAESI Act, 2002	<ul style="list-style-type: none"> ➤ The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 was a major breakthrough for banks and financial institutions. It enabled them for adopting quick recovery measures without the intervention of a court of law and lengthy litigations, thereby saving the time value of assets and curtailing losses. ➤ However, it is applicable only for secured loans and advances where in the 'security interest' of the lender can be enforced. ➤ It also provided for setting up of a central data base of security interests created by lenders on property rights and controls and regulates the setting up and functioning of Asset Recovery Companies. ➤ The Act is applicable for NBFCs, notified financial institutions besides scheduled commercial banks. In 2020, the Co-operative banks were also brought under the ambit of this act. ➤ Applicability: The Act is not applicable in the case of lien, pledge, security created on aircraft, vessels, agricultural lands and unpaid seller. The Act will not apply if the amount secured is not exceeding Rs.1,00,000/- or if the amount due is less than 20% of the principal outstanding and interest thereon.
5	Alternate Dispute	<p>Various Methods of ADR</p> <ul style="list-style-type: none"> • Arbitration

	Resolution (ADR)	<ul style="list-style-type: none"> • Conciliation • Mediation • Negotiation <ul style="list-style-type: none"> ➤ Was established under the 'Arbitration and Conciliation Act, 1996'. The Act was formulated in India following the recommendations of United Nations to all the countries to have a Model Law in line with United Nations Commission on International Trade Law (UNCITRAL Conciliation Rules, 1980). ➤ It is a unified legal framework enacted in India by consolidating and amending the law related to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards and for defining the law related to Conciliation. ➤ The framework defines Arbitration and Mediation as measures of dispute resolution.
6	Through Asset Reconstruction Companies	<ul style="list-style-type: none"> ➤ Asset Reconstruction Companies are regulated by SARFAESI Act, 2002. ➤ The concept of formation of an Asset Reconstruction Fund had been recommended by the Narasimham Committee in 1991, but for various reasons the same was not implemented. ➤ In 1998, Narasimham Committee recommended for setting up of Asset Reconstruction Companies. ➤ ARCs are specialized agencies for resolution of NPAs and by selling off the NPA assets to ARCs, the banks are freed from sticky assets and can concentrate in normal banking business.
7	Insolvency and Bankruptcy Code 2016	<ul style="list-style-type: none"> ➤ The IBC Code was enacted in 2016 to consolidate and amend the various laws to reorganize the insolvency and bankruptcy of corporate persons, LLPs, partnership firms and individuals in a time bound manner.

		<ul style="list-style-type: none"> ➤ The Code was made effective from 05.08.2016 and 19.08.2016 (some parts) and is applicable for the whole of India. ➤ The intent is to maximize the value of assets while balancing the interests of all stake holders. Under the act, the Insolvency and Bankruptcy Board of India was established. ➤ With implementation of IBC, 2016, the age-old insolvency and bankruptcy laws -The Presidency Towns Insolvency Act,1909 and the Provincial Insolvency Act,1920 were repealed. ➤ The Sick Industrial Companies Act of 1985 was also repealed in Dec.2016 and the BIFR (Board for Industrial and Financial Reconstruction) and AIFR (Appellate Authority for Industrial and Financial Reconstruction) were dissolved.
8	Pre-Pack Insolvency Resolution Process for MSME Units.	<ul style="list-style-type: none"> ➤ Pre-Pack Insolvency Resolution Process (PPIRP)- for MSME units with debts not below Rs.10.00 lakhs wherein the MSME unit (Corporate Debtor) agrees with lenders before filing for Insolvency Process and then gets the same approved by NCLT. ➤ It is a kind of One Time Settlement, approved by NCLT. Only corporate persons- LLP/Companies are eligible under this Scheme. ➤ The PPIRP is in the nascent stage, having been implemented in Apr.2021 through an Ordinance. ➤ The process shall be completed within 120 days of which 90 days is the time needed for arriving at an agreeable resolution and another 30 days for NCLT to approve the same. ➤ The intentions are to minimize the disruption to MSME unit's operations, cost effective, speedy process, flexible solutions with binding effect and value maximization for all stake holders.

		<ul style="list-style-type: none"> ➤ It doesn't have to go through the length process of IBC 2016 as a mere 10% voting share of Creditors is enough to appoint an IP. The entire cost of PIRP to be borne by the MSME unit.
9	National Asset Reconstruction Ltd (NARCL) and India Debt Resolution Company Ltd (IDRCL)	<ul style="list-style-type: none"> ➤ The concept of Bad Bank was announced in the Central Budget of FY 2021-22 by setting up a National Asset Reconstruction Company and a National Asset Management Company to manage the bad loans of banks in India. ➤ Accordingly, the NARCL was set up in July 2021 in Mumbai with an authorized capital of Rs.200 Cr and paid up capital of Rs.149 Cr, under the Companies Act, 2013. ➤ The Public Sector Banks- SBI, Union Bank of India and Indian Bank have each picked up stake of 13.27% while Punjab National Bank has picked up 12.06%, totalling to 51.07% and the remaining 49.03% to be held by Private Sector Banks. ➤ NARCL received RBI license in October 2021 for operating with a fund of Rs.6000 Cr. ➤ India Debt Resolution Company Ltd (IDRCL) was set up in September 2021 with an authorized capital of Rs.50 Cr and paid up capital of Rs.8.05 Cr. ➤ IDRCL will act as the Service Arm of NARCL by managing the assets picked up by NARCL and appoint the required workforce.

6. Operation of various NPA recovery channels

Let us have an analysis of the effectiveness of different recovery measures which are in force, in India.

The table given below is the statistics of NPA recoveries by banks through various channels during the past 10 years.

Table 1: Distribution of NPAs Recoveries covered by Banks, through various channels

Year	Lok Adalat			DRTs			ARCs			IBC			Total	
	Percent- age	Percent- age	Amt recovered as per cent of amt involved	Percent- age	Percent- age of total amt recovered	Amt re- covered as per cent of amt involved	Percent- age of	Percent- age of	Amt recovered	Percent- age of	Percent- age of	Amt recovered	Total amount involved (` crore)	Total amount recovered (` crore)
	of total amt involved	of total amt recovered		of total amt involved			to- tal amt involved	total amt recovered	as per cent of amt involved	total amt involved	total amt recovered	as per cent of amt involved		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2009-10	23.10	1.50	1.50	31.30	41.70	32.00	45.60	56.80	30.00	-	-	-	31281	7514
2010-11	10.50	1.00	2.90	28.20	25.10	27.90	61.30	73.90	37.80	-	-	-	49950	15642
2011-12	2.80	1.40	11.80	39.40	28.50	17.00	57.80	70.10	28.60	-	-	-	61100	14400
2012-13	6.20	1.70	6.10	29.30	18.90	14.20	64.40	79.40	27.20	-	-	-	105700	23300
2013-14	13.30	4.40	6.00	31.80	16.60	9.60	54.80	79.10	26.50	-	-	-	173800	32000
2014-15	12.50	3.20	3.20	24.30	13.60	7.00	63.20	83.10	16.30	-	-	-	248200	30800
2015-16	32.50	14.00	4.40	31.30	28.10	9.20	36.20	57.90	16.50	-	-	-	221400	22800
2016-17	13.00	6.00	6.40	36.20	26.80	10.20	50.80	67.30	18.30	-	-	-	278300	38500
2017-18	16.90	4.50	4.00	49.20	17.90	5.40	30.30	65.40	32.20	3.70	12.20	49.60	270631	40352
2018-19	7.40	2.30	5.10	37.00	8.90	3.90	35.60	32.80	15.00	20.40	56.20	45.70	725996	118647
2019-20	9.10	2.40	6.20	33.10	5.80	4.10	26.50	30.50	26.70	31.30	61.30	45.50	742431	172565
Average	13.39	3.85	5.24	33.74	21.08	12.77	47.86	63.30	25.01	18.47	43.23	46.93		

(Source: RBI Bulletin dt.26.04.2021 'ARCs in India: A study of their Business Operations and Role in NPA Resolution')

1) Civil Litigations and Revenue Recovery

- The age-old system of Civil Court Litigation is still in force in typical cases which involve assets that are not covered under any of the remaining enactments or are unsecured. Revenue Recovery measures are initiated, however the same is a time-consuming process.

2) Lok Adalat

- Lok Adalats are conducted across the country from National Level down to Taluk Level and cover a wide range of services like legal aid in court matters, legal services clinics, legal services to women, prisoners, victims, and provides awareness programs etc.
- In the Banking Sector, the Lok Adalats accept both pre-litigation cases and pending cases in all the matters covering NPA recovery and other service issues, deficiencies, etc.
- Against an average of 13.39% of total NPA assets which have come for dispute resolution in Lok Adalats, the average recovery rate had been just above 28%, and it is 3.85% of the total recoveries from NPAs. Lok adalats are more accessible and faster for small value NPAs and more effective than other channels.
- In 2019-20, 59,86,790 cases involving Rs. 67,801 crore were pending before Lok Adalat, reflecting the small-size orientation of these institutions. ((Source: RBI Bulletin dt.26.04.2021 'ARCs in India: A study of their Business Operations and Role in NPA Resolution)

3) Debt Recovery Tribunals

- The Presiding Officer, on accepting the application filed by the bank, issues a summons to the defendant for filing a written statement within 30 days. After receiving the written statement, the date for the hearing is fixed for acceptance or denial of the documents submitted by either party. After completion of the hearing, the Presiding Officer issues a Recovery Certificate which is equivalent to a Court Decree.
- An Application can also be filed in DRT for attaching unencumbered assets of the borrower if any, in case of non availability of sufficient security to cover the defaulted assets.
- The Recovery Officer of the DRT acts upon the Recovery Certificate and initiates necessary steps, including the sale of assets through attachment, taking possession, appointing a receiver for managing the assets and imprisonment of the defendant in case of non-recovery. The defendant can approach the Debt Recovery Appellate Tribunal against the Recovery certificate issued by the Presiding Officer.
- The statistics indicate that of the total NPAs involved, nearly 33.74% are handled by DRTs and of the full recoveries made, about 21.08% are through DRTs. The share of recoveries through DRTs was high in the initial years, while over the period, the recovery rate has declined drastically under this route to a mere 4.10% of total cases handled in FY 2019-20.

- DRTs were set up for speeding up the settlements by releasing the civil courts out of debt-related matters. However, the performance was affected by the excessive delays caused due to overstretching their capacity and inadequate staff strength and infrastructure.

4) SARFAESI Act, 2002

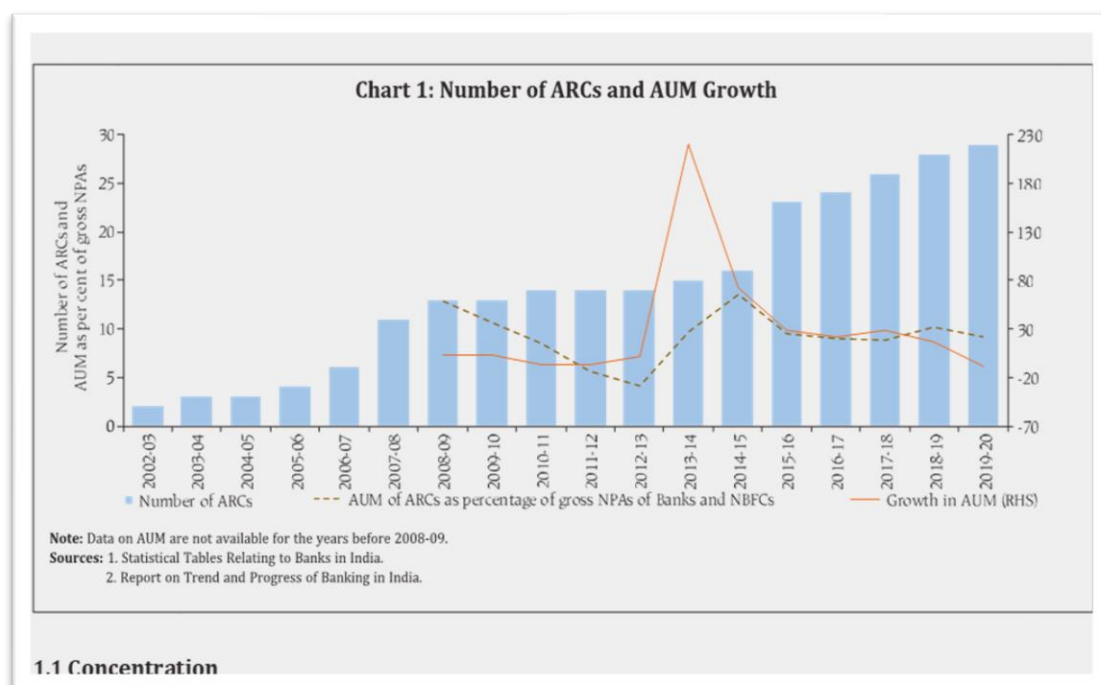
- Under SARFAESI Act, 2002, the secured creditor (bank) can initiate proceedings against the borrower in default and classified as NPA and enforce his security interest, without the intervention of a court of law. The secured creditor can monetise the assets secured for the loans/advances sanctioned to the borrower through public auction / private auction without court intervention.
- The secured creditor (Bank) issues a notice under Section 13(4) of the Act through its Authorised Officer (designated official) to the defaulted borrower and guarantors and the owners of the immovable/movable properties offered as security for the loans mentioning the defaulted amount and securities offered and to discharge his liability in full, within 60 days, failing which the bank will proceed with taking possession and sale of the secured assets to settle the defaulted accounts.
- If the borrower makes any representation in response to the notice, the secured creditor (bank) shall respond within 15 days as to why the representation can not be accepted.
- If the borrower fails to discharge his liability, the secured creditor (bank) can take recourse through taking possession of the secured assets including the rights to transfer, lease or otherwise and/or to take control of the management of the business and take necessary steps for recovery of the entire dues.
- The assets whose possession is taken by the secured creditor (bank) can be sold off in public auction by setting a Reserve Price. If there were no bidders in the auction, the Authorised Officer himself can bid for the subsequent sale.
- The sale proceeds shall be appropriated in the order
 - a) towards the cost and expenses involved,
 - b) towards satisfaction of debts of the secured creditor
 - c) balance amount to the person who is entitled to have the rights of the assets (owner of the assets who secured them to the bank) sold in the auction.

5) Arbitration, Negotiation, Conciliation & Mediation

- **Arbitration** : Arbitration helps parties who want to avoid the normal lengthy recourse to the local courts. Arbitration is the process of dispute settlement between two contracting parties to appoint an arbitrator to give a binding solution on the dispute. It helps save time and resources at the same time.
- **Negotiation** : Negotiation refers to a process where two parties having differences between them which they want to resolve are striving to reach to a mutual agreement by way of going through various alternatives.
- **Conciliation** : Conciliation is the process where an independent third party, the conciliator, helps people in a dispute to identify the disputed issues, develop options, consider alternatives and try to reach an agreement.
- **Mediation** : Mediation is a voluntary, party-centred negotiation process where a neutral third party, called a mediator, assists the parties in amicably resolving their dispute using specialized negotiation techniques.

6) Asset Reconstruction Companies in NPA recovery

- Unlike many other countries that follow the public sector model, the ARCs in India were introduced in the private sector in 2002. The first ARC was set up in India in 2003- Asset Reconstruction Company of India Ltd (ARCIL). Banks and financial institutions are the shareholders of major ARCs. Though FDI was permitted in ARCs, the share of FDI has been on the lower side.
- Performance of ARCs has been subdued except during 2008 and 2016. Compared to the volume of NPAs of Banks and NBFCs, the growth of Asset Under Management (AUM) of ARCs has been showing a declining trend except during 2013-14 when the growth was at a high.
- The following chart depicts the growth of the number of ARCs vis a vis their AUM growth:



(Source: RBI's article dt.26.04.21 on 'ARCs in India: A study of their Business Operations and Role in NPA Resolution')

- **Operations of ARCs:** The ARCs acquire the NPA accounts from banks/ FIs through direct deals or auctions and pay cash and Security Receipts (SR). The bank will in return receive 15% cash and 85% SRs. The NPAs acquired are held in asset-specific and portfolio specific schemes and invite subscriptions from Qualified Institutional Buyers for Security Receipts. Further, they initiate the process for resolution within a period of six months from acquisition. The resolution can be in any form including change and takeover of the management of the business of the borrower, sale or lease the whole or a part of the assets/business, rescheduling of payment of debts, enforcing security interest etc. ARCs are allowed a period of five years to recover the dues which can be extended up to eight years and after starting recovery, the ARC shall work upon redemption of the SRs.

7) Insolvency and Bankruptcy Code 2016

- IBC, 2016 is an Institutional Framework involving a Regulator (Insolvency and Bankruptcy Board of India-IBBI) and Insolvency Professional Entities and Insolvency Professionals. It is the most significant reform concerning NPA resolution.
- The Corporate Insolvency Resolution Process (CIRP) for Corporate Persons/ LLPs and Fast Track CIRP (FTCIRP) have already been notified and implemented, while the Bankruptcy Code for Partnership firms and individuals under the framework is yet to be implemented.
- Under CIRP/FTCIRP, the timeline available for finalizing and approving the resolution plan is 180 days/90days respectively, which are extendable by another 90/30 days respectively in eligible cases by the Adjudicating Authority- NCLT.
- On failure/non-approval of CIRP, Liquidation of the corporate person (corporate debtor) is recommended under the Code.
- The CIRP can be initiated either by the Corporate Debtor (borrower) or the Financial Creditor (Bank) or the Operational Creditor (suppliers/service providers to the borrower).

8) Pre-Pack Insolvency Resolution Process for MSME units (PPIRP)

- PPIRP is the latest development in NPA resolution and is in the nascent stage. Considering the flexibility and easy adaptability, this method has got a tremendous opportunity in NPA resolution of the increasing defaults of the MSME sector, if adopted at the right time by the banks.

9) National Asset Reconstruction Ltd (NARCL) and India Debt Resolution Company Ltd (IDRCL)

- NARCL and IDRCL are expected to kickstart the operations from mid of February 2022 as per news reports (Economic Times dt.12.01.2022). It is further reported that in the first stage, NPAs of Rs.3000 Cr will be transferred from the books of consortium of lenders led by SBI in three accounts.

7. An overview of NPAs in India

During 2000-2008, the Indian economy was booming, which fueled the growth of industries and infrastructure sectors; all the lenders, especially the public sector banks, started advancing liberally to large industrial/ corporate houses without adequately assessing their actual financial strengths. However, the economic recession of 2008-09 adversely affected many of the large corporates, and their profitability spiralled downwards. In addition, govt banned the mining projects, which adversely impacted the infrastructure segment, especially iron, steel and power. As a result, the advances given to these sectors were primarily affected, and NPAs were mounting up.

Another reason for certain large advances turning into NPA is the fraud committed by the borrowers, with or without the involvement of bank officials. Frauds are recurring in the Banking sector because of lack of proper assessment of the actual financial status of the borrowing unit and lack of conducting due diligence.

Position of Gross NPA of Scheduled Commercial Banks in the past 10 years is furnished below:

(Rs.in Cr)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC SECTOR BANKS	117838.9 2	165005.7 0	228273.7 0	278467.9 2	539954.9 9	684732.2 8	895601.2 6	789568.9 2	725589.3 5	652827.5 0
PRIVATE SECTOR BANKS	18767.81	21070.52	24542.42	34106.23	56187.36	93209.22	129335.2 4	133575.7 3	162295.7 8	163929.0 3
FOREIGN BANKS	6296.60	7977.09	11555.56	10761.01	15805.16	13629.08	13849.47	12242.26	10208.31	15044.08
SMALL FINANCE BANKS	0.00	0.00	0.00	220.47	63.68	412.63	893.36	1086.87	1709.33	5970.65
TOTAL	142903.3 3	194053.3 0	264371.6 8	323555.6 2	612011.1 9	791983.2 1	1039679. 33	936473.7 8	899802.7 8	837771.2 6
Gross NPA %	3.10%	3.60%	4.10%	5.10%	7.50%	9.30%	11.20%	9.10%	8.20%	7.30%
PCR	52.50%	51.0%	40.30%	41.70%	41.90%	43.50%	48.30%	60.50%	66.20%	67.40%

Note: The gross NPA% has further declined to 6.90% in Sep.2021 as per the RBI report on Trend and Progress of Banking in India, dt.28.12.2021 for FY 2020-21.

(Source: 1. Time Series Publications of Database on Indian Economy, RBI
2. RBI Publications- Annual Performance of SCBs of respective years)
(In percentage terms)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC SECTOR BANKS	82%	85%	86%	86%	88%	86%	86%	84%	81%	78%
PRIVATE SECTOR BANKS	13%	11%	9%	11%	9%	12%	12%	14%	18%	20%
FOREIGN BANKS	4%	4%	4%	3%	3%	2%	1%	1%	1%	2%
SMALL FINANCE BANKS	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Public Sector banks including State Bank of India and Associates top the list with a whopping average of 84% while private sector banks contributed only 13%, followed by foreign banks.

Bank wise break up of NPAs is placed in Annexure I.

The distribution of advances among the four categories of banks is as follows:

Advances	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC SECTOR BANKS	76%	76%	76%	74%	71%	68%	65%	61%	60%	59%
PRIVATE SECTOR BANKS	19%	19%	20%	21%	25%	27%	30%	34%	35%	36%
FOREIGN BANKS	5%	4%	4%	4%	5%	4%	4%	4%	4%	4%
SMALL FINANCE BANKS	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(Source: Time Series Publications of Database on Indian Economy, RBI)

While the share of Public Sector banks in the gross advances is declining and that of private sector banks is inclining, the share of NPA is continuing high among PSU banks compared to Private sector, indicating the strong monitoring and recovery measures adopted by the private sector lenders.

Current Scenario

The continuing spread of COVID 19 pandemic has battered all the industries and trades barring a few, resulting in increased delinquencies. RBI and Govt have initiated various measures to support the ailing economy; however, the impact of these measures may wreak havoc on the performance of banking sector in the current and coming years.

The latest RBI report on Trends and Progress of Banking during FY 2020-21 was released on 28.12.2021, according to which:

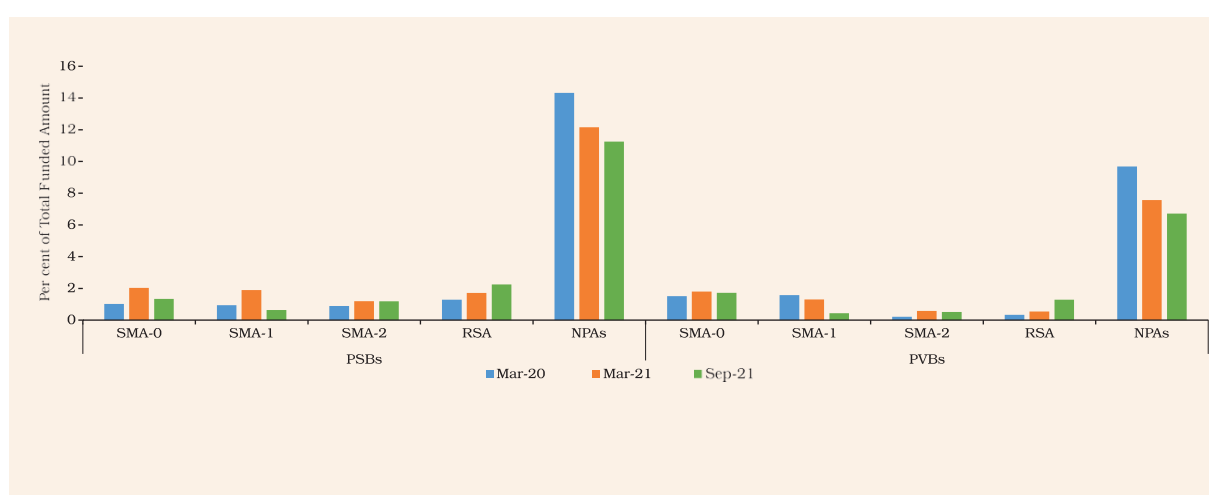
- The moderation of GNPA % of banks which began in FY 2018-19 continued in FY 2019-20 and FY 20-21. This improvement was driven by lower slippages, partly due to the asset classification standstill. With the decline in delinquent assets, their provision requirements also dropped and the net NPA ratio of Public Sector Banks and Private Sector Banks eased from the previous year. On the contrary, Foreign Banks reported increasing accretions to NPAs and deteriorating asset quality due to amalgamation of a troubled Private Sector Bank with a Foreign Bank.
- The latest data on classification of NPAs is referred below:

Bank Group	End-March	Standard Assets Amount	Per cent*	Sub-Standard Assets Amount	Per cent*	Doubtful Assets Amount	Per cent*	Loss Assets Amount	Per cent*
PSBs	2020	53,27,903	89.2	1,32,530	2.2	4,04,724	6.8	1,07,163	1.8
	2021	55,87,450	90.6	1,03,744	1.7	3,51,014	5.7	1,22,217	2.0
PVBs	2020	34,14,554	94.9	56,588	1.6	92,396	2.6	34,986	1.0
	2021	37,57,240	95.3	65,363	1.7	90,228	2.3	31,350	0.8
FBs	2020	4,25,857	97.7	3,273	0.8	5,775	1.3	1,161	0.3
	2021	4,10,418	97.6	3,648	0.9	5,566	1.3	986	0.2
SFBs**	2020	89,800	98.1	1,023	1.1	648	0.7	39	0.0
	2021	1,05,619	94.6	4,965	4.4	841	0.8	165	0.1
All SCBs	2020	92,58,114	91.7	1,93,413	1.9	5,03,543	5.0	1,43,349	1.4
	2021	98,60,726	92.7	1,77,720	1.7	4,47,648	4.2	1,54,717	1.5
Notes: 1. Constituent items may not add up to the total due to rounding off. 2. *: As per cent of gross advances. 3. **: Refers to scheduled SFBs. Source: Off-site returns (domestic operations), RBI.									

- As observed since 2018, write-offs were the predominant recourse for lowering GNPA's in 2020-21. In the case of FBs, the contribution of up-gradation improved substantially, but it was not enough to offset fresh slippages.
- Consistent with the improvement in asset quality, the proportion of standard assets to total advances of SCBs increased in 2020-21, largely because of the improved performance of PVBs. Within standard assets, the share of restructured standard

advances (RSA) increased from 0.4 per cent at end of March 2020 to 0.8 per cent at the end-March 2021, largely representing the onetime restructuring scheme for standard advances announced by the Reserve Bank in August 2020. The RSA further increased to 1.8 per cent at end of September 2021 due to restructuring scheme 2.0 for retail loans and MSMEs which does not entail an asset classification downgrade.

- A graphic representation of stressed assets in the last two years is furnished below. The special mention accounts-2 (SMA-2) ratio, which signals impending stress, has risen across bank groups since the outbreak of the pandemic. The RSA (Restructured Standard Assets) ratio has also increased during the same period, partly reflecting the impact of Resolution framework for Covid 19 Related Stress (RFCS 1.0 and 2.0).



- Sector-wise Gross NPA of banks as per RBI's report on Trends and Progress of Indian Banking is furnished below:

Bank Group	Priority Sector		Of which						Non-priority Sector		Total NPAs	
			Agriculture		Micro and Small Enterprises		Others					
	Amt.	Per cent#	Amt.	Per cent#	Amt.	Per cent#	Amt.	Per cent#	Amt.	Per cent#	Amt.	Per cent#
PSBs												
2020	2,36,212	36.66	1,11,571	17.31	90,769	14.09	33,872	5.26	4,08,205	63.34	6,44,417	100.00
2021	2,58,228	44.76	1,15,281	19.98	1,01,786	17.64	41,161	7.13	3,18,747	55.24	5,76,974	100.00
PVBs												
2020	36,219	19.69	14,462	7.86	16,111	8.76	5,646	3.07	1,47,751	80.31	1,83,970	100.00
2021	50,557	27.04	18,900	10.11	23,473	12.56	8,184	4.38	1,36,384	72.96	1,86,941	100.00
FBs												
2020	1,692	16.57	376.07	3.68	1070.24	10.48	245.66	2.41	8,516	83.43	10,208	100.00
2021	1,802	17.67	328.97	3.23	1193.62	11.70	279.48	2.74	8,397	82.33	10,199	100.00
SFBs												
2020	1,376	80.51	255.77	14.96	753.88	44.10	366.59	21.45	333	19.49	1,709	100.00
2021	4,974	83.31	1509.6	25.28	2049.4	34.32	1415.23	23.70	996	16.69	5,971	100.00
All SCBs												
2020	2,75,499	32.79	1,26,664	15.07	1,08,704	12.94	40,131	4.78	5,64,806	67.21	8,40,305	100.00
2021	3,15,561	40.45	1,36,019	17.44	1,28,502	16.47	51,039	6.54	4,64,524	59.55	7,80,085	100.00
Notes: 1. Amt.: – Amount; Per cent: Per cent of total NPAs.												
2. Constituent items may not add up to the total due to rounding off.												
3. # Share in total NPAs.												
Source: Off-site returns (domestic operations), RBI.												

- Among the industries, the steel, power, telecom, infrastructure, aviation and textile sectors were the most affected ones contributing to top NPA accounts. Some of the major NPAs where a resolution could be materialised through IBC route are:

(Rs.in Cr)

SI No	Name of Corporate Debtor	Amount of claims admitted	Amount Realised by Financial Creditors	Percentage of realisation %	Resolution Applicant
1	Bhushan Steel Ltd	56022	35571	63.50%	Bamnival Steel Ltd
2	Essar Steel India Ltd	49473	41017	82.91	Arcelor Mittal India Ltd
3	Bhushan Power & Steel Ltd	47158	19350	41.03	JSW Ltd
4	Alok Industries Ltd	29523	5052	17.11	Reliance Industries Ltd & JFM ARC
5	Jaypee Infratech Ltd	23640	23240	98.32	NBCC India Ltd
6	Monnet Ispat And Energy Ltd	11015	2892	26.26	JSW& AION Investments
7	Electrosteel Steels Ltd	13175	5320	40.38	Vedanta Ltd
8	Jyoti Structures Ltd	7365	3691	50.12	Mr. Sharad Sanghi & others

- Some of the major NPAs were triggered by frauds committed by the promoters.

Examples are:

- Nirav Modi Scam/ Mehul Choksi Scam (Rs.11400 Cr)
- Vijay Mallya/Kingfisher Scam (Rs.9432 Cr)
- Rotomac Pen Scam (Rs.3695 Cr)
- Kanishka Gold P Ltd (Rs.637 Cr)
- RP Info Systems (Rs.515.50 Cr)
- Simbhaoli Sugar Mills (Rs.200 Cr)

In the above cases, the recovery could be effected only partially, that too after a very long time. The fraudsters have taken disadvantage of the loopholes in the banking system to siphon off funds.

- NPAs of SCBs recovered through various channels in the last two years:

Recovery Channel	2019-20				2020-21(P)			
	No. of cases Referred	Amount involved (Rs.in Cr)	Amount recovered* (Rs.in Cr)	Col. (4) as per cent of Col.(3)	No. of cases Referred	Amount involved (Rs.in Cr)	Amount recovered* (Rs.in Cr)	Col. (8) as per cent of Co.(7)
1	2	3	4	5	6	7	8	9
Lok Adalats	59,86,790	67,801	4,211	6%	19,49,249	28,084	1,119	4%
DRTs	33,139	2,05,032	9,986	5%	28,182	2,25,361	8,113	4%
SARFAESI Act	1,05,523	1,96,582	34,283	17%	57,331	67,510	27,686	41%
IBC@	1,986	2,24,935	1,04,117	46%	537	1,35,139	27,311	20%
Total	61,27,438	6,94,350	1,52,597	22%	20,35,299	4,56,094	64,228	14%

Notes: 1. P: Provisional.

2. *: Refers to the amount recovered during the given year, which could be with reference to the cases referred during the given year as well as during the earlier years.
3. DRTs: Debt Recovery Tribunals.
4. @: Cases admitted by National Company Law Tribunals (NCLTs) under IBC.
5. The resolution plan of Essar Steel India Ltd. was approved in 2018-19. However, as apportionment among creditors was settled in 2019-20, the recovery is reflected in the latter year data.
6. The Recovery rate is the amount recovered as a percentage of the amount involved.
7. To ensure that asset sales by banks result in actual sales, the threshold for banks holding SRs backed by their sold assets for additional provisioning was fixed at 50 per cent from April 1, 2017, and was subsequently reduced to 10 per cent from April 1, 2018.
8. As reported by ARCs for which data are available.

Source: Off-site returns, RBI and Insolvency and Bankruptcy Board of India (IBBI).

Comments on the performance of various recovery channels in the past two years:

- During 2020-21, all the recovery channels witnessed a drastic decline in the cases referred for resolution. The performance of different channels can be briefed as follows:
- a) **Lok Adalats:** Total number of cases and amount referred in Lok Adalats during 2020-21 were obviously lower by 67% and 58% respectively, compared to previous FY 2019-20, due to the pandemic related lockdown restrictions. The recovery rate was a meagre 4% of the total cases referred during the year.
- b) **DRTs** – Though the amount referred to DRTs during FY 2020-21 was higher than the previous year, the recovery rate has declined to 4% (5% in the previous year).
- c) **SARFAESI Act:** The number of cases and amount involved were far lower in FY 20-21, but the percentage of recovery to the total amount referred was as high as 41%.
- d) **IBC route:** IBC operations were temporarily suspended during the last FY 20-21 till Mar.2021 and the resolution/recovery rate halved during the year. Still, the IBC,2016 route contributed the most in quantum of recoveries.

According to the report that appeared in Economic Times on 07th December 2021, as per the written statement issued by the Finance Minister, as of September 30, 2021, a total of 4,708 CIRPs were initiated under the IBC. As many as 421 cases involving a realisable value of Rs 2.55 lakh crore were resolved (The liquidation value of these companies was Rs 1.48 lakh crore.). The total amount of admitted claims of financial creditors in respect of these 421 cases were Rs.7.19 lakh crore while the amount realisable is Rs.2.46 lakh crore. Out of the remaining, 1,149 cases having a liquidation value of Rs 52,036 crore went for liquidation. If no resolution plan is received or no resolution plan is approved by the Adjudicating Authority, the corporate entity proceeds to liquidation. The number of liquidation cases has gone up to 1559 as on 31st December 2021 as per the information available on the website of IBBI.

- e) **ARCs:** Another important mode of asset resolution adopted mostly by the private sector banks is sale of NPAs to ARCs by taking haircuts. In recent years, however, the preference of banks has shifted to alternative avenues, with asset sales declining as a proportion to outstanding GNPA's across bank groups. This was partly due to the worsening acquisition cost of ARCs as a proportion of book value of assets, reflecting higher haircuts and lower realisable values in respect of their acquired assets.

The recovery of security receipts (SRs) issued by ARCs is a critical indicator of their performance. Since 2018, the Reserve Bank has been disincentivising banks from

holding SRs in excess of 10 per cent of the transaction value of the sale of stressed assets through increased provisions.⁵ Consequently, the share of SRs subscribed to by banks has decreased over the years, and their share hovered around 58 per cent in 2019-20 and 2020-21. The share of ARCs in SR holdings has declined over the years, with the investor base having gradually diversified with an increasing share of Foreign institutional investors and other qualified buyers.

8. Future Outlook

The decline in gross NPA percentage during last FY 20-21 was basically on account of the 'stand still' NPA norm permitted during the covid lockdown period and the covid relief measures like restructuring loan accounts by retaining the standard status of the accounts.

However, the forecast by RBI in the latest Financial Stability Report of 29th December 2021 cautions that 'Macro Stress Tests for credit risk indicate that the gross non-performing asset (GNPA) ratio of SCBs (Scheduled Commercial Banks) may increase from 6.90% in September 2021 to 8.10% in September 2022 under the baseline scenario and 9.50% under a severe stress scenario. Emerging signs of stress in micro, small and medium enterprises (MSME) and the microfinance segment call for close monitoring of these portfolios going forward.

If we look at the pandemic triggered stress on the loans and advances, the relief measures have already been implemented across the segments- Retail, MSME and Corporates. The retail segment, which had been steadily performing in the past decade, got affected due to loss of employment and cash flows. The stress is very much visible as many retail loans were restructured under the RFCS schemes for the first time in history. However, as the situation has gradually eased out, the cash flows and retail recoveries are expected to gain momentum in the next financial year.

The stressed assets in the corporate segment were already identified through RBI's Asset Quality Review in the past, and necessary measures are initiated by the lenders. The performance of the corporates was not much affected compared to the retail and MSME segments during a pandemic. According to the CRISIL report dated 20th October 2021, the stressed assets in Retail and MSME is expected to rise to 4%-5% and 17%-18%

respectively by the end of the current fiscal, whereas in the Corporate segment, the stressed assets are expected to remain at 9%-10%.

9. Non-Performing Assets of major developed markets

Though the standards of asset classification differ from country to country, it is worth looking at the NPA scenario of the major markets worldwide.

Particulars	Delinquency levels of all banks	
Region/ Country	Q3 2020 (Calendar Year)	Q3 2021 (Calendar Year)
United States (Source: www.federalreserve.gov-Data on Delinquency Rates of All commercial banks in the USA)- DPD >30 days	Real Estate Loans-1.92%	Real Estate Loans-1.56%
	Consumer Loans- 1.82%	Consumer Loans- 1.52%
	Commercial & Industrial Loans- 1.30%	Commercial & Industrial Loans- 1.02%
Europe (Source: Statistical Data Warehouse of European Central Bank)- DPD> 90 days	Non-Performing Loans- 2.60%	Non-Performing Loans-2.20%
China- DPD > 90 days (Source: www.statista.com)	Non Performing Loans-1.84% (end of 2020)	Non Performing Loans-1.80% (March 2021)
Japan (Source: www.statista.com)	Non Performing Loans- 1.10% (Sep.2020)	Non Performing Loans- 1.20% (March 2021)

10. Conclusion

The aim of implementing the Insolvency and Bankruptcy Code 2016 was to provide a rescue channel for the ailing corporate debtors who are the major contributors to the loan portfolio of banks in India. However, in reality, the percentage of fruitful resolution achieved to the total cases referred to CIRP in the past has been very low. As a result, many of the corporates have gone into liquidation.

The performance of NCLT is affected as the number of cases rises beyond the capacity of the existing infrastructure. The threshold level for initiating CIRP has been raised to Rupees One Crore, which impedes the operational creditors to opt for CIRP. As per the

latest reports, Central Government has already set up a panel 'Insolvency Law Committee' to deliberate on the further amendments required in the IBC Code. The panel has proposed changes like mandatory compliance of approving or rejecting the resolution plan within the stipulated 30 days period by NCLT. Further, changes like reckoning the lookback period for identifying preference transactions and avoidances transactions as two years preceding from the date of applying instead of the date of admission of application. The changes are proposed to ensure speedy resolution for companies who are fallen in the hard times while preventing the fraudulent promoters from taking away the company's assets during the time available between filing and admission of application before NCLT.

Setting up of National Asset Reconstruction Company Ltd (NARCL) with a sufficiently large capital base will liberate the scheduled commercial banks from the burden of carrying NPAs in their books. Moreover, by transferring the NPA accounts to NARCL (the Bad Bank), the banks can make room for good quality assets in their books and improve their profitability. This will also reduce the bailout requirements by the government in the case of public sector banks.

Identifying potential sickness in the MSME loan portfolio is of paramount importance for banks. Therefore, the Pre- Pack Insolvency Resolution Process for MSME accounts shall be encouraged in a significant way to support the identified accounts at an early stage so that a formalized and well-planned resolution will help them to come out of the stress.

ANNEXURE 1

Bank Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
STATE BANK OF BIKANER AND JAIPUR	835.40	1651.47	2119.49	2732.78	2945.14	3602.76	10676.79	Merged with State Bank of India			
STATE BANK OF HYDERABAD	1150.45	2007.36	3186.04	5824.20	4984.77	6590.91	18211.94				
STATE BANK OF INDIA	25326.29	39676.46	51189.39	61605.35	56725.34	98172.80					
STATE BANK OF MYSORE	863.74	1502.62	2080.63	2818.87	2136.42	3635.56	9914.55				
STATE BANK OF PATIALA	1381.68	1887.75	2453.04	3758.35	4359.73	6766.57	17847.37				
STATE BANK OF TRAVANCORE	835.23	1488.75	1749.88	3076.94	2357.05	3199.96	8816.98				
ALLAHABAD BANK	1647.92	2058.98	5136.99	8068.04	8357.96	15384.57	20687.83	26562.79	28704.78	27846.87	
ANDHRA BANK	995.64	1798.01	3714.49	5857.60	6876.54	11443.63	17669.98	28124.36	28973.97	28708.54	
BANK OF BARODA*	3152.50	4464.75	7982.58	11875.90	16261.44	40521.04	42718.70	56480.38	48232.76	69381.43	66670.99
BANK OF INDIA	4811.55	6470.87	9309.53	12878.40	22193.24	49879.13	52044.52	62328.46	60661.12	61549.93	56534.94
BANK OF MAHARASHTRA	1173.70	1297.03	1137.55	2859.85	6402.06	10385.85	17188.71	18433.23	15324.49	12152.15	7779.68
BHARATIYA MAHILA BANK LTD.				0.00	-		54.99				
CANARA BANK	3137.36	4031.75	6260.16	7570.21	13039.96	31637.83	34202.04	47468.47	39224.12	37041.15	60287.84
CENTRAL BANK OF INDIA	2394.00	7273.00	8456.00	11500.00	11873.00	22720.88	27251.33	38130.70	32356.04	32589.08	29276.96
CORPORATION BANK	790.23	1274.21	2048.23	4736.79	7106.67	14544.25	17045.22	22213.44	20723.68	19399.02	
DENA BANK	842.24	956.50	1452.45	2616.03	4393.04	8560.49	12618.73	16361.44	12767.94		
INDIAN BANK	740.31	1850.78	3565.48	4562.20	5670.44	8827.04	9865.14	11990.14	13353.43	14150.82	38455.35
INDIAN OVERSEAS BANK	3089.59	3920.07	6607.96	9020.48	14922.45	30048.63	35098.26	38180.15	33398.12	19912.70	16323.18
ORIENTAL BANK OF COMMERCE	1920.54	3580.49	4183.96	5617.86	7666.22	14701.78	22859.27	26133.64	21717.07	21751.15	
PUNJAB AND SIND BANK	424.28	763.44	1536.90	2553.52	3082.19	4229.05	6297.59	7801.65	8605.87	8874.57	9334.00
PUNJAB NATIONAL BANK	4379.39	8719.62	13465.79	18880.06	25694.86	55818.33	55370.45	86620.05	78472.70	73478.76	104423.42
STATE BANK OF INDIA		3182.70	2978.50				112342.99	223427.46	172750.36	149091.85	126389.02
SYNDICATE BANK	2598.97	4086.20	7130.09	4611.13	6442.38	13832.16	17609.31	25758.60	24680.37	24086.48	11351.97
UCO BANK	3150.36	5449.86	6313.83	6621.37	10265.05	20907.73	22540.95	30549.92	29888.33	19281.95	
UNION BANK OF INDIA	3622.82	2176.42	2963.82	9563.74	13030.87	24170.89	33712.28	49369.93	48729.15	49085.30	89788.20
UNITED BANK OF INDIA	1355.78	1718.46	1532.94	7118.01	6552.91	9471.01	10951.99	16552.11	12053.38	9935.23	
IDBI BANK LIMITED	2784.73	4551.37	6449.98	9960.16	12684.98	24875.07	44752.59	55588.25	50027.94	47272.37	36211.95
VIJAYA BANK	1259.19			1985.86	2443.21	6027.07	6381.78	7526.09	8923.30		
PUBLIC SECTOR BANKS	74663.89	117838.92	165005.70	228273.70	278467.92	539954.99	684732.28	895601.26	789568.92	725589.35	652827.50
AXIS BANK LIMITED	1599.42	1806.30	2393.42	3146.41	4110.19	6087.51	21280.48	34248.64	29789.44	30233.82	25314.84
BANDHAN BANK LIMITED						18.77	86.26	373.14	819.56	992.78	5757.76
CITY UNION BANK LIMITED	192.45	182.93	210.86	333.55	474.81	511.98	681.98	856.55	977.05	1413.40	1893.19
CSB BANK LIMITED	112.48	123.54	173.10	293.06	335.82	446.91	600.10	764.13	530.62	409.43	393.49
DCB BANK LIMITED	263.57	241.80	214.98	138.45	186.07	197.38	254.20	369.03	439.48	631.51	1083.44
FEDERAL BANK LTD	1148.33	1300.83	1554.01	1087.41	1057.73	1667.77	1727.05	2795.62	3260.68	3530.83	4602.39
HDFC BANK LTD.	1694.34	1999.39	2334.64	2989.28	3438.38	4392.83	5885.66	8606.97	11224.16	12649.97	15086.00
ICICI BANK LIMITED	10034.26	9475.33	9607.75	10505.84	15094.69	26221.25	42159.39	53240.18	45676.04	40829.09	40841.42
IDFC FIRST BANK LIMITED						3058.30	1542.10	1779.05	2136.04	2279.56	4303.01
INDUSIND BANK LTD	265.86	347.08	457.78	620.79	562.92	776.82	1054.87	1704.91	3947.41	5146.74	5794.99
ING VYSYA BANK	155.39	149.51	121.39	262.95	745.24						

JAMMU & KASHMIR BANK LTD	518.82	516.60	643.77	783.42	2764.08	4368.61	6000.01	6006.70	6221.35	7671.63	6954.75
KARNATAKA BANK LTD	702.17	684.72	638.86	835.94	944.21	1180.40	1581.59	2376.07	2456.38	2799.93	2588.41
KARUR VYSA BANK LTD	228.15	320.99	285.86	279.18	677.78	511.18	1483.81	3015.76	4449.57	4212.77	4142.87
KOTAK MAHINDRA BANK LTD.	603.49	614.19	758.11	1059.44	1237.23	2838.11	3578.61	3825.38	4467.94	5026.89	7425.51
LAKSHMI VILAS BANK LTD	157.79	307.73	459.91	546.46	454.62	391.25	640.19	2694.21	3358.99	4233.31	
NAINITAL BANK LTD	21.44	30.99	67.26	61.10	77.41	121.04	164.27	167.48	388.22	536.03	650.67
RBL BANK LIMITED	21.51	33.11	25.90	77.75	111.23	208.05	356.84	566.73	754.62	2136.52	2601.53
SOUTH INDIAN BANK LTD	230.34	267.16	433.87	432.62	643.45	1562.36	1149.01	1980.30	3131.66	3261.77	4143.24
TAMILNAD MERCANTILE BANK LTD	141.13	177.48	214.45	428.02	318.68	418.94	648.64	868.28	1168.11	1020.98	1084.78
THE DHANALAKSHMI BANK LTD	67.09	104.27	380.27	485.82	558.29	458.92	315.60	469.31	495.84	401.22	657.21
YES BANK LTD.	80.52	83.86	94.32	174.93	313.40	748.98	2018.56	2626.80	7882.56	32877.59	28609.53
PRIVATE SECTOR BANKS	18238.55	18767.81	21070.52	24542.42	34106.23	56187.36	93209.22	129335.24	133575.73	162295.78	163929.03
AB BANK LIMITED	-	0.00	5.74	7.00	8.46	8.90	8.90	8.90	0.00	-	-
ABU DHABI COMMERCIAL BANK PJSC	12.75	3.12	0.03	23.10	23.11	23.11	23.11	23.11	53.38	-	-
AMERICAN EXPRESS BANKING CORP.	20.26	23.42	44.61	19.52	20.23	49.63	47.51	84.85	199.59	80.12	253.31
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	0.70	0.00	28.08	18.53	-	-	-	-	99.97	25.00	25.00
BANK OF AMERICA , NATIONAL ASSOCIATION	10.45	0.70	-	0.00	14.48	-	110.00	-	-	-	-
BANK OF BAHRAIN & KUWAIT B.S.C.	1.83	27.72	52.32	80.26	39.92	71.61	58.52	18.62	79.55	78.65	14.16
BANK OF CEYLON		1.52	1.51	1.44	1.40	1.33	1.05	0.97	3.45	20.13	33.40
BANK OF CHINA LIMITED						355.04			-	-	-
BANK OF NOVA SCOTIA	9.63	9.63	57.94	193.53	193.18	185.51	254.42	94.02	68.05	68.05	63.52
BARCLAYS BANK PLC	781.18	547.15	554.30	463.85	311.06	12.08	82.60	78.35	295.84	339.07	268.22
BNP PARIBAS	11.28	27.45	16.25	16.25	12.17	860.51	6.90	6.90	6.90	6.90	6.90
CITIBANK N.A	838.67	846.42	1358.73	1484.20	780.57	-	847.51	865.82	849.11	961.04	990.94
COOPERATIEVE RABOBANK U.A.	-					20.00	444.35	236.42	126.53	169.81	372.27
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK	198.85	0.91	0.59	17.38	0.59	237.62	276.25	383.56	3.17	2.93	2.93
CREDIT SUISSE AG	2.90					-	-	-	260.00	-	-
CTBC BANK CO., LTD.		16.29	52.21	7.75	7.70	63.81	71.94	7.66	3.46	2.58	1.77
DBS BANK INDIA LTD.	83.45	214.66	582.03	2115.64	1283.87	1632.71	838.38	938.24	583.17	507.57	5333.16
DEUTSCHE BANK AG	178.52	134.85	154.38	167.34	119.30	199.12	994.77	1023.32	1424.44	1510.28	1456.62
DOHA BANK Q.P.S.C				0.00	-	-	9.38	8.88	8.88	8.88	26.50
EMIRATES NBD BANK (P.J.S.C.)						-			-	-	-
FIRST ABU DHABI BANK PJSC						65.79			-	-	-
FIRSTSTRAND BANK LTD		0.00	22.00	34.16	22.14	835.79	24.41	-	28.00	28.00	28.00
HONGKONG AND SHANGHAI BANKING CORPN.LTD.	995.53	720.11	640.83	660.14	791.46	48.01	896.98	924.27	597.71	669.33	912.60
INDUSTRIAL AND COMMERCIAL BANK OF CHINA						-	46.94	47.17	50.05	35.24	-
INDUSTRIAL BANK OF KOREA						-			-	-	-
JPMORGAN CHASE BANK NATIONAL ASSOCIATION	27.21	26.89	24.41	23.41	-	19.90			-	-	-
JSC VTB BANK				0.00	21.55	-	20.56	19.81	-	-	-
KEB HANA BANK	99.63	99.63	50.27	50.27	5.62	-			53.51	53.41	40.41

KOOKMIN BANK						-			-	-	-
KRUNG THAI BANK PUBLIC COMPANY LIMITED						6.34			-	-	-
MASHREQ BANK PSC						97.65			-	-	-
MIZUHO BANK LTD	6.34	6.34	125.34	150.34	136.62	-	6.34	6.34	6.34	6.34	6.34
MUFG BANK LTD	7.29	8.18	8.66	0.00	97.65	-	10.25	75.13	70.00	-	-
NATWEST MARKETS PLC						-	183.50	114.74	-	-	-
PT BANK MAYBANK INDONESIA TBK						99.87	17.78	17.78	17.78	17.78	17.78
ROYAL BANK OF SCOTLAND N.V.	614.48	346.51	279.60	113.59	82.13						
QATAR NATIONAL BANK (Q.P.S.C.)	18.03					72.28			-	-	50.00
SBERBANK	-			20.00	48.69	-	97.28	91.85	91.85	91.85	91.63
SBM BANK (INDIA) LTD.	1.18	21.01	34.96	101.85	79.92	-	132.14	178.33	149.31	115.58	88.43
SHINHAN BANK						3.02			100.00	100.04	128.25
SOCIETE GENERALE		1.18	0.74	0.43	-	10835.54	-	70.00	148.92	78.92	78.92
SONALI BANK	0.75	0.76	1.51	2.93	2.81	-	4.46	3.15	4.46	4.61	4.29
STANDARD CHARTERED BANK	1147.79	3212.16	3880.06	5782.65	6656.38	-	8032.66	8441.10	6690.78	5151.24	4673.73
SUMITOMO MITSUI BANKING CORPORATION						-			-	-	-
UNITED OVERSEAS BANK LTD						-	80.19	80.19	155.19	75.00	75.00
WESTPAC BANKING CORPORATION									-	-	
WOORI BANK									12.89	-	-
FOREIGN BANKS	5068.68	6296.60	7977.09	11555.56	10761.01	15805.16	13629.08	13849.47	12242.26	10208.31	15044.08
AU SMALL FINANCE BANK LIMITED							124.51	269.74	470.14	457.78	1502.83
CAPITAL SMALL FINANCE BANK LIMITED					13.99	8.43	13.99	21.13	33.96	58.51	78.24
EQUITAS SMALL FINANCE BANK LIMITED					206.48	55.25	206.48	212.53	295.71	417.32	642.78
ESAF SMALL FINANCE BANK LIMITED									74.01	100.86	564.00
FINCARE SMALL FINANCE BANK LIMITED									0.00	44.71	353.58
JANA SMALL FINANCE BANK LIMITED									0.00	320.81	857.99
NORTH EAST SMALL FINANCE BANK LIMITED									0.00	26.29	191.66
SURYODAY SMALL FINANCE BANK LIMITED							51.25	56.57	49.62	101.25	393.68
UJJIVAN SMALL FINANCE BANK LIMITED							16.40	275.92	97.85	137.14	1070.60
UTKARSH SMALL FINANCE BANK LIMITED							-	57.47	65.57	44.66	315.29
SMALL FINANCE BANKS	0.00	0.00	0.00	0.00	220.47	63.68	412.63	893.36	1086.87	1709.33	5970.65
FINO PAYMENTS BANK LIMITED									-	-	-
INDIA POST PAYMENTS BANK LIMITED									-	-	-
PAYMENTS BANKS	97971.12	142903.33	194053.30	264371.68	323555.62	612011.19	791983.21	1039679.33	936473.78	899802.78	837771.26