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## Bad loans declined further in December quarter, says Care Ratings



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Gross NPA ratio of SCBs improved to 7% in the quarter ended December from 9.3% in the year-ago period and 7.7% in the September quarter which was largely driven by PSBs. (Photo: Mint)

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**Shayan Ghosh**

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MUMBAI: The reported gross **bad loans** of banks declined to Rs7.5 trillion in the quarter ended December from Rs8 trillion in Q2 of FY21, Care Ratings said on Tuesday.

**Gross non-performing assets** (NPAs) of public sector banks (PSBs) contracted between December 2018 and December 2020. Among PSBs, State Bank of India (SBI) which accounts for the highest share at around 20% of the gross NPAs of state-owned banks in Q3 FY21, reported the highest asset quality improvement, with a decline in bad loan to 4.8%, followed by Punjab National Bank (PNB) accounting for around 14% share which also posted lower bad loan ratio at 13% in December 2020.

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The gross NPA ratio of SCBs improved to 7% in the quarter ended December from 9.3% in the year-ago period and 7.7% in the September quarter which was largely driven by PSBs.

The report said on an overall basis, state-owned banks, accounting for around 78% share of gross NPAs of all banks, have experienced a drop in the gross NPA ratio to 8.7% in the quarter ended December 2020 against 11.3% in the year-ago period. [OPEN APP](#)

“As per the financial disclosures made by the SCBs, loans written-off accounted for more than ₹32,000 crore in the quarter ended December-2020, this has led to an improvement in the asset quality (GNPA reduction) of the SCBs. Wherein, SBI wrote off Rs.9,986 crore, followed by Union Bank of India, Bank of Baroda, Axis Bank, IDBI Bank, ICICI Bank and Canara Bank,” it said.