GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO: **46**
TO BE ANSWERED ON THE 11th DECEMBER, 2018/AGRAHAYANA 20, 1940

QUESTION
RECOVERY OF WRITTEN OFF LOANS

46. SHRI KAPIL SIBAL:

Will the Minister of FINANCE be pleased to state:

a) whether it is a fact that Government has written off loans worth ☐ 55,356 crores in last six months, if so, the details thereof;
b) the details of the loans which have been written off since last three years till date, State/UT/Bank-wise; and
c) the details of the steps taken by Government to recover these loans before writing them off?

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

(a) and (b): As per Reserve Bank of India (RBI) guidelines and policy approved by bank Boards, non-performing loans, including, *inter-alia*, those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off. Banks write-off Non-Performing Assets (NPAs) as part of their regular exercise to clean up their balance-sheet, tax benefit and capital optimisation. Borrowers of such written-off loans continue to be liable for repayment. Recovery of dues takes place on ongoing basis under legal mechanisms, which include, *inter-alia,* the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act), and Debts Recovery Tribunals (DRTs). Therefore, write-off does not benefit the borrower. As per RBI data on global operations (with provisional data as on September 2018) for Public Sector Banks (PSBs), the aggregate amount of reduction in NPAs of PSBs due to write-offs (including compromise) in the first half of the current financial year 2018-19 was Rs. 76,313 crore. Bank-wise, year-wise details of reduction in NPAs of PSBs due to write-offs (including compromise) for last three financial years are at Annexure. State-wise / Union territory (UT)-wise data is not centrally maintained.

(c): A number of measures have been taken to expedite and enable resolution of and recovery from stressed assets of PSBs over the last four years. The Insolvency and Bankruptcy Code, 2016 (IBC) has been enacted to create a unified framework for resolving insolvency and bankruptcy matters. Under this, by adopting a creditor-insaddle approach, with the interim resolution professional taking over management of affairs of corporate debtor at the outset, the incentive to resort to abuse of the legal system has been taken away. This, coupled with debarment of wilful defaulters and persons associated with NPA accounts from the resolution process, has effected a fundamental change in the creditor-debtor relationship. The Banking Regulation Act, 1949 has been amended, to provide for authorisation to RBI to issue directions to banks to initiate the insolvency resolution process under IBC. As per RBI's directions, cases have been filed under IBC before the National Company Law Tribunal (NCLT) in respect of 39 large defaulters, amounting to about Rs. 2.69 lakh crore funded exposure (as of December 2017).

SARFAESI Act has been amended to make it more effective with provision for three months imprisonment in case the borrower does not provide asset details and for the lender to get possession of mortgaged property within 30 days. Also, six new Debts Recovery Tribunal have been established to expedite recovery.

In addition, under the PSBs Reforms Agenda, PSBs have created Stressed Asset Management verticals for stringent recovery, segregated pre- and post-sanction follow-up roles for clean and effective monitoring, created of online one-time settlement platforms and initiated monitoring of large-value accounts through specialised monitoring agencies.

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Annexure

Rajya Sabha Unstarred Parliament Question No. 46, for 11.12.2018

Reduction in NPAs of Public Sector Banks — due to write-offs (including compromise)

Amounts in crore Rs.

<table>
<tr><th>S N</th><th>Bank</th><th>FY 2015-16</th><th>FY 2016-17</th><th>FY 2017-18</th><th></th></tr>
<tr><td>1</td><td>Allahabad Bank</td><td>2,126</td><td>2,442</td><td>3,635</td><td rowspan="26">* Write-offs are done after full provisioning, and as per RBI's guidelines and policy approved by bank Boards, non-performing loans, including, inter-alia, those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off. Further, the process recovery of dues from the borrower in such loan accounts continues and, therefore, the write-off does not benefit the borrower.</td></tr>
<tr><td>2</td><td>Andhra Bank</td><td>814</td><td>1,623</td><td>1,666</td></tr>
<tr><td>3</td><td>Bank of Baroda</td><td>1,554</td><td>4,348</td><td>4,948</td></tr>
<tr><td>4</td><td>Bank of India</td><td>2,374</td><td>7,346</td><td>8,976</td></tr>
<tr><td>5</td><td>Bank of Maharashtra</td><td>903</td><td>1,374</td><td>2,460</td></tr>
<tr><td>6</td><td>Canara Bank</td><td>3,387</td><td>5,545</td><td>8,310</td></tr>
<tr><td>7</td><td>Central Bank of India</td><td>1,334</td><td>2,396</td><td>2,924</td></tr>
<tr><td>8</td><td>Corporation Bank</td><td>2,495</td><td>3,574</td><td>8,228</td></tr>
<tr><td>9</td><td>Dena Bank</td><td>760</td><td>833</td><td>661</td></tr>
<tr><td>10</td><td>IDBI Bank Limited</td><td>5,459</td><td>2,868</td><td>12,515</td></tr>
<tr><td>11</td><td>Indian Bank</td><td>926</td><td>437</td><td>1,606</td></tr>
<tr><td>12</td><td>Indian Overseas Bank</td><td>2,067</td><td>3,066</td><td>6,908</td></tr>
<tr><td>13</td><td>Oriental Bank of Commerce</td><td>1,668</td><td>2,308</td><td>6,357</td></tr>
<tr><td>14</td><td>Punjab and Sind Bank</td><td>335</td><td>491</td><td>460</td></tr>
<tr><td>15</td><td>Punjab National Bank</td><td>6,485</td><td>9,205</td><td>7,407</td></tr>
<tr><td>16</td><td>Syndicate Bank</td><td>1,430</td><td>1,271</td><td>2,400</td></tr>
<tr><td>17</td><td>UCO Bank</td><td>1,573</td><td>1,937</td><td>2,735</td></tr>
<tr><td>18</td><td>Union Bank of India</td><td>792</td><td>1,264</td><td>3,477</td></tr>
<tr><td>19</td><td>United Bank of India</td><td>649</td><td>714</td><td>1,867</td></tr>
<tr><td>20</td><td>Vijaya Bank</td><td>510</td><td>1,068</td><td>1,539</td></tr>
<tr><td>21</td><td>State Bank of Bikaner and Jaipur</td><td>643</td><td>1,560</td><td rowspan="6">39,151</td></tr>
<tr><td>22</td><td>State Bank of Hyderabad</td><td>1,204</td><td>1,430</td></tr>
<tr><td>23</td><td>State Bank of India</td><td>15,955</td><td>20,339</td></tr>
<tr><td>24</td><td>State Bank of Mysore</td><td>588</td><td>161</td></tr>
<tr><td>25</td><td>State Bank of Patiala</td><td>1,156</td><td>3,528</td></tr>
<tr><td>26</td><td>State Bank of Travancore</td><td>398</td><td>556</td></tr>
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Source: RBI (global operations)

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