

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO: 191
TO BE ANSWERED ON THE 5th FEBRUARY, 2019/MAGHA 16, 1940 (SAKA)

QUESTION
Waiving off amount by SBI

191. SHRI K.C. RAMAMURTHY:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that as per RBI statistics. Public Sector Banks (PSBs) have waived off ₹ 2.5 lakh crores during the last five financial years;
- (b) what are the reasons that in the last fiscal alone SBI and its subsidiaries waived off ₹ 82,000 crore which is the highest in the last five years; and
- (c) what is the status of 12 companies identified under Insolvency and Bankruptcy Code for liquidation, company-wise?

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) data on global operations, aggregate gross advances of PSBs increased from Rs. 18,19,074 crore as on 31.3.2008 to Rs. 52,15,920 crore as on 31.3.2014. As per RBI inputs, the primary reasons for spurt in stressed assets have been observed to be, *inter-alia*, aggressive lending practices, wilful default / loan frauds / corruption in some cases, and economic slowdown. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of non-performing assets (NPAs). As a result of AQR and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, during the financial year (FY) 2017-18, all such schemes for restructuring stressed loans were withdrawn. As per 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. As per RBI data on global operations, PSBs wrote-off Rs. 34,409 crore, Rs. 49,018 crore, Rs. 57,585 crore, Rs. 81,683 crore and Rs. 1,28,229 crore during FYs 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 respectively. State Bank of India (SBI) and its subsidiary banks wrote-off Rs. 14,670 crore, Rs. 23,973 crore, Rs. 19,944 crore and Rs. 27,574 crore during FYs 2013-14, 2014-15, 2015-16, and 2016-17 respectively. Further, subsequent to the merger of its subsidiary banks with SBI with effect from 1.4.2017, SBI wrote off an amount of Rs. 39,151 during FY 2017-18. The process of recovery of dues from the borrower in written-off loan accounts continues and may extend beyond the financial year in which the account is written off. Therefore, the write-off does not benefit the borrower.

(c): Ministry of Corporate Affairs has apprised that as on 18.1.2019, resolution plans have been approved by National Company Law Tribunal in respect of three of the entities, while in two cases liquidation order has been passed, and proceedings in respect of other entities are at various stages of the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.