

and taking recourse to legal mechanisms like SARFAESI Act, 2002, DRTs and Lok Adalats.

The Government has advised Public Sector Banks (PSBs) to take a number of new initiatives to increase the pace of recovery and manage NPAs, which include appointment of Nodal officers for recovery, to conduct special drives for recovery of loss assets, to put in place early warning system, to replace system of post dated cheques with Electronic Clearance System (ECS) and to constitute a Board level Committee for monitoring of recovery.

Parliament has recently enacted 'The Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012' for removing certain bottlenecks in the recovery of bad debts.

Bad loans written off by nationalized banks

513. SHRI BALWINDER SINGH BHUNDER : Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has flayed nationalized banks for using 'Technical write off' to reduce their NPA as for many years banks did not show this written off loans as receivable in their books although they were pursuing recovery in court;

(b) if so, the details thereof, bank-wise and reasons for adopting this technical write off by banks;

(c) the number of banks which adopted this practice and in the details of such cases, bank-wise;

(d) whether this technical write off led to increase in the profit of banks; and

(e) what is the reaction of Government and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) No, Sir. However, Banks are required to adhere to Guidelines issued by RBI on write off of loans. In terms of RBI's Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2013 (available at RBI's Website- www.rbi.org.in), among other things, the banks should make full provision as per the guidelines for write-off of such advances and claim such tax benefits as are applicable. Recoveries made in such accounts should be offered for tax purposes as per the rules. Banks are also permitted to write-off advances at Head Office level, even though such advances

are still outstanding in the books of branch. The details of technical write offs and Net Profit of Public Sector Banks (PSBs) for the last three financial years are given in the Statement (*See below*).

(d) No, Sir.

(e) Banks have been advised that write off should not be more than actual recovery.

Statement

Data on Technical Write-offs and Net Profits made by PSBs (Amount Rs. in crore)

Bank Name	Technical Write-offs			Net Profit during the year		
	FY11	FY12	FY13	FY11	FY12	FY13
1	2	3	4	5	6	7
Allahabad Bank	1379	2139	3117	1423	1867	1185
Andhra Bank	708	820	1063	1267	1345	1289
Bank of Baroda	2355	3273	5205	4242	5007	4481
Bank of India	2179	4315	6452	2489	2678	2749
Bank of Maharashtra	689	986	1141	330	431	760
Canara Bank	5601	6417	7396	4026	3283	2872
Central Bank of India	2413	2463	985	1252	533	1015
Corporation Bank	782	1232	1670	1413	1506	1435
Dena Bank	1329	1380	237	612	803	810
IDBI Bank Limited	3837	319	3795	1650	2032	1882
Indian Bank	1841	2168	2419	1714	1747	1581
Indian Overseas Bank	1407	2036	3188	1073	1050	567
Oriental Bank of Commerce	2121	2810	3662	1503	1142	1328
Punjab and Sind Bank	768	764	700	526	451	339
Punjab National Bank	3231	3231	4112	4433	4884	4748
Syndicate Bank	1918	2763	3802	1048	1313	2004

1	2	3	4	5	6	7
UCO Bank	531	331	589	907	1109	618
Union Bank of India	1940	2557	3326	2082	1787	2158
United Bank of India	1363	1458	2347	524	633	392
Vijaya Bank	833	936	1338	524	581	586
State Bank of Bikaner and Jaipur	372	614	0	551	652	730
State Bank of Hyderabad	187	211	343	1166	1298	1250
State Bank of India	9902	9911	14507	8265	11707	14105
State Bank of Indore	0	0	0	0	0	0
State Bank of Mysore	581	707	949	501	369	416
State Bank of Patiala	703	756	738	653	796	667
State Bank of Travancore	620	742	853	728	510	615
Public Sector Banks	49590	55339	73935	44901	49514	50583

Source: (RBI) Off-site Balance Sheet returns, global operations.

Ceasing of financial activities of Amanath Co-operative Bank

514. SHRI PRAKASH JAVADEKAR : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India (RBI) has ceased all financial activities of Amanath Co-operative Bank in Karnataka because of failure in filing reports with regards to recovery from its defaulters;

(b) if so, the details of such defaulters and the respective amounts; and

(c) the details of action Government has since taken against those involved in siphoning off money by misappropriation of hard earned public money deposited in this bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The statutory inspection conducted by Reserve Bank of India (RBI) under Section 35 of Banking Regulations (BR) Act, 1949 (As applicable to Cooperative Societies) in respect of Amanath Co-operative Bank, with reference to its financial position as on March 31, 2012, indicated continuance of adverse financial