

Farm loan written off by PSBs

2269. SHRI VISHAMBHAR PRASAD NISHAD:

SHRI NEERAJ SHEKHAR:

SHRI RAVI PRAKASH VERMA:

SHRIMATI CHHAYA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) the details of loans written off by Public Sector Banks (PSBs) since March, 2014 till date, PSB-wise and year-wise;

(b) whether pace of writing off the loans by PSBs has increased during current Government;

(c) if so, the details thereof, PSB-wise;

(d) the reasons therefor; and

(e) the details of farm loan under KCC written off out of the above since March 2014 till 31st July, 2018, PSB-wise and year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (d) The details of reduction in Non Performing Asset (NPA) due to write off (including compromise) from 2014-15 to 2017-18 in respect of Public Sector Banks (PSBs) as reported by Reserve Bank of India (RBI) are given in the Statement-I (*See* below).

Asset Quality Review (AQR) carried out in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non-Performing Assets (NPAs). Expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were reclassified as NPAs and provided for. PSBs initiated cleaning up by recognising NPAs and provided for expected losses. Primarily as a result of AQR and subsequent transparent recognition, the gross NPAs of PSBs increased by ₹ 6,16,586 crore between March, 2015 and March, 2018 (provisional data), as per the RBI data. 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. Thus, the amounts written off during recent financial years are substantially on account of such stressed loan accounts of earlier years, which have been transparently recognised following AQR and fully provisioned. Banks write off 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, and Debts Recovery Tribunals. Therefore, write-off does not benefit the borrower.

(e) The details of reduction in NPA due to write off (including compromise) for agriculture and allied activities during the year 2016-17 and 2017-18 in respect of Public Sector Banks (PSBs) as reported by RBI are given in the Statement-II (*See* below). RBI has reported that the requisite details prior to year 2016-17 are not available.

Statement-I

*Details of reduction in Non Performing Asset due to write off
(including compromise) from 2014-15 to 2017-18 in
respect of Public Sector Banks*

(₹ in crores)

Name of Bank/Bank Group	Reduction In NPAS-due to write off (Including Compromise)			
	2014-15	2015-16	2016-17	2017-18
1	2	3	4	5
Allahabad Bank	2,109	2,126	2,442	3,635
Andhra Bank	1,124	814	1,623	1,666
Bank of Baroda	1,563	1,554	4,348	4,948
Bank of India	866	2,374	7,346	8,976
Bank of Maharashtra	264	903	1,374	2,460
Bharatiya Mahila Bank Ltd.	0	0	0	0
Canara Bank	1,472	3,387	5,545	8,310
Central Bank of India	1,386	1,334	2,396	2,924
Corporation Bank	779	2,495	3,574	8,228
Dena Bank	515	760	833	661
IDBI Bank Limited	1,609	5,459	2,868	12,515
Indian Bank	550	926	437	1,606
Indian Overseas Bank	2,087	2,067	3,066	6,908
Oriental Bank of Commerce	925	1,668	2,308	6,357
Punjab and Sind Bank	263	335	491	460
Punjab National Bank	5,996	6,485	9,205	7,407
State Bank of Bikaner and Jaipur	363	643	1,560	

1	2	3	4	5
State Bank of Hyderabad	355	1,204	1,430	
State Bank of India	21,303	15,955	20,339	39,151
State Bank of Indore				
State Bank of Mysore	740	588	161	
State Bank of Patiala	755	1,156	3,528	
State Bank of Travancore	456	398	556	
Syndicate Bank	1,055	1,430	1,271	2,400
UCO Bank	0	1,573	1,937	2,735
Union Bank of India	931	792	1,264	3,477
United Bank of India	761	649	714	1,867
Vijaya Bank	791	510	1,068	1,539
Public Sector Banks	49,018	57,585	81,683	1,28,229

Note: 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 of recovery of dues from the borrower in such loan accounts continues and, therefore, the write-off does not benefit the borrower.

Source: RB.

Statement-II

*Details of reduction in Non-Performing Asset due to write off
(including compromise) for agriculture and allied activities
during the years 2016-17 and 2017-18 in respect of
Public Sector Banks*

(₹ in crore)

Bank Name	Agriculture and Allied Activities	
	Reduction in NPAs-due to Write-offs (including compromise) during	
	2016-17	2017-18
1	2	3
Allahabad Bank	442	367
Andhra Bank	93	143
Bank of Baroda	754	588
Bank of India	121	1,332
Bank of Maharashtra	142	55

1	2	3
Bharatiya Mahila Bank Ltd.		
Canara Bank	484	797
Central Bank of India	156	301
Corporation Bank	112	155
Dena Bank	1	6
IDBI Bank Limited	144	105
Indian Bank		54
Indian overseas Bank	33	493
Oriental Bank of Commerce	1	760
Punjab and Sind Bank	5	0
Punjab National Bank	197	558
State Bank of Bikaner and Jaipur	714	
State Bank of Hyderabad	237	
State Bank of India	2,905	2,972
State Bank of Mysore	157	
State Bank of Patiala	35	
State Bank of Travancore	3	
Syndicate Bank	133	195
Uco Bank	13	96
Union Bank of India	56	1,133
United Bank of India	120	113
Vijaya Bank	34	122
Public Sector Banks	7,091	10,345

Note: 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 of recovery of dues from the borrower in such loan accounts continues and, therefore, the write-off does not benefit the borrower.

Source: RBI.