

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2551
ANSWERED ON:09.12.2011
WRITING OFF BAD LOANS
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Will the Minister of FINANCE be pleased to state:

- (a) whether various public sector banks (PSBs) have written off huge amounts as bad debts;
- (b) if so, the details thereof for the last three years, bank-wise and the reasons therefor;
- (c) whether real estate sector has largely gained from this move;
- (d) if so, the details thereof;
- (e) whether the Government has conducted any inquiry in this regard;
- (f) if so, the details and findings thereof; and
- (g) if not, the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): The bank-wise details of Non-performing Assets written off (including compromise) by Public Sector Banks (PSBs) during the financial year 2008-09, 2009-10 and 2010-11 is given as under. The growth in write-off amount by PSBs recorded at 54.8% and 57.7% for the year 2009-10 and 2010-11, respectively.

(Rs. In crore)

Name of Bank	2008-09	2009-10	2010-11	Name of Bank	2008-09	2009-10	2010-11
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Allahabad Bank	331	750	720	Punjab National Bank	466	853	1,592
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Andhra Bank	125	236	179	Syndicate Bank	409	419	351
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Bank of Baroda	405	515	501	UCO Bank	103	371	586
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Bank of India of India	384	744	880	Union Bank of India	366	513	1,126
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Bank of Maharashtra of India	172	236	350	United Bank of India	156	174	415
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Canara Bank	272	884	495	Vijaya Bank	78	479	313
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Central Bank of India	359	294	554	State Bank of Bikaner & Jaipur	46	23	166
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Corporation 129 267 543 State Bank of 63 71 202
Bank Hyderabad

Dena Bank 247 185 233 State Bank of 1,896 1,990 4,007
India

IDBt Bank 198 477 884 State Bank of 80 57 "â€"
Limited Indore

Indian Bank 49 388 590 State Bank of 50 20 311
Mysore

Indian 233 389 971 State Bank of 84 41 410
Overseas Bank Patiafa

Oriental Bank 248 389 696 State Bank of 86 124 152
of Commerce Travancore

Punjab & Sind 48 81 66 All PSBs 7,084 10,966 17,292
Bank

(c) & (d): Reserve Bank of India (RBI) has informed that the desired information is not available,

(e) to (g): Banks have been writing off bad debts generally for the following reasons:-

The loans are generally outstanding for a considerable long period.

The prospects of recovery are remote.

Bringing down the Non-performing Assets.

No tangible/realizable securities are available to cover the debt.

Legal action takes unduly long period.

RBI had advised the banks that all possible steps to recover the dues should be taken and if there are no further prospects of recovering the debts, the decision to write-off may be taken in the larger interest of the bank, subject to such safeguards/conditions and reporting system as their Boards may prescribe.