

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6189
ANSWERED ON:03.05.2013
NPA
Yadav Shri Hukamdeo Narayan

Will the Minister of FINANCE be pleased to state:

- (a) whether a large number of Non Performing Assets (NPAs) have been written off by the Government;
- (b) if so, the details thereof during the last three years and the current year, bank-wise and the reasons therefor;
- (c) whether the Government has taken note of some companies having sought loans despite having NPA dues or whose loans had been written off during the aforesaid period; and
- (d) if so, the details thereof and the reaction of the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): No, Sir. The Non-Performing Assets (NPAs) are not written off by the Government. However, Public Sector Banks (PSBs) have written off/compromised an amount of Rs. 11,185 crore, Rs. 17,794 crore and Rs. 15,551 crore during the financial years 2009-10, 2010-11 and 2011-12 respectively. The bank-wise details of NPAs written-off by PSBs, during the last three years, as provided by the Reserve Bank of India (RBI), are given at annex.

Banks resort to write off of loan only after exhausting all other possible avenues for recovery or when the asset coverage is not enough. The banks are required to adhere to the Guidelines issued by RBI on write off of loans. As per RBI guidelines, the banks are required to either make full provision or write-off such advances and claim tax benefits as applicable.

(c) & (d): No such information has come to the notice of the Government that some companies have sought loans despite having NPA dues or whose loans had been written off during the aforesaid period.

The credit history of a borrower is obtained from the credit information companies and considered by the bank before a loan is sanctioned.