

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3826

ANSWERED ON:27.04.2012

NPAS WRITTEN OFF

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Will the Minister of FINANCE be pleased to state:

(a) the bank-wise amount of loan given by Public Sector Banks (PSBs) and proportion of it becoming Non-performing Assets (NPAs) during each of the last three years and the current year, year-wise along with reaction of the Government thereto ;

(c) whether a review has been carried out during the last three years in this regard; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI NAMO NARAIN MEENA)

(a) & (b): The details of Public Sector Bank-wise Gross Advances, Gross Non-Performing Assets (GNPA), ratio of GNPA to Gross Advances in percentage terms and the amount written-off during the last three years is annexed.

(c) & (d): Banks resort to write off 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. RBI reviewed guidelines and issued Circular No. DBOD No.BP.BC.94/21.04. 048/2011-12 dated May 18, 2011 on Prudential Norms on Income Recognition, Asset Classification and provisioning pertaining to Advances, among other things. The banks should either make full provision as per the guidelines or write-off such advances and claim such tax benefits as are applicable.