

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO-†1285**  
ANSWERED ON-25.11.2019

**WRITING OFF BANK NPAs**

†1285. SHRI DEEPAK BAIJ:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the amount of Non-Performing Assets (NPAs) of various banks written off in the country during the last five years, bank-wise;
- (b) whether the evaluation of ill-effects of the said exercise on the economy has been carried out;
- (c) if so, whether the economy slowed down as a result of the said write off; and
- (d) if so, the details thereof including the loans taken by the farmers and traders in the said NPA?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (d): As per data of the Reserve Bank of India (RBI), aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from Rs. 25,03,431 crore as on 31.3.2008 to Rs. 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, *inter-alia*, aggressive lending practices, wilful default / loan frauds /corruption in some cases, and economic slowdown. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non Performing Assets (NPAs). As a result of AQR and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of SCBs, as per RBI data on global operations, rose from Rs. 3,23,464 crore as on 31.3.2015, to Rs. 10,36,187 crore as on 31.3.2018, and as a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, have since declined by Rs. 97,996 crore to Rs. 9,38,191 crore as on 30.6.2019.

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. Banks evaluate/consider the impact of write-offs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As borrowers of written-off loans continue to be liable for

repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower. Bank-wise details of NPAs written-off by SCBs for the last five financial years are at Annexure 1.

The Gross Domestic Produce for the Indian economy has grown at an average annual growth rate of 7.5% over the last five years, with growth rate of 6.8% (provisional estimates) in the financial year 2018-19, enabled by growth in gross advances of SCBs of an average of 9.3% over the last five years and growth of 13.3% in the financial year 2018-19. Details in this respect are at Annexure 2.

As per RBI data, the details of loans of SCBs in their global operations that were written-off and pertain to “Agriculture and allied activities” and “Services—Trade” are at Annexure 3.

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## Lok Sabha unstarred question no 1285, regarding writing off bank NPAs

## Reduction in NPAs due to write-offs by Scheduled Commercial Banks

Amounts in crore Rs.

Bank	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
AB Bank Limited	-	-	-	-	9	As per data of the Reserve Bank of India (RBI, aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from Rs. 25,03,431 crore as on 31.3.2008 to Rs. 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, <i>inter-alia</i> , aggressive lending practices, wilful default/loan frauds/corruption in some cases, and economic slowdown. As a result of AQR initiated in 2015 and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and were provided for. As a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, gross NPAs of SCBs have declined by Rs. 97,996 crore to Rs. 9,38,191 crore as on 30.6.2019.
Abu Dhabi Commercial Bank Pjsc	-	-	-	-	22	
Allahabad Bank	2,105	2,097	2,374	3,578	3,931	
American Express Banking Corp.	47	82	106	101	166	
Andhra Bank	1,124	814	1,623	1,666	2,280	
AU Small Finance Bank Limited				10	20	
Australia and New Zealand Banking Group Limited	19	-	-	-	-	
Axis Bank Limited	1,210	3,012	1,710	8,120	7,164	
Bandhan Bank Limited		-	31	51	277	
Bank of America , National Association	13	-	-	11	-	
Bank of Bahrain & Kuwait B.S.C.	18	37	5	58	0	
Bank of Baroda	1,014	1,426	4,281	4,614	11,725	
Bank of Ceylon	-	-	0	-	0	
Bank of India	802	2,244	7,265	8,957	5,601	
Bank of Maharashtra	264	903	1,374	2,460	5,127	
Bank of Nova Scotia	-	30	101	160	26	
Barclays Bank Plc	143	120	173	4	-	
Canara Bank	1,458	3,271	5,528	8,299	13,849	
Catholic Syrian Bank Ltd.	111	142	139	9	301	
Central Bank of India	1,386	1,334	2,396	2,924	10,375	
Citibank N.A	971	359	365	460	505	
City Union Bank Limited	148	125	163	195	264	
Cooperatieve Rabobank U.A.	-	-	-	206	80	
Corporation Bank	779	2,495	3,574	8,228	5,989	
Credit Agricole Corporate and Investment Bank	-	-	263	72	251	
CTBC Bank Co. Ltd.	-	4	-	60	-	
DBS Bank Ltd.	867	135	945	144	17	
DCB Bank Limited	47	60	44	32	67	
Dena Bank	515	760	833	661	4,672	
Deutsche Bank AG	81	15	16	30	169	
Equitas Small Finance Bank Limited			27	179	61	
Federal Bank Ltd.	233	452	236	212	186	
Firststrand Bank Ltd.	34	-	42	14	-	
HDFC Bank Ltd.	1,840	1,854	2,323	3,266	4,513	
Hongkong and Shanghai Banking Corpn. Ltd.	143	87	139	66	359	

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. Banks themselves write-off NPAs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As borrowers of written-off loans continue to be liable for repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower.

ICICI Bank Limited	1,524	2,635	10,993	5,840	5,464	As per data of the Reserve Bank of India (RBI, aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from Rs. 25,03,431 crore as on 31.3.2008 to Rs. 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, <i>inter-alia</i> , aggressive lending practices, wilful default/loan frauds/corruption in some cases, and economic slowdown. As a result of AQR initiated in 2015 and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and were provided for. As a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, gross NPAs of SCBs have declined by Rs. 97,996 crore to Rs. 9,38,191 crore as on 30.6.2019.
IDBI Bank Limited	1,609	5,459	2,868	10,990	14,166	
IDFC First Bank Limited		-	1,371	998	1,272	
Indian Bank	550	926	27	1,541	2,872	
Indian Overseas Bank	2,083	2,067	1,902	5,449	6,751	
IndusInd Bank Ltd.	602	281	466	783	1,923	
ING Vysya Bank Ltd.	393					
Jammu & Kashmir Bank Ltd.	25	12	76	1,564	923	
JPMorgan Chase Bank National Association	5	-	65	-	-	
Karnataka Bank Ltd.	219	305	458	712	808	
Karur Vysya Bank Ltd.	151	943	264	362	447	
KBC Bank NV	38	-				
Kotak Mahindra Bank Ltd.	99	289	422	407	220	
Lakshmi Vilas Bank Ltd.	15	160	92	272	261	
MUFJ Bank Ltd.	-	-	98	-	-	
Nainital Bank Ltd.	0	0	1	13	1	
Oriental Bank of Commerce	925	1,668	2,308	6,357	6,457	
Punjab and Sind Bank	263	335	491	460	1,635	
Punjab National Bank	5,920	6,456	9,156	7,407	11,238	
RBL Bank Limited	5	73	69	159	320	
SBM Bank (Mauritius) Ltd.	44	17	13	57	-	
Shinhan Bank	-	6	-	-	-	
South Indian Bank Ltd.	43	321	609	629	287	
Standard Chartered Bank	185	201	2,813	604	2,309	
State Bank of India	20,766	15,659	19,611	38,895	56,481	
State Bank of Bikaner and Jaipur	363	643	1,560	Merged into SBI		
State Bank of Hyderabad	355	1,204	1,430			
State Bank of Mysore	740	588	161			
State Bank of Patiala	755	1,156	3,528			
State Bank of Travancore	456	398	556			
Suryoday Small Finance Bank Limited				43	34	
Syndicate Bank	1,055	1,428	1,271	2,400	6,497	
Tamilnad Mercantile Bank Ltd.	55	99	244	594	264	
The Dhanalakshmi Bank Ltd.	180	112	189	2	3	
The Royal Bank of Scotland Plc	34	61	-	49	115	
UCO Bank	-	1,572	1,929	2,721	3,740	
Ujjivan Small Finance Bank Limited				176	178	
Union Bank of India	820	785	1,219	3,261	6,362	
United Bank of India	761	649	714	1,867	5,365	
Utkarsh Small Finance Bank Limited				-	30	
Vijaya Bank	791	510	1,068	1,539	1,518	
Yes Bank Ltd.	53	258	142	709	469	

Source: RBI

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Lok Sabha unstarred question no 1285, regarding writing off bank NPAs

Details of growth of India's Gross Domestic Produce (GDP) and of the gross advances of Scheduled Commercial Banks in their global operations

Financial year	Growth in gross advances (year-on-year)	GDP Growth
2014-15	9.7%	7.4%
2015-16	8.7%	8.0% *
2016-17	4.5%	8.2% #
2017-18	10.5%	7.2% @
2018-19	13.3%	6.8% \$

Source: RBI (growth in gross advances of SCBs) and Ministry of Statistics and Programme Implementation (GDP)

\* Third revised estimates

# Second revised estimates

@ First revised estimates

\$ Provisional estimates

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## Lok Sabha unstarred question no 1285, regarding writing off bank NPAs

## Details of loans pertaining to “Agriculture and allied activities” and “Services—Trade”, written-off by Scheduled Commercial Banks

Amount in crore Rs.

Financial year	Agriculture and allied activities	Services—Trade	
2014-15	3,420	20,891	As per data of the Reserve Bank of India (RBI, aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from Rs. 25,03,431 crore as on 31.3.2008 to Rs. 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, <i>inter-alia</i> , aggressive lending practices, wilful default/loan frauds/corruption in some cases, and economic slowdown. As a result of AQR initiated in 2015 and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and were provided for. As a result of Government’s 4R’s strategy of recognition, resolution, recapitalisation and reforms, gross NPAs of SCBs have declined by Rs. 97,996 crore to Rs. 9,38,191 crore as on 30.6.2019.
2015-16	6,845	30,463	
2016-17	7,548	33,300	
2017-18	11,502	41,540	As per RBI guidelines and policy approved by bank Boards, non-performing loans, including, <i>inter-alia</i> , 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. Banks themselves write-off NPAs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As borrowers of written-off loans continue to be liable for repayment and the process of recovery of dues from the borrower in written-off loan accounts continues, write-off does not benefit the borrower.
2018-19	13,744	40,175	

Source: RBI

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