

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-1508
ANSWERED ON- 20/12/2022

SECTOR-WISE WAIVER OF NPAs

1508. SHRI KUMAR KETKAR

Will the Minister of FINANCE be pleased to state:-

- (a) the amount under NPAs waived by Indian banks in public and private sectors, since 2017, year-wise;
- (b) the sector-wise NPAs waived off for industry, agriculture and personal loans; and
- (c) how much of these NPAs were recovered from the Red accounts since 2017?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): With regard to the amount of non-performing assets (NPAs) waived since 2017, Indian Banks' Association (IBA) has informed that no loan waiver has been done by the banks. However, as per Reserve Bank of India (RBI) guidelines and policy approved by banks' Boards, NPAs, 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. The 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. Banks continue to pursue recovery actions initiated in written-off accounts through various recovery mechanisms available, such as filing of a suit in civil courts or in Debt Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, through negotiated settlement/compromise, and through sale of non-performing assets.

Further, as per RBI data, Scheduled Commercial Banks have recovered an aggregate amount of ₹ 6,59,596 crore, including recovery of ₹ 1,32,036 crore from written-off loan accounts during the last five financial years.
