

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-1514
ANSWERED ON- 14/03/2023

RECOVERY OF WRITTEN-OFF LOANS

1514. SHRI VIKRAMJIT SINGH SAHNEY

Will the Minister of FINANCE be pleased to state:-

- (a) the amount of money recovered by auctioning assets of loan defaulters especially borrowers of written-off loans in the last five years, year-wise and State-wise;
- (b) the details of total amount of loans which have been written off by banks since 2018 and the reasons therefor, year-wise;
- (c) the details of amount recovered by Public Sector Banks from written-off loans in the last five years, year-wise and bank-wise; and
- (d) whether it is a fact that borrowers of written-off loans continue to be liable for repayment, if so, the details of steps taken by Government to address loan repayment and defaulters' issue in last five years, year-wise?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): Recovery of loans by auction of assets are done by banks under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act), and the Recovery of Debts and Bankruptcy Act (RDB Act) through the Debt Recovery Tribunals (DRTs). As per RBI data, year-wise details of recovery made, including recovery through auction of assets and recovery in written-off loan accounts, by scheduled commercial banks under the SARFAESI Act and through DRTs for the last five financial years are at **Annex-1**. Further, RBI has informed that state-wise details in respect of recovery made by banks under these Acts and data in respect of recovery made by banks through auctioning of assets is not maintained by it.

The non-performing assets (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 write-off NPAs as part of their regular exercise to clean up their balance-sheet, avail tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their Boards. As per inputs received from RBI, scheduled commercial banks (SCBs) have written-off an amount of Rs. 2,36,265 crore during the financial year (FY) 2018-19, Rs. 2,34,170 crore during FY2019-20, Rs. 2,02,781 crore during FY2020-21 and Rs. 1,74,966 crore during FY2021-22. 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. 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 Debts Recovery Tribunals, action under the SARFAESI Act, filing of cases in the National Company Law Tribunal under IBC, through negotiated settlement/compromise, and through sale of non-performing assets. Bank-wise details of the recoveries made in written off accounts by PSBs during the last five financial years are at **Annex-2**.

Annex-1

Rajya Sabha unstarred question no. 1514, regarding Recovery of written-off loans

Details of the amount recovered by scheduled commercial banks through DRTs and under the SARFAESI Act

Amounts in crore Rs.

Financial Year	DRTs	SARFAESI Act
2017-18	7,227	26,380
2018-19	10,847	38,905
2019-20	9,986	34,283
2020-21	8,113	27,686
2021-22	12,114	27,349

Source: RBI

Rajya Sabha unstarred question no. 1514, regarding Recovery of written-off loans

Amount recovered from written off loan accounts by public sector banks

Amounts in crore Rs.

Bank	Recovery from written-off accounts				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Bank of Baroda ¹	917	1,295	1,532	2,985	2,510
Bank of India	408	971	1,775	530	1,097
Bank of Maharashtra	138	245	342	844	642
Canara Bank ²	724	1,874	1,196	3,032	2,747
Central Bank of India	410	557	693	297	332
Indian Bank ³	249	158	261	618	1,612
Indian Overseas Bank	3	28	39	32	19
Punjab and Sind Bank	49	160	178	125	261
Punjab National Bank ⁴	1,351	3,213	4,333	2,498	3,441
State Bank of India	5,333	8,345	9,250	10,297	7,782
UCO Bank	182	448	1,003	986	1,546
Union Bank of India ⁵	474	1,774	3,401	2,537	2,750
IDBI Bank Limited ⁶	219				

Source: RBI, Global Operations

¹ Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda with effect from 1.4.2019

² Syndicate Bank was amalgamated into Canara Bank with effect from 1.4.2020

³ Allahabad Bank was amalgamated into Indian Bank with effect from 1.4.2020

⁴ Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank with effect from 1.4.2020

⁵ Andhra Bank and Corporation Bank were amalgamated into Union Bank of India with effect from 1.4.2020

⁶ IDBI Bank Limited, was recategorised as a private sector bank by RBI with effect from 21.1.2019.

Note: The figures of the banks amalgamated are incorporated into those for the respective bank into which they were amalgamated.
