

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA

UNSTARRED QUESTION NO: 2363  
TO BE ANSWERED ON THE 09<sup>th</sup> MARCH 2018/PHALGUNA 18, 1939 (SAKA)

QUESTION  
SBI NPAs

**2363: SHRI K. PARASURAMAN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is having any roadmap to reduce the Non-Performing Assets (NPAs) or bad loans of the State Bank of India (SBI) which is worth Rs. 20,339 crore in 2016-17 the highest among all Public Sector Banks; and
- (b) if so, the details thereof?

**ANSWER**

**To be answered by  
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHIV PRATAPSHUKLA)**

(a): As per Reserve Bank of India (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. As per Reserve Bank of India (RBI) data on global operations, an amount of Rs. 20,339 crore was written-off (including through compromise) by SBI in the financial year 2016-17. This is 24.9% of the amount written off by all Public Sector Banks (PSBs) in 2016-17, which is marginally lower than SBI's share in the total business of PSBs (26.3%, as per PSB data).

Writing off of loans is done, *inter-alia*, for tax benefit and capital optimisation. Borrowers of such written off loans continue to be liable for repayment. Recovery of dues takes place on ongoing basis under legal mechanisms, which include, *inter-alia*, the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, Debts Recovery Tribunals and Lok Adalats. Therefore, write-off does not benefit borrowers.

(b): SBI has apprised that it has two-fold strategy for controlling fresh slippages and resolution of existing NPAs. First, for controlling fresh accretion, it has set up account tracking centres, early diagnosis to develop appropriate strategies for time bound action and regular follow-up. Secondly, for resolution of NPAs, SBI has initiated legal action against defaulting borrowers resolution under the Insolvency and Bankruptcy Code, e-auction for better price realisation, engagement with strategic investors for takeover of stressed assets, and persuasion of large corporate borrowers under stress to sell non-core assets and raise equity.

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