

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-107
ANSWERED ON-03.02.2020

RESTRUCTURING OF BANK LOANS

107.

SHRI ADHIKARI DEEPAK (DEV):
SHRI PRATHAP SIMHA:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the written off loans by banks relating to industries/corporate houses and the reasons therefor during each of the last three years and current year, bank-wise and company-wise;
- (b) the details of the corporate companies whose loans have been restructured including its terms and conditions during the said period, company-wise;
- (c) whether the Government proposes to restructure farmers' loans also; and
- (d) if so, the details thereof and if not, the reasons therefor?

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 Further, all such schemes for restructuring stressed loans were withdrawn.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 strategy of recognition, resolution, recapitalisation and reforms, have since declined by Rs. 1,01,267 crore to Rs. 9,34,920 crore as on 30.9.2019.

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 pertaining to industries by SCBs for the last three financial years and up to first half of current financial year are at Annex. With regard to company-wise details of written-off loans and restructured loans, RBI has apprised that under the provisions of section 45E of the Reserve Bank of India Act, 1934, RBI is prohibited from disclosing credit information. Section 45E provides that credit information submitted by a bank shall be treated as confidential and not be published or otherwise disclosed.

With regard to restructuring of farmer's loans, it is informed that *vide* Master Directions dated 17.10.2018, RBI has issued standing guidelines on relief measures to be provided by respective lending institutions in areas affected by natural calamities. These guidelines include, *inter alia*, restructuring/rescheduling of existing crop loans and term loans, extending fresh loans, relaxed security and margin norms, moratorium, etc. and the moment calamity is declared by the district authorities concerned, they are automatically set in motion without any intervention. The benchmark for initiating relief measures by banks is 33% crop loss. RBI has advised banks not to insist for additional collateral security for restructured loans.

Lok Sabha unstarred question no. 107, regarding “Restructuring of Bank Loans”

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

Amounts in crore Rs.

Bank	FY 2016-17	FY 2017-18	FY 2018-19	H1 FY 2019-20	
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 strategy of recognition, resolution, recapitalisation and reforms, have since declined by Rs. 1,01,267 crore to Rs. 9,34,920 crore as on 30.9.2019.
Abu Dhabi Commercial Bank PJSC	26	26	22	-	
Allahabad Bank	3,466	3,947	4,941	6,447	
American Express Banking Corp.	-	17	53	39	
Andhra Bank	3,197	4,000	5,468	6,094	
Axis Bank Limited	4,206	8,569	12,714	15,133	
Bandhan Bank Limited	-	26	92	128	
Bank of America, National Association	14	25	25	25	
Bank Of Bahrain & Kuwait B.S.C.	5	58	-	-	
Bank of Baroda (BoB)	3,597	7,944	10,413	21,602	
Dena Bank	1,720	2,023	4,390	Amalgamated with BoB	
Vijaya Bank	2,317	3,659	4,561		
Bank of India	8,633	14,226	18,546	16,010	
Bank of Maharashtra	824	1,762	4,474	4,821	
Bank of Nova Scotia	101	160	26	-	
Barclays Bank Plc	455	459	459	459	
Canara Bank	9,442	16,244	31,515	25,388	
Catholic Syrian Bank Ltd	187	190	341	393	
Central Bank of India	6,780	8,843	15,368	15,514	
Citibank N.A	74	97	116	134	
City Union Bank Limited	160	258	333	320	
Cooperatieve Rabobank U.A.	-	206	-	-	
Corporation Bank	6,782	13,838	18,266	19,358	
Credit Agricole Corporate And Investment Bank	263	72	251	-	
DBS Bank India Ltd.	1,985	2,419	2,642	2,642	
DCB Bank Limited	29	34	71	117	
Deutsche Bank AG	108	123	274	284	
Doha Bank Q.P.S.C	242	-	-	-	
Federal Bank Ltd	789	638	730	875	
HDFC Bank Ltd.	848	989	1,071	1,746	

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.

Hongkong and Shanghai Banking Corpn. Ltd.	86	-	-	-	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 strategy of recognition, resolution, recapitalisation and reforms, have since declined by Rs. 1,01,267 crore to Rs. 9,34,920 crore as on 30.9.2019.
ICICI Bank Limited	8,328	12,366	17,461	18,457	
IDBI Bank Limited	6,388	17,498	28,437	30,020	
IDFC First Bank Limited	1,371	956	2,530	3	
Indian Bank	1,712	2,661	5,432	5,326	
Indian Overseas Bank	2,988	5,440	8,312	16,857	
IndusInd Bank Ltd	614	744	916	1,133	
Jammu & Kashmir Bank Ltd	651	2,508	1,655	1,677	
JPMorgan Chase Bank National Association	270	271	287	293	
Karnataka Bank Ltd	733	939	1,379	1,926	
Karur Vysya Bank Ltd	712	903	1,240	1,137	
Kotak Mahindra Bank Ltd.	958	1,194	1,266	1,466	
Lakshmi Vilas Bank Ltd	274	361	619	430	
MUFG Bank Ltd	98	-	-	-	
Nainital Bank Ltd	-	11	11	11	
Oriental Bank Of Commerce	3,743	8,149	10,805	11,575	
Punjab and Sind Bank	1,013	1,217	2,592	2,575	
Punjab National Bank	25,899	30,590	38,576	41,746	
RBL Bank Limited	60	71	75	192	
SBM Bank (India) Ltd.	103	121	-	-	
South Indian Bank Ltd	566	694	553	944	
Standard Chartered Bank	-	-	872	479	
State Bank of India (SBI)	55,958	79,999	1,24,165	1,45,239	
State Bank of Hyderabad	2,833	Merged into SBI			
State Bank of Patiala	4,077				
State Bank of Travancore	1,628				
Syndicate Bank	3,164	4,489	7,626	7,985	
Tamilnad Mercantile Bank Ltd	357	861	1,073	1,064	
The Dhanalakshmi Bank Ltd	241	203	204	204	
The Royal Bank of Scotland Plc	-	49	115	-	
UCO Bank	4,718	5,503	7,223	10,247	
Union Bank of India	1,795	2,997	3,864	7,853	
United Bank of India	2,134	4,017	9,383	1,130	
Yes Bank Ltd.	355	902	1,261	1,580	

Source: RBI
