

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1494**  
ANSWERED ON- 14/03/2023

**LOANS WRITTEN OFF**

1494. SHRI RAJMANI PATEL

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that ₹ 1,48,168 crore loan has been written off by the Ministry in the last four years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the farmers, labourers, small businessmen, education and medical departments have also been included in the list of loans written off; and
- (d) if so, their number and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): Ministry does not write-off any loan given to borrowers by banks. Writing off of non-performing assets (NPAs) is undertaken by banks as a part of normal banking exercise as per Reserve Bank of India (RBI) guidelines and policy approved by banks' Boards, which is applicable to all loans, including loans to farmers, labourers, small businessmen, education and medical departments.

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 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 banks continue to pursue recovery actions initiated in written-off accounts through various recovery mechanisms available to them.

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