

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
STARRED QUESTION NO. *328

ANSWERED ON TUESDAY, 1 APRIL, 2025 / 11 CHAITRA, 1947 (SAKA)

WRITING OFF OF CORPORATE LOANS

***328. SHRI ANIL KUMAR YADAV MANDADI:**

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government has written off loans due from corporates;
- (b) if so, the details of loans that have been written off by Government during the last three years;
- (c) whether Government took/pursued serious and sincere steps to recover the loan in full before opting to write them off; and
- (d) if so, the details thereof, if not, the reasons therefor?

ANSWER

FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) in respect of Rajya Sabha Starred Question No. *328 for reply on 01.04.2025 regarding Writing off of corporate loans asked by Shri Anil Kumar Yadav Mandadi.

(a) to (d): Government does not write-off loans given to borrowers by banks. Banks write-off non-performing assets (NPAs), including, *inter-alia*, those in respect of which full provisioning has been made on completion of four years, as per the Reserve Bank of India (RBI) guidelines and policy approved by banks' Boards. Such write-off does not result in waiver of liabilities of borrowers and therefore, it does not benefit the borrower.

Before writing-off loans, banks initiate recovery actions through various recovery mechanisms available to them, such as filing of a suit in civil courts or in Debts Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, *etc.* Further, recovery in written-off loans is an ongoing process and banks continue pursuing their recovery actions initiated against borrowers in such loans.

Due to these concerted efforts by banks, as per RBI data in respect of scheduled commercial banks, total recovery in NPAs, including written-off loans as a percentage of gross NPAs at the beginning of the financial year has increased from 12.76% in the financial year (FY) 2020-21 to 16.46% in FY 2021-22 to 21.52% in FY 2022-23 to 21.58% in FY 2023-24.
