

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO-190**

ANSWERED ON MONDAY, DECEMBER 4, 2023/AGRAHAYANA 13, 1945 (SAKA)

**WAIVING-OFF LOANS**

190. SHRI ABDUL KHALEQUE  
SHRI MAHESH SAHOO  
SHRI M. BADRUDDIN AJMAL

Will the Minister of FINANCE be pleased to state:-

- (a) the amount spent on waiving-off loans of corporate houses and the total amount of loan waived of during the last five years;
- (b) the details year-wise along with the name of companies and firms with particular of amount for each one along with the details of the top ten beneficiaries both corporate and individual entities;
- (c) the reason for the waivers and the reason for the Government to spend huge amount on waiving off loans every year; and
- (d) the amount of money collected by banks and other lending financial institutions as penalty charges against delay in payment of loan?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): As per the Reserve Bank of India (RBI) guidelines and policy approved by bank Boards, 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. Such write-off does not result in waiver of liabilities of borrowers to repay. 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, through negotiated settlement/compromise, and through sale of non-performing assets. Further, Government does not spend any amount on such write-off of corporate loans.

RBI has apprised that information regarding the loan written-off in respect of corporate houses is not maintained by it. However, year-wise details of total write-off and loans written-off in respect of Large industries and Services during the last five financial years by SCBs are at Annex. With regard to the name of companies, RBI has informed that it is prohibited to disclose borrower-wise credit information under Section 45E of the RBI Act, 1934.

RBI has further informed that the amount of money collected by the banks and other lending financial institutions as penalty charges against delay in payment of loan is not maintained by it. However, as per RBI data, SCBs have collected an aggregate amount of Rs. 5,309.80 crore as penal charges, including penalty charges against delay in payment of loans, during the financial year 2022-23.

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**Annex**

**Lok Sabha unstarred question no. 190, regarding Waiving-off Loans**

**Loans written-off by Scheduled Commercial Banks**

(Amounts in crore Rs.)

<b>FY</b>	<b>Total Written-off loans</b>	<b>Written – off Loans (Large Industries and Services)</b>
2018-19	2,36,265	1,25,797
2019-20	2,34,170	1,23,436
2020-21	2,02,781	1,27,050
2021-22	1,74,966	69,533
2022-23	2,09,144	1,09,465

*Source: RBI (provisional data for FY 2022-23)*

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