GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-#399
ANSWERED ON- 06/02/2024

LOAN WAIVERS TO THE INDUSTRIALISTS

#399. SHRI SHAKTISINH GOHIL

Will the Minister of FINANCE be pleased to state:-

(a) whether it is a fact that Government has waived off loans worth ₹24.95 lakh crore of industrialists;

(b) the reasons behind this steps of Government to waive off loans involving such whopping amount;

(c) the steps taken against those persons who disbursed loan, if Government believes that loans were disbursed without proper scrutiny; and

(d) the years in which these loans were given by Scheduled Commercial Banks and Public banks along with the amount of disbursals, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (d): No Sir. Government does not waive off any loans of any borrower, including industrialists.
However, as per Reserve Bank of India (RBI) data, scheduled commercial Banks have written-off an aggregate loan amount of Rs. 14.55 lakh crore during the last nine financial years (FYs), *i.e.* from FY 2014-15 to FY 2022-23.
Further, as per RBI guidelines and policy approved by banks' Boards, non-performing assets, 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 the said guidelines and policies of the respective Boards. Such write-off does not result in waiver of liabilities of borrowers to repay and therefore, write-off does not benefit the borrowers. 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, 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.

*****