

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-230
ANSWERED ON- 29/11/2021

WRITING OFF BANK LOANS

230. SHRI SUSHIL KUMAR SINGH

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that loans worth Rs. 1.5 lakhs crores were written off by Banks in the first nine months of the current financial year;
- (b) if so, the details thereof; and
- (c) the names and amounts of major corporates whose loans were written off during the said period?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): As per Reserve Bank of India (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. The 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. 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.

As per RBI data on global operations, Scheduled Commercial Banks have written-off loans of Rs. 46,382 crore during the first six months of the current financial year 2021-22.

With regard to details of major corporates whose loans were written off, RBI has informed 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 Section 45E provides that credit information submitted by a bank shall be treated as confidential and not be published or otherwise disclosed.
