

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. 4040

TO BE ANSWERED ON MONDAY, AUGUST 18, 2025/SRAVANA 27, 1947 (SAKA)

Central Assistance for Landslide Victims of Wayanad

4040. Adv. Adoor Prakash:

Will the Minister of **FINANCE** be pleased to state:

- (a) Whether the Government has extended the deadline for utilisation of the sanctioned loan to the State of Kerala for rehabilitation of the landslide victims in Wayanad district;
- (b) if so, the details thereof along with the conditions;
- (c) the details of amount utilised by the State Government from the central loan; and
- (d) whether the Government has taken any decision to write off the bank loans of the landslide victims, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b): Yes. An amount of Rs. 529.50 crore was released to Kerala on 11.02.2025 under the scheme for Special Assistance to States for Capital Investment (SASCI) 2024-25 for reconstruction of disaster affected infrastructure. Subsequently, on request of the State Governments, guidelines of SASCI 2024-25 were amended and the date for utilization of the amount released was extended to 31.12.2025. As per the conditions of the sanction, the State Government has to notify a SASCI Nodal Agency (SNA) for implementing the projects. The funds released by the Government of India to the State Government shall be transferred by the State Government to the bank account of the SNA within 30 days.

(c): As per data available in the Public Financial Management System (PFMS), Government of Kerala has transferred Rs. 529.50 crore released by the Central Government to the SNA account of Disaster Management Department, Kerala. As on 12.08.2025, no expenditure has been incurred from this account.

(d): The Reserve Bank of India (RBI) has issued standing guidelines on relief measures to be provided by respective lending institutions in areas affected by natural calamities. The measures/directions, inter alia, include restructuring of the existing loans, sanctioning of fresh loans on sympathetic consideration without insisting for personal guarantee, even without

additional fresh security, at concessional rate of interest, no penal interest and even with benefit of Interest Subvention. Moreover, banks write-off non-performing assets as per their Board-approved policies and within the extant guidelines issued by RBI. The banks take all commercial decisions in the best interest of the organization and government does not interfere in such decisions.
