GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO-2618

ANSWERED ON TUESDAY, AUGUST 12, 2025/21 SRAVANA, 1947 (SAKA)

LOAN RECOVERY IN PUBLIC SECTOR BANKS

2618. SHRI RAGHAV CHADHA:

Will the Minister of FINANCE be pleased to state:-

(a) the total amount of loans written off by public sector banks (PSBs) during the last five years, and the amount recovered from such accounts during the same period;

(b) the number of large loan defaulters (with outstanding loans of ₹100 crore and above), and the steps taken to recover dues from them; and

(c) whether Government is considering strengthening recovery mechanisms to ensure accountability and prevent large-scale loan write-offs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c): Year-wise details of non-performing assets (NPAs) which have been written-off and recovery in written-off loans, by PSBs, during the last five financial years (FY), are as under:

(Amounts in crore Rs.)

Financial Year	**Public Sector Banks**	
	Written-off loans	**Recovery in written-off loans**
2020-21	1,33,384	24,781
2021-22	1,15,748	24,739
2022-23	1,27,238	35,378
2023-24	1,14,622	37,369
2024-25*	91,260	42,563

*Source: RBI (*provisional data for FY 2024-25)*

Banks write-off 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. The borrowers continue to be liable for repayment and banks continue to pursue recovery actions initiated in these accounts.

Further, recovery in written-off loans is an ongoing process and banks continue pursuing their recovery actions initiated against borrowers under the various recovery mechanism 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*.

Due to these concerted efforts by banks, it is submitted that gross NPAs and Slippage Ratio, *i.e.* fresh accretion of NPAs as a percentage of standard advances, have been continuously declining for the last five financial years in respect of PSBs. It indicates that asset quality as well as underwriting has improved in PSBs. Further, the Recovery Rate in written-off loans *i.e.* Recovery in written-off loans during the FY as percentage of written-off loans during the same FY, has also improved during the last five FYs in PSBs. The details of gross NPAs, Slippage Ratio and Recovery Rate in written-off loans of PSBs are as under:

As on	Gross NPA Ratio (%)	Slippage Ratio (%)	Recovery Rate in written-off loans (%)
31.03.2021	9.11	2.44	18.58
31.03.2022	7.28	2.35	21.37
31.03.2023	4.97	1.38	27.80
31.03.2024	3.47	1.13	32.60
31.03.2025*	2.58	0.95	46.64

*Source: RBI (*provisional data for FY 2024-25)*

Scheduled Commercial Banks (excluding Regional Rural Banks and Payment Banks) and All India Financial Institutions report certain credit information of all borrowers having aggregate exposure of Rs. 5 crore and above to the Central Repository of Information on Large Credits (CRILC). As reported in CRILC database, as on 31.3.2025, total 256 borrowers having outstanding amount of Rs. 100 crore and above across PSBs, were classified as NPAs by PSBs.

Comprehensive measures have been taken by the Government and RBI to recover and reduce NPAs, including from written-off loans. These measures include, *inter alia*, the following:

(1) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners, and debarring wilful defaulters from the resolution process. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC.

(2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Recovery of Debt and Bankruptcy Act have been amended to make it more effective.

(3) Pecuniary jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakhs to Rs. 20 lakhs to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions.

(4) Public Sector Banks have set-up specialized stressed assets management verticals and branches for effective monitoring and focused follow-up of NPA accounts, which facilitates quicker and improved resolution/ recoveries. Deployment of Business correspondents and adoption of Feet-on-street model have also boosted the recovery trajectory of NPAs in banks.

(5) Prudential Framework for resolution of stressed assets was issued by RBI to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.

Further, as per banks' Board-approved staff accountability policy, staff accountability exercise is conducted and action is taken against the erring officials, who are responsible for the lapses of non-compliance with the laid down systems and procedures or misconduct or non-adherence to the due-diligence norms.

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