

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO-2958

ANSWERED ON TUESDAY, AUGUST 19, 2025/ 28 SRAVANA, 1947 (SAKA)

CORPORATE LOAN WAIVERS AND TAX EXEMPTIONS

2958. SHRI A. A. RAHIM:

Will the Minister of FINANCE be pleased to state:-

- (a) the total amount of corporate loans written off by public sector banks and financial institutions during the last five years, year-wise;
- (b) the number of corporate entities whose loans have been written off, and the total recovery made from such accounts during this period;
- (c) the total amount of tax exemptions, deductions, or waivers availed by corporate entities under various provisions of the Income Tax Act during the last five years, year-wise; and
- (d) whether the Ministry has conducted any review of the fiscal impact of such write-offs and exemptions on public revenue and social sector spending?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b): The Reserve Bank of India (RBI) has apprised that information regarding non-performing assets (NPAs) written-off in respect of category 'corporate loans' is not maintained by it. However, the information on write-offs in category 'Large Industry and Services' is collected by RBI.

Therefore, year-wise details of loans written-off by Public Sector Banks (PSBs) for domestic operations, in category 'Large – Industry & Services', during the last five financial years (FYs) are as under.

(Amounts in crore Rs.)

Financial Year	Written-off loans (Large – Industry and Services)
2020-21	90,641
2021-22	57,541
2022-23	72,108
2023-24	58,359
2024-25*	39,675

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)*

(c): As per inputs received from the Department of Revenue (DoR), Central Board of Direct Taxes (CBDT), the revenue foregone from FY 2019-20 to 2023-24 is as under:

(Amounts in crore Rs.)	
Financial Year	Major Tax Incentives for Corporate Taxpayers
2019-20	94,109.83
2020-21	75,218.02
2021-22	96,892.39
2022-23	88,109.27
2023-24	98,999.57

Source: Receipt Budgets 2022-23 to 2025-26.

(d): The financial results of the PSBs do not form a part of the Budget of the Government of India. However, as per inputs received from DoR, CBDT, the Ministry conducts review of revenue impact of major tax incentives for corporate taxpayers on yearly basis as part of budget exercise and the same is provided as Annexure 7 of Receipt Budget document.
