GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO- 2486

ANSWERED ON MONDAY, DECEMBER 15, 2025/ AGRAHAYANA 24, 1947 (SAKA)

Waiver of Loans by Banks

2486. SHRI ADHIKARI DEEPAK DEV:

Will the Minister of FINANCE be pleased to state:-

(a) the quantum of loans written off by both public and private sector banks between 2014 to 2020;

(b) the quantum of non-performing assets accrued by both public and private sector banks in the said time period; and

(c) the initiatives taken by the Government to reduce bad debt accrued in both public and private banks?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): As per the Reserve Bank of India (RBI) data, during the period from financial year (FY)2013-14* till FY2019-20, Public Sector Banks (PSBs) and Private Sector Banks (PVBs) wrote-off an aggregate Non-Performing Assets (NPAs) of amount Rs. 7,10,002 crore and Rs. 1,78,622 crore, respectively. (*RBI data for FY2013-14 is for domestic operations, while for other FYs the data is for global operations.)

Banks write-off NPAs, including, *inter-alia*, those in respect of which full provisioning has been made on completion of four years, as per 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.

(b): Year-wise details of new accretion to NPAs in PSBs and PVBs during the aforesaid period are as under:

(Amount in crore Rs.)

FY	PSBs	PVBs
2013-14	Data not available with RBI	
2014-15	1,70,955	26,099
2015-16	3,98,822	47,116
2016-17	3,38,710	79,560
2017-18	4,32,630	1,02,846
2018-19	2,07,687	88,027
2019-20	2,10,960	1,25,518

Source: RBI, global operations from FY 2014-15 onwards

(c): Comprehensive measures have been taken by the Government and RBI to recover, reduce and prevent NPAs. These measures include, *inter alia*, the following:

(i) Under the PSB Reforms Agenda, comprehensive and automated Early Warning Systems (EWS) were instituted in PSBs, with approximately 80 EWS triggers and use of third-party data for time-bound remedial actions in the borrowing accounts to proactively detect stress and in turn reducing slippage into NPAs.

(ii) Moving from the **'Debtor in Possession'** to a **'Creditor in Control'** regime change in credit culture has been effected, with the Insolvency and Bankruptcy Code, 2016 (IBC) fundamentally changing the creditor-borrower relationship. Behavioral impact of IBC may be observed from the fact that as of March 2025, more than 30,000 applications having underlying default of Rs. 13.78 lakh crore have been settled at pre-admission stage itself. In addition, to address the delays in completion of Corporate Insolvency Resolution Processes (CIRPs) various amendments have been proposed in IBC that are under legislative approval.

(iii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and the Recovery of Debt and Bankruptcy Act have been amended to make it more effective. Key amendments in SARFAESI, *inter alia,* Empowered RBI to audit and inspect Asset Reconstruction Companies (ARCs) and to impose penalties for non-compliance; mandated registration of all security interests with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI); created additional DRTs to speed up case disposal; enabled non-institutional investors to invest in Security Receipts.

(iv) Pecuniary jurisdiction of 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.

(v) PSBs 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.

(vi) Prudential Framework for resolution of stressed assets was issued by RBI on 7.6.2019 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.

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