

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO- 3605

ANSWERED ON MONDAY, AUGUST 11, 2025/SRAVANA 20, 1947 (SAKA)

NPA RECOVERY BY PSBs

3605. SHRI S JAGATHRATCHAKAN:

Will the Minister of FINANCE be pleased to state:-

- (a) the total amount of Non-Performing Assets recovered by public sector banks during the last 10 years, bank-wise;
- (b) the reforms undertaken by the Government to strengthen banking sector governance and operational efficiency;
- (c) the measures implemented to improve credit flow to micro, small and medium enterprises including the target allocation and achievements;
- (d) the progress made in digital banking initiatives including the number of digital transactions processed and the percentage growth over the previous year; and
- (e) the steps taken to enhance financial inclusion through banking sector reforms including the number of new bank accounts opened and rural penetration achieved?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): Bank-wise details of aggregate recovery made in non-performing assets (NPAs) and written-off loans, by Public Sector Banks (PSBs), during the last 10 financial years (FYs), are at **Annex**.

(b): Over the last few years various measures to address the issues related to credit discipline, responsible lending, improved governance, adoption of technology, and proper regulation of Co-operative banks have been taken by the Government / Reserve Bank of India (RBI.) These include, *inter alia*, the following:

- (i) Credit discipline has been instilled through—
 - (1) enactment of the Insolvency and Bankruptcy Code (IBC);
 - (2) setting up of the Central Repository of Information on Large Credits (CRILC) by RBI to monitor corporate loans and systematic checking of high-value accounts for wilful default and fraud.

- (ii) Recognition and resolution of stressed Assets - To protect financial institutions in case of default/delay in payment by large borrowers, multiple steps have been taken viz.:
 - (1) putting in place a framework for early recognition and time-bound resolution of stress.
 - (2) automated Early Warning Systems to detect and reduce slippage of accounts into NPAs using third-party data and workflow for time-bound remedial actions.
 - (3) strengthening Market based mechanisms to better manage the credit risk on the balance sheets through a comprehensive framework for transfer of stressed assets to eligible transferees.
 - (4) National Asset Reconstruction Company Limited (NARCL) has been set up to consolidate and takeover stressed debt, fragmented across various lenders and thereafter manage and dispose it off to buyers for better realisation.
- (iii) Governance Reforms in PSBs have been carried out through reforms like arms-length selection of top management through Financial Services Institutions Bureau, introduction of Non-Executive chairmen in Nationalised Banks, widening talent pool and instituting performance-based extension for Managing Directors.
- (iv) Enhanced Access & Service Excellence (EASE) reforms have enabled objective and benchmarked progress on all key areas in PSBs such as governance, prudential lending, risk management, technology- and data-driven banking, and outcome-centric HR.
- (v) Amalgamation of PSBs has led to economies of scale, increase financial capacity, technology adoption and overall efficiency enhancement.
- (vi) Massive Technology adoption in banking has been instrumental in expanding financial inclusion, improving efficiency, and enabling real-time service delivery. Digital payment transactions have grown phenomenally as a result of various initiatives viz., Jan-Dhan–Aadhaar–Mobile (JAM) linkage, interoperable Bank Mitras, Unified Payments Interface (UPI) and Direct Benefit Transfers (DBTs).
- (vii) The Banking Regulation (Amendment) Act, 2020 was brought in to enhance the governance, financial stability, and regulatory oversight of co-operative banks, which serve millions of citizens, particularly in rural and semi-urban areas.
- (viii) The Banking Laws (Amendment) Act, 2025 has been notified to enhance governance standards, strengthen protection for depositors and investors, improve audit quality in PSBs, shift statutory reporting by banks to the RBI and streamline nomination processes for customer convenience.

(c): The measures implemented to improve credit flow to Micro, Small and Medium Enterprises (MSMEs) and achievements are as under:

- (i) Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME)- It is a government-backed initiative designed to help MSMEs access loans to grow their businesses. This scheme offers credit guarantee, making it easier for MSMEs to obtain loans, especially for purchasing essential equipment and machinery. The Scheme provides credit guarantee cover to lenders (Scheduled

- Commercial Banks, All India Financial Institutions, NBFCs) for their term loans up to Rs. 100 crore to MSMEs for their projects involving purchase of equipment/machinery. The Scheme has been launched recently and is valid till issue of guarantees on loans cumulating to Rs. 7 lakh crore or 4 years from the date of issue of guidelines (*i.e.* 27.1.2025), whichever is earlier.
- (ii) Emergency Credit Line Guarantee Scheme (ECLGS) - ECLGS provided 100% guarantee cover to Member lending Institutions (MLIs) in respect to the credit facility extended by them to eligible borrowers, including MSMEs and business enterprises for helping them meet their operational liabilities and restarting their businesses. The Scheme was valid till 31.3.2023 and provided liquidity support of Rs. 3.68 lakh crore to 1.19 crore businesses, of which loans amounting to Rs. 2.42 lakh crore have been sanctioned to 1.13 crore MSMEs under ECLGS.
 - (iii) Subsequent to Union Budget 2024-25 announcement, the Union Finance Minister had launched New Credit Assessment Model for MSMEs on 06.03.2025. The model leverages the digitally fetched and verifiable data and devises automated journeys for MSME loan appraisal using objective decisioning for all loan applications and model-based limit assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers.
 - (iv) Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), under the administrative purview of Ministry of MSME, provides guarantee cover up to 85%, for loans amounting to Rs. 10 crore or below, extended by eligible Member Lending Institution (MLIs) to Micro and Small Enterprises (MSEs). The annual guarantee fee has been reduced which ranges from 0.37% to 1.20%. As on 31.07.2025, CGTMSE has approved 1.22 crore number of cumulative guarantees worth Rs. 10.50 lakh crore.

(d): The total volume of digital payment transactions in the country has increased from 2,071 crore in FY 2017-18 to 22,831 crore in FY 2024-25, growing at a CAGR of 41%. During the same period, the value of transactions has grown from Rs. 1,962 lakh crore to Rs. 3,509 lakh crore.

Further, the total monthly volume of digital payment has increased from 1,739 crore in June 2024 to 2,099 crore in June 2025. During the same period the value of transactions has increased from Rs. 244 lakh crore in June 2024 to Rs. 264 lakh crore in June 2025.

UPI transactions, in particular, have grown from 92 crore in FY 2017-18 to 18,587 crore in FY 2024-25, with a CAGR of 114%. During the same period, the value of transactions has grown from Rs. 1.10 lakh crore to Rs. 261 lakh crore.

In July 2025, UPI reached another milestone recording over 1,946.79 crore transactions in a single month for the first time.

(e): Pradhan Mantri Jan-Dhan Yojana (PMJDY) has been successful in increasing banking penetration to promote financial inclusion across the country. As on 25.07.2025, a total of 55.98 crore Jan-Dhan accounts with a deposit balance of Rs.

2,61,982 crore have been opened under PMJDY. Out of the above, (55.8%) Jan-Dhan accounts belong to women and about (66.7%) PMJDY accounts have been opened in rural areas.

The opening of Jan-Dhan accounts has facilitated the coverage of various social security schemes amongst the unorganized sections of the society. As on 23.07.2025, the coverage is as under.

- (i) Under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), 24.27 crore cumulative enrolments have been done to provide life insurance cover of Rs. 2 lakh for death due to any reason.
- (ii) Under Pradhan Mantri Suraksha Bima Yojana (PMSBY), 52.40 crore cumulative enrolments have been done to provide one-year accidental cover of Rs. 2 lakh (death or permanent total disability) and Rs. 1 lakh (permanent partial disability).
- (iii) Under Atal Pension Yojana (APY) as on 25.07.2025, 8.00 crore cumulative enrolments have been done to provide monthly pension to eligible subscribers.

Further, with the objective of "Funding the Unfunded" and to promote entrepreneurship, especially among the unorganized small entrepreneurs such as street vendors, the coverage of credit linked schemes launched by the Government, *inter-alia*, are as under.

- (i) Under Pradhan Mantri Mudra Yojana (PMMY), as on 27.06.2024, 5,385.07 lakh cumulative loans amounting to Rs. 35.13 lakh crore have been sanctioned to provide collateral-free institutional finance to micro/small business units up to Rs. 20 lakh for income generating activities in the sectors such as manufacturing, trading, services and activities allied to agriculture.
- (ii) Under Stand Up India Scheme, as on 31.03.2025, 2.75 lakh cumulative loans amounting to Rs. 62,792 crore have been sanctioned to Scheduled Caste / Schedule Tribe and Women entrepreneurs for setting up greenfield projects in the sectors such as manufacturing, trading, services and activities allied to agriculture.

Lok Sabha Unstarred question no. 3605, regarding NPA Recovery by PSBs

Aggregate recovery made in non-performing assets and written-off loans by Public Sector Banks (PSBs)

(Amounts in crore Rs.)

Bank	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 [#]
Bank of Baroda ¹	2,910	6,377	7,093	13,603	8,664	8,357	8,564	9,572	7,199	7,756
Bank of India	3,798	4,895	14,348	8,964	8,443	4,684	7,858	7,236	7,720	9,769
Bank of Maharashtra	714	848	1,903	2,269	1,660	2,302	1,816	1,876	1,610	1,816
Canara Bank ³	3,239	3,644	5,172	11,950	13,300	10,318	11,324	17,029	9,352	9,521
Central Bank of India	3,198	2,721	3,487	5,799	4,290	2,972	3,441	4,505	3,402	3,374
Indian Bank ⁴	3,343	2,501	2,910	4,392	4,347	4,473	5,087	7,039	6,654	6,231
Indian Overseas Bank	1,814	2,118	4,507	4,409	3,025	1,668	1,397	1,229	3,614	3,342
Punjab and Sind Bank	251	215	466	1,043	643	1,004	1,273	1,818	1,600	890
Punjab National Bank ²	10,894	15,603	8,971	21,320	18,092	13,939	19,229	16,309	13,206	9,931
State Bank of India ⁶	14,114	16,159	15,181	35,062	31,895	23,678	18,125	20,122	15,169	14,250
UCO Bank	1,369	2,039	1,862	3,440	3,719	2,155	2,845	2,978	2,227	3,326
Union Bank of India ⁵	2,342	3,238	4,604	8,823	10,557	7,727	8,601	12,827	11,277	9,236

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

* The figures of the banks merged are incorporated into those for the respective bank into which they were merged. The details of mergers of PSBs are as under.

¹ Vijaya Bank and Dena Bank were merged into Bank of Baroda w.e.f. 01.04.2019.² Oriental Bank of Commerce and United Bank of India were merged into Punjab National Bank w.e.f. 1st April, 2020.³ Syndicate Bank was merged into Canara Bank w.e.f. 01.04.2020.⁴ Allahabad Bank was merged into Indian Bank w.e.f. 01.04.2020.⁵ Andhra Bank and Corporation Bank were merged into Union Bank of India w.e.f. 01.04.2020.⁶ Associate banks of State Bank of India (namely, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore and Bharatiya Mahila Bank Limited) were merged with the State Bank of India w.e.f. 01.04.2017.
