

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**STARRED QUESTION NO. \*262**  
ANSWERED ON TUESDAY, MARCH 25, 2025/ 4 CHAITRA, 1947 (SAKA)

**Bank failures in the country**

**\*262 Shri P. P. Suneer:**

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

- (a) the number of instances of bank failures in the last three years, including Cooperative banks, Small Finance Banks (SFBs) and NBFCs.
- (b) the number of instances where RBI imposed operational restrictions on such failed banking and non-banking financial institutions;
- (c) the amount of deposits and advances in institutions that failed to honour their commitments to borrowers and lenders in the last three years, bank-wise details of the action taken by the RBI or the ministry; and
- (d) the number of depositors who received deposit insurance from Deposit Insurance and Credit Guarantee Corporation (DICGC), bank-wise details thereof along with the amount?

**ANSWER**

**THE FINANCE MINISTER**  
**(SMT. NIRMALA SITHARAMAN)**

(a) to (d): A statement is laid on the Table of the House.

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**Statement referred to in reply to Rajya Sabha Starred Question no. \*262 for 25.3.2025 regarding “Bank failures in the country” raised by SHRI P. P. SUNEER, Member of Parliament**

(a) to (d): No commercial bank has failed in last three years in the country. In order to protect the interests of depositors and stability of the financial system, the Punjab and Maharashtra Co-operative Bank Limited was amalgamated with a stronger bank in 2022, under the provisions of Section 45 of the Banking Regulation Act, 1949, after imposition of operational restrictions over it.

During the last three years, the Reserve Bank of India (RBI) has not cancelled license of any commercial bank but licenses of 40 urban co-operative banks were cancelled. Further, during the same period, corporate insolvency resolution process was initiated against one NBFC, namely M/s Aviom India Housing Finance Pvt. Ltd, by RBI.

Operational restrictions are imposed by RBI over banks and NBFCs upon observation of non-compliances to regulatory guidelines, discrepancies in operations or improper accounting, etc., to ensure stability of the financial system and prevent building-up of risk. The restrictions are lifted back by RBI upon resolution of observed discrepancies, non-compliances or other causes, to its satisfaction. These restrictions include, *inter alia*, placing banks or NBFCs under corrective action framework, imposition of restrictions over certain activities such as, lending, accepting deposits, etc., suspension of business and superseding the board.

It is informed by RBI that the bank-wise details of the amount of deposits and advances in the institutions that failed to honour their commitments to borrowers and lenders in the last three years along with the action taken by RBI over them, is not maintained by them. However, all the prudential frameworks issued by RBI are guided towards the overarching principles of safeguarding the interests of depositors and preservation of financial stability. As a protective measure to safeguard the depositors’ interests, Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly owned subsidiary of RBI, was created through the DICGC Act, 1961. The DICGC insures the deposits of banks and the limit of the said insurance

has been increased to Rs. 5 lakh from Rs. 1 lakh, in 2020. Further, the DICGC Act, 1961 has been amended in 2021, to enable depositors to access their deposits through time-bound interim payments, to the extent of deposit insurance cover, even in case of imposition of restrictions on banks under the Banking Regulation Act.

Bank-wise details of the number of depositors along with the amount of claim settled, during the last three years by the DICGC is at Annexure.

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## Annexure

**Rajya Sabha Starred Question no. \*262 for answering on 25.3.2025 regarding “Bank failures in the country”.**

**(Amount in ₹ Crores)**

<b>SN</b>	<b>Bank</b>	<b>Number of claims Settled</b>	<b>Amount</b>
1	Karnala NSBL, Maharashtra	39,273	379.29
2	Madgaum UCBL, Goa	32,644	138.9
3	PMC CBL, Maharashtra	8,68,729	3,854.13
4	Seva Vikas CBL	13,344	165.42
5	Babaji Date Mahila SBL	16,608	302.18
6	Laxmi CBL	19,976	193.61
7	Malkapur UCBL	24,397	496.69
8	Nagar UCBL	17,269	293.33
9	Rupee CBL	79,361	796.49
10	The Indian Mercantile UCBL	136	2.9
11	Dwarkadas Mantri NSBL	2,834	42.6
12	Shushruti Souharda SBN, Bengaluru	1,821	53.68
13	Shankar Rao Pujari Nutan SBL	4,121	41.61
14	Harihareshwar SBL	4,208	57.24
15	Sangli SBL	4,097	61.79
16	Sri Mallikarjuna Pattana Sahakari Bank Niyamita	510	5.38
17	Nashik Zilla Girna SBL	1,560	17
18	Saibaba Janta SBL	1,019	18.83
19	Durga Co-operative Urban Bank Ltd., Vijayawada	290	9.84
20	Jaiprakash Narayan NSBL, Basmatnagar	1,331	23.89
21	Thodupuzha Urban CBL, Kerala	4,141	93.94
22	Sumerpur Mercantile UCBL, Sumerpur, Pali	3,787	46.46
23	Adarsh Mahila Nagari SBL	9,177	186.37
24	Shimsha Sahakara Bank Niyamitha	2,563	11.85
25	Shankerrao Mohite Patil SBL	2,377	46.26
26	HCBL CBL	3,728	21.25
27	Shree Mahalaxmi Mercantile UCBL	1,928	24.07
28	Banaras Mercantile CBL	538	4.25
29	National Mercantile CBL	82	1.46
30	Musiri UCBL	125	1.34
31	Pune Sahakari Bank Ltd.	23	0.4

<b>SN</b>	<b>Bank</b>	<b>Number of claims Settled</b>	<b>Amount</b>
32	Defence Accounts CBL	756	9.85
33	Imperial CBL	330	5.43
34	Hiriyur UCBL	379	2.18
35	Faiz Mercantile CBL	1,143	7.99
36	Rajapur Sahakari Bank Ltd.	1,037	16.09
37	Sawantwadi UCBL	3,871	24.57
38	Vaishali Shehari Vikas CBL	5,319	56.28
39	National CBL	19,067	566.19
40	Ajantha UCBM	8,381	194.55
41	Purvanchal CBL	944	12.63
42	Colour Merchants CBL	658	13.94
43	Mahabhairab CBL	436	3.09

(Source: DICGC)

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