

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 251

ANSWERED ON TUESDAY, DECEMBER 2, 2025/11 AGRAHAYANA, 1947 (SAKA)

DISINVESTING FOUR PSBs

251 SHRI R. GIRIRAJAN:
DR. KANIMOZHI NVN SOMU:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has plans to disinvest four Public Sector Banks or to merge with larger banks by 2026, if so, the details thereof;
- (b) whether PSBs are plagued by huge NPAs, stressed assets and willful defaulters in the last ten years, if so, the details thereof;
- (c) the total loans waived off in the last five years, Bank- wise; and
- (d) the effective measures taken by Government to recover huge NPAs and loan dues from willful defaulters?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Presently, no proposal on merger or disinvestment of Public Sector Banks (PSBs) is under consideration of the Government.

(b): Gross Non-Performing Assets (NPAs) Ratio in Public Sector Banks (PSBs) has declined from 9.27% in March 2016 to 2.58% in March 2025, and further to 2.51% in June 2025. Similarly, the slippage ratio i.e. fresh accretion of NPAs as a percentage of standard advances, has declined from 7.5% in March 2016 to 1.0% in March 2025, and further to 0.9% in June 2025.

Further, RBI, *vide* Master Direction on Treatment of Wilful Defaulters and Large Defaulters, has advised lenders to submit the list of wilful defaulters to all Credit Information Companies (CICs) on a monthly basis, and CICs are required to display the same on their respective websites. The details of wilful defaulters of Rs. 25 lakhs and above is available in the public domain and can be accessed at the following URL of credit information companies, registered with and regulated by RBI:

- (i) suit.cibil.com,
- (ii) suit.experian.in,
- (iii) equifax.co.in, and
- (iv) Crifhighmark.com

(c): 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, 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. The PSBs have not waived-off loans given to the borrowers during the last five financial years.

Bank-wise and year-wise details of NPAs which have been written-off by PSBs for global operations, during the last five Financial Years (FYs) and the current FY till 30.6.2025 are at **Annex**.

(d): 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.

In addition to above, measures have been taken to deter wilful default and to recover NPAs, including those pertaining to wilful defaulters. Such measures include, *inter alia*, the following:

(i) Wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years. Further, wilful defaulters and companies with wilful defaulters as promoters/directors have been debarred from accessing capital markets to raise funds.

(ii) The bar on additional credit facility to a wilful defaulter or any entity with which a wilful defaulter is associated shall be effective for a period of one (1) year after the name of wilful defaulter has been removed from the List of Wilful Defaulters (LWD) by the lender.

(iii) Wilful defaulters or any entity with which a wilful defaulter is associated shall not be eligible for restructuring of credit facility. Subsequent to removal of the name of wilful defaulter from the LWD, the wilful defaulter or any entity with which a wilful defaulter is associated shall be eligible for restructuring, subject to the provision contained at (ii) above.

(iv) As per RBI's Master Direction on Treatment of Wilful Defaulters and Large Defaulters, banks may initiate criminal proceedings against wilful defaulters in eligible cases.

(v) For effective action against fugitive offenders, including wilful defaulters, the Fugitive Economic Offenders Act, 2018 has been enacted which provides for attachment and confiscation of property of fugitive offenders and has disentitled them from defending any civil claim.

Rajya Sabha Unstarred Question No. 251 regarding Disinvesting Four PSBs

Bank-wise and year-wise details of NPAs which have been written-off by PSBs for global operations, during the last five financial years (FYs) and the current FY till 30.6.2025

(Amounts in crore Rs.)

Bank	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 (till 30.6.2025)
Bank of Baroda	14,782	17,967	17,998	10,518	8,796	2,116
Bank of India	8,815	10,443	8,694	9,897	7,959	2,460
Bank of Maharashtra	4,931	3,118	1,491	990	796	467
Canara Bank	9,132	8,422	12,760	11,827	14,350	3,115
Central Bank of India	5,992	1,236	10,258	10,001	3,370	843
Indian Bank	8,371	8,347	7,952	8,734	4,916	441
Indian Overseas Bank	4,618	3,769	3,412	7,179	3,885	239
Punjab and Sind Bank	71	1,134	2,283	796	1,521	26
Punjab National Bank	15,877	18,312	16,578	18,317	12,159	1,633
State Bank of India	34,402	19,666	24,061	16,161	20,309	3,986
UCO Bank	9,410	3,851	2,575	1,938	1,566	380
Union Bank of India	16,983	19,484	19,175	18,264	11,634	2,078

Source: RBI, global operations