

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
STARRED QUESTION NO. *336

ANSWERED ON TUESDAY, 24 MARCH, 2026 / 3 CHAITRA, 1948 (SAKA)

HAIRCUTS AND LOAN RESTRUCTURING

*336. DR. JOHN BRITTAS:

Will the Minister of FINANCE be pleased to state:

- (a) the number of cases involving loan accounts of ₹50 crore and above resolved under the Insolvency and Bankruptcy Code during the last three years till 31.12.2025 and the total amount of haircuts taken by banks in such cases, year-wise;
- (b) whether banks have also resorted to the practice of "greening the debt" by sanctioning fresh loans to service existing stressed loans of ₹50 crore and above during the same period;
- (c) if so, the number of such cases and the total amount involved, year-wise; and
- (d) the steps taken by Government and regulators to curb such practices?

ANSWER

FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

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

Statement referred to in reply to parts (a) to (d) in respect of Rajya Sabha Starred Question No. *336 for reply on 24.03.2026 regarding Haircuts and Loan Restructuring asked by Dr. John Brittas, Hon'ble Member of Parliament.

(a) to (d): As per the inputs received from the Insolvency and Bankruptcy Board of India (IBBI), details related to banks and loan amount in respect of resolved cases under the Insolvency and Bankruptcy Code (IBC) is not available with IBBI.

However, year-wise details of cases resolved during the last three financial years and the current financial year up to December 2025 are provided below:

(Amounts in Rs. crore)

Period	Number of Resolutions	Total Admitted Claims	Total Realisable Value	Realisable Value as % of		
				Admitted Claims	Liquidation Value	Fair Value
2022-23	186	1,53,567	55,361	36%	128%	85%
2023-24	263	1,68,927	46,176	27%	136%	94%
2024-25	259	1,62,746	55,821	34%	230%	157%
2025-26 (till Dec.)	188	1,10,475	21,843	20%	200%	127%

Source: IBBI

Further, the Reserve Bank of India (RBI) has apprised that its regulatory guidelines prohibit evergreening of loans. Prudential Framework for Resolution of Stressed Assets issued in June 2019 by RBI requires timely recognition of stress and prohibits any action that may conceal the actual status of borrowal accounts. This framework was reiterated through RBI's Directions on Resolution of Stressed Assets issued in November 2025. Also, RBI has strengthened its supervisory architecture through various measures relating to early identification of stress and monitoring of borrowers' cash flows and end-use of funds, by banks. Based on RBI's instructions, a system based automated identification of non-performing assets have been implemented across banking system.

RBI has further informed that it examines compliance with its extant regulatory guidelines through periodical onsite and offsite supervisory processes. Any non-compliance observed is taken up with the banks concerned for immediate remedial action by RBI. However, no specific data is maintained or no periodic reporting is prescribed in such matters by RBI as either rectification is initiated or additional loan loss provisions are prescribed to be made.

Public Sector Banks have also apprised that they have not resorted to "greening of debt" by sanctioning of fresh loans to service existing stressed loans during the last three years and the current financial year up to December 2025. Banks have put in place internal control systems, including credit monitoring mechanisms, concurrent audit, internal audit, and risk-based supervision, to detect and prevent any instances of evergreening of loans. Such practices, if observed, are dealt with in accordance with the applicable regulatory and supervisory framework.
