

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-1354
ANSWERED ON 1st AUGUST, 2023 / SRAVANA 10, 1945 (SAKA)

WILFUL DEFAULTERS

1354. SHRI SUSHIL KUMAR MODI

Will the Minister of FINANCE be pleased to state:-

- (a) the names of top ten wilful defaulters and the amount owed by them as on 31st March, 2023;
- (b) the amount owed by fifty top wilful defaulters as on 31st March, 2023;
- (c) whether it is a fact that according to latest circular of RBI, wilful defaulters could get into compromised settlement with banks and seek write offs, if so, the reason therefor;
- (d) whether wilful defaulters have been allowed cooling period of one year, before being considered for fresh loan and if so, the reason therefor; and
- (e) how much amount had been written off as bad loans during the last five years upto 2022-23?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (e): Details of top ten wilful defaulters in scheduled commercial banks (SCBs) are at Annex. The Reserve bank of India (RBI) has apprised that the amount owed by top 50 wilful defaulters in SCBs was Rs. 87,295 crore as on 31.3.2023.

The provision enabling banks to enter into compromise settlement in respect of borrowers categorised as fraud or wilful defaulter is not a new regulatory instruction and has been the settled regulatory stance for more than fifteen years. RBI had advised IBA, *vide* letter dated 10.5.2007, that, banks may enter into compromise settlement with wilful defaulters/ fraudulent borrowers without prejudice to the criminal proceeding underway against such borrowers and all such cases of compromise settlements should be vetted by Management Committee / Board of banks. Further, compromise settlement with borrowers classified as wilful defaulters or fraud is also covered in RBI's Master Circular on Wilful Defaulters dated 1.7.2015 and RBI's Master Directions on Frauds dated 1.7.2016. The compromise settlement, however, is not a matter of right for borrower but is a discretion to be exercised by lenders based on their commercial judgements. As per

RBI's circular dated 8.6.2023, regulated entities may undertake compromise settlements or technical write-offs in respect of accounts classified as fraud or wilful defaulter without prejudice to the criminal proceeding underway against such borrowers, and all such proposals needs to be approved by the Board.

As per inputs received from RBI, the framework prescribes minimum cooling-off period of 12 months as a general prescription for normal cases of compromise settlements, without prejudice to the penal measures applicable in respect of borrowers classified as wilful defaulter. Such penal measures, as per the RBI's Master Circular on Wilful Defaulters dated 1.7.2015, entail, *inter alia*, that no additional facilities should be granted by any bank/ financial institutions to borrowers listed as wilful defaulters, and that such companies (including their entrepreneurs/promoters) get debarred from institutional finance for floating new ventures for a period of five years from the date of removal of their name from the list of wilful defaulters.

SCBs have written-off an aggregate amount of Rs. 10,57,326 crore during the last five financial years (RBI provisional data for FY 2022-23).

Rajya Sabha unstarred question no. 1354, regarding Wilful Defaulters

**Details of top ten wilful defaulters as reported in Central Repository of Information
on Large Credits by Scheduled Commercial Banks as on 31.3.2023**

Amounts in crore Rs.

Borrower Name	Amount owed
Gitanjali Gems Limited	8,738
Era Infra Engineering Limited	5,750
REI Agro Limited	5,148
ABG Shipyard Limited	4,774
Concast Steel and Power Limited	3,911
Rotomac Global Private Limited	2,894
Winsome Diamonds and Jewellery Limited	2,846
Frost International Limited	2,518
Shri Lakshmi Cotsyn Limited	2,180
Zoom Developers Private Limited	2,066

Source: RBI
