

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO: 180
TO BE ANSWERED ON THE 15th DECEMBER, 2017 / AGRAHAYAN 24, 1939 (SAKA)

QUESTION

INDIAN BANKRUPTCY CODE

180: SHRI G.HARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the RBI has asked banks to resolve 55 accounts in six months or face Indian Bankruptcy Code (IBC), if so, the details thereof;
- (b) whether the banks are saddled with NPAs of more than Rs. 8 lakh crore and if so, the details thereof;
- (c) whether the banks have set aside Rs. 80,000 crore for 12 largest NPAs referred to National Company Law Tribunal (NCLT) as, if so, the details thereof;
- (d) whether some experts have concluded that another Rs. 40,000 crore may be needed towards provisioning for these accounts; and
- (e) if so, the details thereof?

ANSWER

To be answered by

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAPSHUKLA)

- (a) RBI has apprised that it issued directions to certain banks for referring 12 accounts, with fund and non-fund based outstanding amount greater than Rs. 5000 crore and with 60% or more classified as non-performing as of 31.3.2016, to initiate insolvency process under the Insolvency and Bankruptcy Code, 2016. These 12 accounts constituted about 25 per cent of the gross NPAs of the banking system. In addition to these accounts, RBI has also issued directions to resolve certain other accounts within six months, failing which insolvency proceedings under the Code will need to be initiated.
- (b) Gross Non-performing Assets of Scheduled Commercial Banks were Rs. 8,50,178 crore, as on 30.9.2017.
- (c) RBI has informed that in respect of the aforementioned 12 accounts, it has required banks to maintain minimum provisions at the higher of (a) 50 per cent for secured portion of the outstanding balance plus 100 per cent for the unsecured portion, and (b) provisions required to be maintained as per extant asset classification norms. RBI has further stated that as banks would already be maintaining some provisions based on their asset classification status, the exact amount of additional provisions made by the banks for these 12 accounts consequent to reference under the Code will be known only after the resolution process under the Code is completed.
- (d) and (e): No specific information in this regard is available with the Ministry.
