

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA  
UNSTARRED QUESTION NO: 3601

TO BE ANSWERED ON THE 16<sup>th</sup> MARCH 2018/PHALGUNA 25, 1939 (SAKA)

QUESTION  
STRENGTHENING OF MECHANISM AGAINST WILFUL DEFAULTERS

**3601: SHRI KESINENI NANI:**

Will the Minister of FINANCE be pleased to state:

- (a) the quantum of loans given to wilful defaulters during the last three years;
- (b) the quantum of these loans of Public Sector Enterprises and the growth in the number of wilful defaulters during the said period;
- (c) the steps being taken by the Government to reduce these statistics;
- (d) the details of precedence of success achieved in recovery from wilful defaulters; and
- (e) whether the status of unsuccessfulness in recovery from wilful defaulter necessitates a stronger mechanism to deal with such wilful defaulters?

**ANSWER**

**To be answered by  
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHIV PRATAP SHUKLA)**

(a) to (b): As per RBI's instructions, wilful defaulters are not sanctioned any additional loans by banks or financial institutions. As per data reported by Public Sector Banks, the total number of wilful defaulters has grown from 6,336 as on 31.3.2014, to 9,063 as on 31.12.2017.

(c) to (e): As per data reported by PSBs, during the period from 1.4.2011 till 31.12.2017, they recovered Rs. 5,380 crore from wilful defaulters having outstanding amount of Rs. 5 crore and above.

Number of steps have been taken to reduce incidence of default on account of wilful defaulters. To deal with wilful defaulters, as per RBI's instructions, they are not sanctioned any additional facilities by banks or financial institutions, their unit is debarred from floating new ventures for five years, and lenders may initiate criminal proceedings against them, wherever necessary. As per SEBI Regulations, wilful defaulters and companies with wilful defaulters as promoters/directors are debarred from accessing capital markets to raise funds. The Insolvency and Bankruptcy Code has been amended to debar wilful defaulters from participating in the insolvency resolution process.

As per data reported by PSBs, as on 31.1.2018, 2,170 FIRs have been registered against wilful defaulters, 8,513 suits have been filed for recovery from them, and action has been initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of 7,005 cases of wilful defaulters.

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