

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 4682
TO BE ANSWERED ON THE 23rd MARCH, 2018/CHAITRA, 1940 (SAKA)

QUESTION
ROLE OF LOK ADALATS AND TRIBUNALS TO DEAL WITH NPAs

4682: SHRI RAKESH SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether Non Performing Assets (NPAs) in Public Sector Banks (PSBs) have risen and if so, the State-wise details thereof;
- (b) whether the institutions such as Lok Adalats and Tribunals entrusted with making recovery of NPAs have not been able to deal with the problem and if so, the reasons therefor; and
- (c) whether the Government is working on a strategy for taking concrete action against the defaulters and if so, the steps being taken in this regard?

ANSWER

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

(SHRI SHIV PRATAP SHUKLA)

(a): As per Reserve Bank of India (RBI) data on global operations, the aggregate gross Non-performing assets (GNPAs) for Public Sector Banks (PSBs) were Rs. 2,79,016 crore, as on 31.3.2015, and increased to Rs. 7,77,280 crore, as on 31.12.2017. State-wise GNPAs are not centrally maintained.

(b): Lok Adalats and Debts Recovery Tribunals (DRTs) are playing a significant role in disposal of recovery. During the financial years 2014-15 to 2016-17, as per RBI data, the aggregate amount recovered by Scheduled Commercial Banks through the Lok Adalat channel was Rs. 8,075 crore, and as per data reported by DRTs, 54,991 cases have been disposed of by DRTs.

(c): As per RBI's instructions, wilful defaulters 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 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 in respect of 7,005 cases of wilful defaulters.

Securities and Exchange Board of India Regulations have been amended to debar wilful defaulters and companies with wilful defaulters as promoters/directors 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.
