

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 6563
TO BE ANSWERED ON THE 6th APRIL, 2018/CHAITRA 16, 1940 (SAKA)

QUESTION
ACTION AGAINST LOAN DEFAULTERS

**6563: SHRI DEVENDRA SINGH BHOLE:
SHRI RAMESH CHANDER KAUSHIK:**

Will the Minister of FINANCE be pleased to state:

- a) the number of loan applications disposed of by the banks, State/UT-wise;
- b) the details of the loan defaulters of more than Rs. 50 lakhs and the amount recovered from them till date;
- c) the number of loan defaulters against whom action has been taken during the last five years;
- d) the number of people who have repaid the loan amount so far after action has been taken against them and the amount received through it;
- e) the remedial steps taken/being taken by the Government/Reserve Bank of India for speedy recovery and reducing the number of Non-Performing Assets; and
- f) if so, the details thereof and if not, the reasons therefor?

ANSWER
To be answered by
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHIV PRATAP SHUKLA)

(a): As per data reported by Public Sector Banks (PSBs), 3,23,53,650 loan applications were disposed of during financial year 2016-17 and 2,81,30,755 during financial year 2017-18 for the period till 31.12.2017.

(b): With regard to details of loan defaulters of more than Rs. 50 lakh and the amount recovered therefrom, the Reserve Bank of India (RBI) has apprised that it is unable to disclose the information under the provisions of Section 45E of RBI Act 1934. Section 45E provides that credit information submitted by a bank shall be treated as confidential and not be published or otherwise disclosed.

(c) and (d): As per data reported by PSBs, as on 31.12.2017, 2,108 FIRs have been registered against wilful defaulters, 8,462 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 (SARFAESI) Act in respect of 6,962 cases of wilful defaulters.

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.

(e) and (f): To reduce/contain NPAs of banks, the Insolvency and Bankruptcy Code, 2016 has been enacted for time-bound resolution of stressed assets. Further, the Banking Regulation Act, 1949 has been amended to provide for authorisation by the Government to RBI, for issuing directions to banks to initiate the insolvency resolution process under the Code. Under the provisions of this amending legislation, RBI has issued directions to certain banks for referring 12 accounts, with outstanding amounts greater than Rs. 5,000 crore and with 60% or more classified as non-performing as of 31.3.2016, to initiate insolvency resolution process under the Code. In accordance with these directions, banks have filed applications in respect of these accounts before the National Company Law Tribunal. Further, keeping in view the enactment of the Code, RBI has issued a revised framework for resolution of stressed assets, which provides for time-bound resolution of high-value stressed accounts. The SARFAESI Act has been amended to make it more effective. Further, six new Debts Recovery Tribunals have been established to expedite recovery. In addition, under the PSB Reforms Agenda, PSBs have committed, *inter-alia*, to create Stressed Asset Management verticals for stringent recovery and ensure clean and effective post-sanction follow-up for large credit exposures through specialised monitoring agencies.

To reduce incidence of default on account of and effect recovery from wilful defaulters, 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. 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. Further, the Insolvency and Bankruptcy Code has been amended to debar wilful defaulters from participating in the insolvency resolution process.
