

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 1835
TO BE ANSWERED ON THE 27th JULY, 2018 / SHRAVANA 05, 1940 (SAKA)

QUESTION
DEFAULT NORMS BY RBI

1835: SHRI A. ARUNMOZHITH EVAN

Will the Minister of FINANCE be pleased to state:

- (a) whether more than 4,000 borrowers with outstanding loans of Rs. 1.2 lakh crore have defaulted under the Reserve Bank of India (RBI) one day default norms as on April 30, 2018;
- (b) if so, the details thereof;
- (c) whether the RBI circular stipulates the banks to classify borrowers as defaulters if their repayments are late even by a day, if so, the details thereof;
- (d) whether the RBI has received any report about the non-compliance of the said circular by any Public Sector Banks; and
- (e) if so, the details thereof?

ANSWER

To be answered by

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) and (b): Reserve Bank of India (RBI) has apprised that, as per data reported by banks on the Central Repository of Information on Large Credits (CRILC), 4,102 borrowers defaulted on their debt obligation which fell due on 30.4.2018, and their total funded outstanding amount with the banks, on the said date, was Rs. 1,21,060 crore. RBI has further informed that default in debt obligations due on a particular day does not lead to classification of an account as Non-Performing Asset (NPA) and that only when the length of default extends for a period of more than 90 days does an account get classified as NPA.

(c): RBI has informed that its circular on "Resolution of Stressed Assets - Revised Framework" dated February 12, 2018 stipulates that lenders shall report to CRILC all borrower entities in default (with aggregate exposure of Rs. 5 crore and above), on a weekly basis. RBI has further informed that in the said circular, 'default' means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporatedebtor, as the case may be. For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

(d) and (e): RBI has apprised that, as far as the reporting requirement of borrowers in default on a weekly basis as well as reporting of CRILC data on monthly basis is concerned, banks are reporting to RBI as required. Further, compliance of circulars of RBI are also examined during the supervisory process of banks on sample basis and deficiencies, if any, are taken up with banks for rectification.
