GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: **2968**
TO BE ANSWERED ON THE 3rd AUGUST, 2018/SHRAVANA 12, 1940 (SAKA)

QUESTION
REPAYMENT OF LOANS BY INDUSTRIES

2968: SHRI A.T. NANA PATIL:
       DR. BANSHILAL MAHATO:

Will the Minister of FINANCE be pleased to state:

a) the number of industrialists availed loans by banks/Governments, State/UT-wise including Chhattisgarh;
b) whether these industrialists are making timely repayment of the loan instalments;
c) if not, the details of such industrialists who are defaulting/not repaying the loan instalments and having outstanding amount, bank, State/UT-wise;
d) whether the Reserve Bank of India has ordered to recover the amount of loan from such highly indebted industrialists/industries, if so, the details thereof; and
e) the action taken/proposed to be taken by the Government against such industrialists/industries to recover the outstanding loan, industry-wise?

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 required information is not available. However, RBI has informed that as per returns submitted by Scheduled Commercial Banks (SCBs), as on 31.3.2018, 91,116 borrowers were having credit exposure of Rs. 5 crore and above, out of which, accounts of 7,960 borrowers were classified as non-performing assets (NPAs).

(c) RBI has informed that under the provisions of section 45E of the Reserve Bank of India Act, 1934, RBI is prohibited from disclosing credit information. Section 45E provides that credit information submitted by a bank shall be treated as confidential and not to be published or otherwise disclosed.

(d) Under the provisions of section 35AA of the Banking Regulation Act, 1949, RBI has directed banks to file insolvency applications against 39 large borrowers. Accordingly, cases have been filed under the Insolvency and Bankruptcy Code, 2016 (IBC) before the National Company Law Tribunal (NCLT) in respect of the said borrowers, which involve an amount of about Rs. 2.69 lakh crore of funded exposure (as of December 2017). RBI has also issued a revised framework for resolution of stressed assets, which provides for time-bound resolution of high-value stressed accounts.

(e) A number of measures have been taken to expedite and enable resolution of NPAs of Scheduled Commercial Banks. IBC has been enacted to create a unified framework for resolving insolvency and bankruptcy matters. Under this, by adopting a creditor-in-saddle approach, with the interim resolution professional taking over management of affairs of corporate debtor at the outset, the incentive to resort to abuse of the legal system has been taken away. This, coupled with debarment of wilful defaulters and persons associated with NPA accounts from the resolution process, has effected a fundamental change in the creditor-debtor relationship. The Banking Regulation Act, 1949 has been amended to provide for authorisation to RBI to issue directions to banks to initiate the insolvency resolution process under IBC. As per RBI's directions, cases have been filed under IBC before the NCLT in respect of 39 large defaulters, involving funded exposure amounting to about Rs. 2.69 lakh crore (as of December 2017).

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been amended to make it more effective with provision for three months imprisonment in case the borrower does not provide asset details and for the lender to get possession of mortgaged property within 30 days. Also, six new Debts Recovery Tribunals have been established to expedite recovery.

In addition, under the PSBs Reforms Agenda, PSBs have created Stressed Asset Management verticals for stringent recovery, segregated pre- and post-sanction follow-up roles for clean and effective monitoring, initiated creation of online one-time settlement platforms and committed to monitoring large-value accounts by tying up with Agencies for Specialised Monitoring for loans of Rs. 250 crore and above.

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