

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 3993
TO BE ANSWERED ON THE 10th AUGUST 2018 / SHRAVANA 19, 1940 (SAKA)

QUESTION
EXTENDED DEADLINE FOR RESOLUTION OF STRESSED ASSETS

3993: SHRI RAM CHARITRANISHAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Banks may seek an extension of the 180 days deadline to resolve stressed assets as the proposed structure to set up asset management companies and stressed asset funds may not be in place by the time rules stipulated in RBI's circular comes into effect;
- (b) if so, the details thereof;
- (c) whether the regulator's circular has mandated the deadline for moving the National Company Law Tribunal, if stressed assets was not resolved; and
- (d) 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 no such proposal has been received from banks.

(c) and (d): RBI has apprised that as per its circular on Resolution of Stressed Assets — Revised Framework, dated 12.2.2018, in respect of accounts with aggregate exposure of the lenders at Rs. 2,000 crore and above, on or after 1.3.2018 ('reference date'), including accounts where resolution may have been initiated under any of the previous schemes as well as accounts classified as restructured standard assets which were in respective specified periods, a resolution plan (RP) has to be implemented as per the following timelines:

(i) If in default as on the reference date, then 180 days from the reference date.

(ii) If in default after the reference date, then 180 days from the date of first such default.

RBI has further apprised that an RP in respect of such large accounts is not implemented as per the timelines specified above, lenders shall file insolvency application, singly or jointly, under the Insolvency and Bankruptcy Code, 2016 (IBC) within 15 days from the expiry of the said timeline. Further, the said transition arrangements shall not be available for borrower entities in respect of which specific instructions have already been issued by RBI to banks for reference under IBC, and lenders shall continue to pursue such cases as per earlier instructions.
