

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
STARRED QUESTION NO: \*35  
TO BE ANSWERED ON THE 24<sup>th</sup> JUNE, 2019 / ASHADHA 3, 1941 (SAKA)

QUESTION  
Wilful Defaulters

**\*35: SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:  
SHRISRIRANGA APPABARNE:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the cases of wilful defaulters of banks have increased during the last five years;
- (b) if so, the details thereof and the reasons therefor including the number of such defaulters reported to the Government by the Nationalised Banks during each of the last five years;
- (c) the details of the Government policy to deal with such defaulters; and
- (d) the amount recovered from the such defaulters by the Nationalised Banks/Union Government during the said period?

ANSWER  
FINANCE MINISTER  
(SMT. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

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**Statement as referred to in reply to paras (a) to (d) of Lok Sabha Starred Question no. \*35 for answer on 24<sup>th</sup> June, 2019/ Ashadha 3 (Saka), 1941 regarding “Wilful Defaulters” by SHRI KUNWAR PUSHPENDRASINGH CHANDEL and SHRI SRIRANGA APPABARNE, Hon’ble Member of Parliament**

(a) to (d): Details of wilful defaulters declared by nationalised banks during the last five financial years are at Annex.

Wilful defaulters have been acted against comprehensively. As per data reported by nationalised banks, till 31.3.2019, suits for recovery have been filed in 8,121 cases. In cases involving secured assets, action under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been initiated in 6,251 cases. Further, in accordance with RBI instructions of initiation of criminal proceedings wherever necessary, FIRs have been registered in 2,915 cases.

Moreover, to deter wilful defaulters, as per RBI’s instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years. Further, *vide* Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2016, wilful defaulters and companies with wilful defaulters as promoters/directors have been debarred from accessing capital markets to raise funds. In addition, the Insolvency and Bankruptcy Code, 2016 has debarred wilful defaulters from participating in the insolvency resolution process.

Additionally, for effective action against wilful defaulters fleeing Indian jurisdiction, the Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment and confiscation of property of fugitive offenders and has disentitled them from defending any civil claim. Further, Government has advised Public Sector Banks (PSBs) to decide on publishing photographs of wilful defaulters, in terms of RBI’s instructions and as per their Board-approved policy, and to obtain certified copy of the passport of the promoters/directors and other authorised signatories of companies availing loan facilities of more than Rs. 50 crore. Heads of PSBs have also been empowered to request for issue of Look Out Circulars (LOCs).

As per data reported by nationalised banks, an amount of Rs. 7,654 crore has been recovered from wilful defaulter accounts during the last five financial years.

Lok Sabha Starred Parliament Question No. \*35, for 24.6.2019

**Data on wilful defaulters for Nationalised Banks**

<b>Financial year</b>	<b>Total number of wilful defaulters declared by end of the financial year (including wilful defaulters declared in previous years)</b>
2014-15	5,349
2015-16	6,575
2016-17	7,079
2017-18	7,535
2018-19	8,582

*Source: Banks*