

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE

**LOK SABHA**  
**STARRED QUESTION NO. \*56**  
**ANSWERED ON 24.07.2023**

**National Asset Reconstruction Company (NARC)**

**\*56. Shri Velusamy P.:**

Will the Minister of FINANCE be pleased to state:

- (a) the total aggregate of debt as on date of National Asset Reconstruction Company (NARC) and the details of companies acquired by it;
- (b) whether the NARC has been able to recover money from the bad loan acquired by it;
- (c) if so, the details of amount recovered; and
- (d) the steps taken/being taken by the Government to recover the remaining bad debts?

**ANSWER**

**FINANCE MINISTER**  
**(SMT. NIRMALA SITHARAMAN)**

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

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**Statement referred to in reply to parts (a) to (d) in respect of Lok Sabha Starred Question No. \*56 for reply on 24.07.2023 regarding National Asset Reconstruction Company (NARC) asked by Shri Velusamy P.**

(a) to (d): The National Asset Reconstruction Company Limited (NARCL) has apprised that as on 17.7.2023, it has acquired 3 borrower entities, *viz.* Jaypee Infratech Limited, SSA International Limited, Helios Photo Voltaic Limited, with an aggregate debt exposure of Rs. 21,349 crore. NARCL has further informed that these assets have been acquired only in the fourth quarter of the financial year (FY) 2022-23, and no recovery has been made in these accounts as of 17.7.2023. Further, in respect of one more account, *i.e.* SPML Infra Limited, letter of approval for debt acquisition of Rs. 1,994.90 crore has been issued by the lenders, and in-principal approval for the government guarantee has also been issued.

Comprehensive measures have been taken by the Government and RBI to recover the bad debts, enabled by which, scheduled commercial banks have recovered a total amount of Rs. 7.16 lakh crore (RBI provisional data for FY 2022-23) during the last five financial years. These measures include, *inter alia*, the following:

- (1) Change in credit culture has been effected, with IBC fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners, and debarring wilful defaulters from the resolution process. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC.
- (2) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been amended to make it more effective.
- (3) Pecuniary jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakh to Rs. 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions.
- (4) Public sector banks have created Stressed Asset Management Verticals for stringent recovery, segregated pre- and post-sanction follow-up roles for clean and effective monitoring, and engaging specialised monitoring agencies for monitoring of large-value accounts.
- (5) NARCL has been set up as an asset reconstruction company with an aim to resolve stressed assets above Rs. 500 crore each. Government has also approved extending a guarantee of up to Rs. 30,600 crore to back security receipts issued by NARCL for acquisition of loan assets from lenders.
- (6) Prudential Framework for Resolution of Stressed Assets was issued by RBI in 2019 to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.

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