

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA
STARRED QUESTION NO. 202
ANSWERED ON 5TH MARCH, 2020

HIGH NPA PERCENTAGE OF IDBI IN THE ROAD SECTOR

*202. SHRI VASANTHAKUMAR H.:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS
सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the Ministry is aware that for the Industrial Development Bank of India (IDBI), the Non Performing Assets (NPAs) percentage is as high as 52% of total loans disbursed for road sector and if so, the details thereof;
- (b) the reasons why this huge amount has turned to be NPA in road sector;
- (c) the list of projects not taken up or delayed or pending across the country as a result thereof during the last three years and the current year, State/UT-wise; and
- (d) the steps taken/proposed to be taken by the Government in this regard?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) to (d) A STATEMENT is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (A) TO (D) OF LOK SABHA
STARRED QUESTION NO. 202 ANSWERED ON 05TH MARCH, 2020 ASKED BY SHRI
VASANTHAKUMAR H. REGARDING “HIGH NPA PERCENTAGE OF IDBI IN THE
ROAD SECTOR”**

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(a) to (c) As per its 236th report, the Department related Parliamentary Standing Committee on Transport, Tourism and Culture had observed that Industrial Development Bank of India (IDBI) had total exposure of Rs.7885 crore as on March 31, 2016 with NPAs as high as 52% of the total loan disbursed for road sector and that too for a single concessionaire i.e Jaypee Infratech Ltd.

Jaypee Infratech Limited's account constituted 90.80% of the total NPA of IDBI Bank in this sector. The loan account of Jaypee Infratech was part of Reserve Bank of India (RBI) Asset Quality Review (AQR) 2015. The account was restructured in March 2015 with a repayment of 19 years which was not in line with para 15.2.2 (iii) of RBI Master Circular on IRAC Norms dated July 01, 2014 and the account was downgraded as NPA with effect from March 19, 2015 i.e. restructuring date. Later on with a view to recover the overdues, IDBI Bank, through Debt Asset Swap had acquired unencumbered land parcels and adjusted the overdues in the account as on March 31, 2016. However, it was observed that one of the clauses of the 'Debt Asset Swap' envisages the reverse transfer of assets to the company, if the bank is unable to effect a sale of the asset within stipulated timeframe. Therefore, the same was considered as an act of restructuring and the account was treated as Sub-Standard for the entire outstanding as on March 31, 2016. As at quarter ending December 31, 2019, the account is fully provided.

(d) The steps taken by RBI to reduce NPAs include following:

- (i) RBI has issued relevant guidelines to Banks on formulation/ review loan policy, loan recovery policy, establishing recovering cell, fixing of recovery targets, review on slippages in assets classifications, and strengthen the mechanism with the help of IT & MIS system.
- (ii) Direction for disclosure on divergence
- (iii) Setting up the Central Repository of Information on Large Credits (CRILC) database.
- (iv) Framework for identifying, reporting and monitoring 'Willful Defaulters' and Non-Cooperative Borrowers.
- (v) Guidelines on Early Warning Signals (EWS) and Red Flagged Accounts (RFA)
- (vi) Prudential Framework for Resolution of Stressed Assets
- (vii) Guideline on Large Exposure Framework
- (viii) Circular on Un-authorized Operation of Internal/Office Accounts
- (ix) Calibration of Supervisory Approach
- (x) Introduction of Sharper and More Forward Looking Off-Site Surveillance Frameworks
- (xi) Additional Focus on Conduct and Compliance Risks
- (xii) Process Audit of critical processes in the banks
- (xiii) Minimum Supervisory Expectations (MSEs)

(xiv) Advisory Board for Banking Frauds (ABBF)

(xv) MSME Sector - Restructuring of Advances

Further, the following steps have also been taken by Government to expedite the delayed NH Projects:

- Streamlining of land acquisition
- Revamping of Disputes Resolution mechanism
- Award of projects after adequate preparation in terms of land acquisition, clearances etc. from other Ministries/ Departments
- One Time Fund Infusion to revive languishing NH Projects
- Exit Policy for Equity Investors
- Securitization of road sector loans
- Rationalize compensation for delays attributed to authority
- Policy on Harmonious Substitution of concessionaire in the ongoing & completed NH Projects
- Notification of Guiding Principles for Resolution of Stuck Projects aiming at foreclosure of projects which are stuck on account of the concessionaire/contractor in NCLT or mutual default of both Authority and Contractor/Concessionaire.
