

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
**LOK SABHA**  
**STARRED QUESTION NO. \*305**  
ANSWERED ON-16.3.2020

**Wilful Defaulters**

\*305: SHRI RAHUL GANDHI:

Will the Minister of FINANCE be pleased to state:

- (a) the bank-wise details of the top 50 wilful defaulters at present including the funds advanced and the amount written off;
- (b) the steps taken by the Government to recover the loans advanced;
- (c) the defaulter-wise details of the recovered loan amount;
- (d) whether the Government has taken any concrete steps to consolidate credit information for the early detection of bank frauds;
- (e) if so, the details thereof; and
- (f) the details of the current credit information infrastructure in India and the information which is collected?

**ANSWER**

THE FINANCE MINISTER

(SMT. NIRMALA SITHARAMAN)

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

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**Statement as referred to in reply of Lok Sabha Starred Question no. \*305 for answer on 16<sup>th</sup> March, 2020/ Phalguna 26, 1941 (Saka) regarding “Wilful Defaulters” by SHRI RAHUL GANDHI, Hon’ble Member of Parliament**

(a) to (f): With regard to details of wilful defaulters, Reserve Bank of India (RBI) has informed that under the Central Repository of Information on Large Credits (CRILC) database, banks report certain credit information of all borrowers who are having aggregate fund-based and non-fund based exposure of Rs. 5 crore and above. Information on top fifty wilful defaulters based on the sum of funded amount outstanding and amount prudentially or technically written-off, as reported by banks in CRILC as on 31.12.2019, furnished by RBI, is at Annex.

A number of steps have been taken by the Government to recover loans advanced, which include, *inter-alia*, the following:

- (1) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code (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 and debarring them from raising funds from the market.
- (2) 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.
- (3) Suits for recovery of dues are also filed by banks before Debts Recovery Tribunals (DRTs). Six new DRTs have been established to expedite recovery.
- (4) Key reforms have been instituted as part of the Public Sector Banks Reforms Agenda, including, *inter alia*, the following:
  - (i) Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above Rs. 250 crore.
  - (ii) To ensure timely and better realisation in one-time settlements (OTSs), online end-to-end OTS platforms have been set up.

Enabled by the above steps, as per RBI data on global operations, the NPAs of scheduled commercial banks (SCBs), after reaching a peak of Rs. 10,36,187 crore as on 31.3.2018, declined to Rs. 9,58,156 crore as on 31.12.2019 (provisional data as on 31.12.2019). Further, SCBs have effected recovery of Rs. 5,12,687 crore over the last four financial years and the third quarter of the current financial year, including record recovery of Rs. 1,56,692 crore during the financial year 2018-19.

With regards to defaulter-wise details of recovered loan amount, RBI has informed that information in this regard is not maintained by it.

With regard to steps taken for early detection of fraud, RBI has informed that as part of continuous monitoring of frauds, RBI has launched Central Fraud Registry (CFR), a web based searchable database of frauds reported by the banks, in January 2016. CFR contains data for the last 13 years and is shared with the reporting entities and intended to serve as a tool for timely identification, control and mitigation of fraud risk and as also for carrying out due diligence during credit sanction process. Apart from CFR, RBI has issued several caution advices detailing names of fraudsters and their modus operandi. Besides this, RBI brought new framework for dealing with loan frauds and Red Flagged Accounts (RFA) in May 2015, wherein banks were advised to classify potential fraud accounts as RFA based on observation/evaluation of Early Warning Signals noticed in the accounts. The framework stipulated timelines with actions incumbent on banks. The time lines in the loan life-cycle are expected to compress the time taken by a bank to identify a fraud and aid more effective action by law enforcement agencies.

With regard to credit information structure, RBI has informed that there are four Credit Information Companies (CICs) operating in India viz. TransUnion CIBIL Limited, Experian Credit Information Company of India Pvt. Ltd., CRIF High Mark Credit Information Services Pvt. Ltd., and Equifax Credit Information Services Pvt. Ltd. These companies collect credit information from member credit institutions. As per section 2 (d) of Credit Information Companies (Regulations) Act, 2005, credit information means any information relating to amounts and nature of loans or advances, amounts outstanding under credit cards and other credit facilities, the nature of security taken for credit facilities, the guarantee furnished, or any other non-fund-based facility granted to the borrower. RBI has further informed that credit information companies also collect following information:

- (i) Information on commercial papers issued by the companies
- (ii) Unhedged foreign currency exposures of individual borrowers
- (iii) Credit information relating to individual SHG members
- (iv) Borrowers with outstanding amount aggregating Rs.1 crore and above classified as doubtful or loss assets
- (v) Suit filed accounts of wilful defaulters of Rs. 25 lakh and above

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**Bank-wise details of aggregate funded amount outstanding & amount technically/Prudentially written off, pertaining to top fifty wilful defaulters**

Amounts in crore Rs.

<b>Bank</b>	<b>Sum of funded amount outstanding &amp; amount technically / prudentially written off</b>
Allahabad Bank	2,089
Andhra Bank	2,330
Axis Bank Limited	809
Bank of Baroda	5,188
Bank of India	2,681
Bank of Maharashtra	812
Canara Bank	2,939
Central Bank of India	6,504
Corporation Bank	1,038
Federal Bank Ltd	26
ICICI Bank Limited	771
IDBI Bank Limited	2,571
Indian Bank	403
Indian Overseas Bank	2,753
Karnataka Bank Ltd	133
Karur Vysya Bank Ltd	184
Kotak Mahindra Bank Ltd.	36
Lakshmi Vilas Bank Ltd	105
Oriental Bank of Commerce	1,342
Punjab and Sind Bank	126
Punjab National Bank	13,473
State Bank of India	13,432
Syndicate Bank	876
Tamilnad Mercantile Bank Ltd	32
UCO Bank	2,889
Union Bank of India	2,324
United Bank of India	311

Source: RBI

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