

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. †3680
ANSWERED ON 16.03.2020

NPAs of LIC

†3680. SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the LIC has a Non Performing Assets (NPAs) of approximately Rs. 30,000 crore or even more than that;
- (b) if so, the amount outstanding on various companies out of the said NPAs at present, company-wise;
- (c) the time when the LIC had provided the said amount to the said companies; and
- (d) the steps being taken by the Government to deal with the said NPAs of LIC?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (c): As reported by Life Insurance Corporation of India (LIC), its net Non-Performing Assets (NPAs) stood at Rs.1453.11 crore as on 31st December 2019; out of which 196 companies constitutes corporate debts and 52 are State Government Agencies as on 31st December 2019. The details of credit related information can not be disclosed as financial institutions are required by law to maintain secrecy about the affairs of their constituents.

(d): A Stressed Assets Cell has been set up in LIC to deal exclusively with NPAs. It reviews the debt assets to take prompt action on the basis of early warning signals viz. rating downgrade of company/instrument, account moving into Special Mention Accounts (SMA) category, voluntary disclosure by company, dissemination of information by other lenders etc., or, if any, incipient stress is noticed in the sector.

Stressed Assets Cell regularly follows up with the borrowers for the repayment and periodically evaluates the collateral securities.

Further, due to certain extraneous factors like Industrial slowdown, lack of demand, judicial decisions, natural calamities etc., the debt accounts turn into NPAs. Possible resolution of NPAs are made through restructuring of account, refinancing of account by other lenders, assignment of Debt, One Time Settlement (OTS) route etc. Various legal options are adopted for recovery of NPAs such as action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI), which allows banks and financial institutions to auction assets of defaulters to recover debt, filing original application as per Debt Recovery Tribunal (Procedure) Rules, 1993, participating in Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 through National Company Law Tribunal (NCLT) and filing application for winding up in NCLT etc.

LIC is part of Inter Creditor Agreement (ICA) for resolution of stressed Assets in line with Banks and other Financial Institutions as per RBI's circular dated 07.06.2019.
