

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-†2103
ANSWERED ON- 08/03/2021

WILFUL DEFAULTERS

†2103. SHRIMATI RANJANBEN DHANANJAY BHATT

Will the Minister of FINANCE be pleased to state:

- (a) whether there is an increase in the number of wilful defaulters of bank loans, if so, the details thereof;
- (b) whether the Government is considering to take any concrete and effective steps for the recovery of such bank loans; and
- (c) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (c): Reserve Bank of India (RBI) has informed that Scheduled Commercial Banks (SCBs) and All India Financial Institutions (AIFI) report certain credit information of all borrowers having aggregate fund-based and non-fund-based exposure of Rs. 5 crore and above to the Central Repository of Large Credit (CRILC) database. As per CRILC data, the number of unique borrowers reported as wilful defaulters by SCBs and AIFI was 2,221 as on 31.3.2019, and 2,432 as on 31.3.2020.

Wilful defaulters have been acted against comprehensively. As per data reported by Public Sector Banks, till 31.12.2020, suits for recovery have been filed in 10,611 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 8,175 cases. Further, in accordance with RBI instructions of initiation of criminal proceedings wherever necessary, FIRs have been registered in 3,889 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).
