

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-849
ANSWERED ON- 7/2/2022

RECAPITALISATION OF BANKS

849. SHRI MANISH TEWARI

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that heavy haircuts have been doled out to large companies such as Essar, DHFL and Videocon, costing the banking sector thousands of crores;
- (b) if so, the details of all such haircuts and discounts given to big corporations during the last five years;
- (c) whether it is a fact that the Government has recapitalized many banks in the recent years if so, the details of the funds used to recapitalize banks during the last five years;
- (d) the details of the functioning of Asset Reconstruction Companies (ARCs) and the NPAs recovered through deals made with ARCs including the amount of haircuts taken by banks; and
- (e) the details of all the Corporate Insolvency Resolution Processes under IBC that have crossed their time limit of 180 days extendable upto 270 days?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) and (b): As per inputs received from the Ministry of Corporate Affairs (MCA), as on 31.12.2021, 43 large corporate debtors, each with total admitted claims of Rs. 2,500 crore and above, were resolved through the market driven corporate insolvency resolution process (CIRP) under the Insolvency and Bankruptcy Code, 2016. These corporate debtors (CD) owed a total of Rs 5.44 lakh crore to financial creditors while their liquidation value was Rs. 1.06 lakh crore. Further, realisable value for financial creditors through the approved resolution plans was Rs. 1.91 lakh crore, which is 179% of the liquidation value of these corporate debtors, and 35 % of the admitted claims. Details in respect of these companies including Essar Steel and DHFL are at Annex. The matter related to Videocon has not reached finality and fresh bids are being invited, as per the National Company Law Appellate Tribunal's order dated 5.1.2022.

(c): Government has infused Rs. 3,10,997 crore to recapitalise banks during the last five financial years *i.e.*, from 2016-17 to 2020-21, out of which Rs. 34,997 crore were sourced through budgetary allocation and Rs. 2,76,000 crore through issuance of recapitalisation bonds to these banks.

(d): Assets reconstruction companies (ARCs) are granted certificate of registration by the Reserve Bank of India (RBI) for commencing the business of securitisation or asset reconstruction, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT). ARCs acquire financial assets as per their Board-approved Financial Asset Acquisition Policy, which each ARC is required to have in place as per RBI guidelines. Further, an ARC, for the purposes of asset reconstruction, may take the following measures, *viz.* —

- (i) the proper management of the business of the borrower, by change in, or takeover of, the management of the business of the borrower;
- (ii) the sale or lease of a part or whole of the business of the borrower;
- (iii) rescheduling of payment of debts payable by the borrower;
- (iv) enforcement of security interest in accordance with the provisions of the SARFAESI Act;
- (v) settlement of dues payable by the borrower;
- (vi) taking possession of secured assets in accordance with the provisions of the SARFAESI Act;
- (vii) conversion of any portion of debt into shares of a borrower company.

As per RBI data as on 30.9.2021, ARCs have acquired assets valuing Rs. 3.74 lakh crore from banks and financial institutions, with aggregate acquisition cost of Rs. 1.04 lakh crore.

(e): As per inputs received from MCA, as on 31.12.2021, CIRP is ongoing in respect of 1699 corporate debtors, out of which, process has exceeded the timeline of 180 days in respect of 1355 corporate debtors.

Lok Sabha Unstarred Parliament Question No. 849, for 7.2.2022

Details of large companies (with total admitted claims of Rs. 2500 crore and above) resolved under the Insolvency and Bankruptcy Code, 2016

Amounts in crore Rs.

Name of Corporate Debtor	Admitted Claims of Financial Creditors (FCs)	Liquidation Value	Realisable Amount by FCs
Adhunik Metaliks Limited	5,371	432	410
Alok Industries Limited	29,524	4,433	5,052
Amtek Auto Limited	12,641	1,543	2,615
Asian Colour Coated Ispat Limited	6,567	619	1,538
Bhushan Energy Limited	2,780	721	730
Bhushan Power & Steel Limited	47,158	9,514	19,350
Bhushan Steel Limited	56,022	14,541	35,571
Binani Cements Limited	6,469	2,301	6,469
Castex Technologies Limited	7,522	501	1,266
Dash Exports Private Limited	4,800	28	27
Deccan Chronicle Holdings Limited	8,181	530	358
Dewan Housing Finance Corporation Limited	87,083	26,850	37,161
Dighi Port Limited	3,057	356	651
Electrosteel Steels Limited	13,175	2,900	5,320
EMC Limited	6,150	422	538
Essar Power M P Limited	12,068	1,733	2,500
Essar Steel India Limited	49,473	15,838	41,018
Garden Silk Mills Limited	2,090	694	718
Gupta Infratec Private Limited	3,327	65	70
Jet Airways (India) Limited	7,454	2,555	1,010
Jyoti Structures Limited	7,365	1,023	3,691
Kohinoor CTNL Infrastructure Company Private Limited	2,528	330	2,246
Korba West Power Company Limited	5,032	1,455	1,167
Kumar'S Metallurgical Corporation Ltd	5,607	16	41
Lanco Teesta Hydro Power Limited	2,503	132	878
Lanco Thermal Power Limited	33,331	132	136

Monnet Ispat and Energy Limited	11,015	2,365	2,892
Murli Industries Limited CN	2,783	231	348
Odisha Slurry Pipeline Infrasructure Limited	3,387	1,199	2,353
Orchid Pharma Limited	3,527	1,309	1,035
Orissa Manganese & Minerals Ltd	5,389	301	310
Pradip Overseas Limited	2,650	101	126
Ramsarup Industries Limited	5,852	614	351
Reliance Infratel Limited	41,055	4,340	4,236
Ricoh India Limited	1,728	444	200
Ruchi Soya Industries Limited	9,385	2,391	4,093
Sai Wardha Power Generation Limited	4,738	597	635
SEL Manufacturing Company Limited	7,242	998	1,090
Splendid Metal Products Limited	3,632	269	438
Ushdev International Limited	3,293	67	197
Uttam Galva Metalics Limited	3,634	866	1,111
Uttam Value Steel Private Limited	2,479	696	818
Zion Steel Limited	5,367	15	15

Source: Ministry of Corporate Affairs
