

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**

**UNSTARRED QUESTION NO: 877**

**TO BE ANSWERED ON THE 18<sup>th</sup> DECEMBER, 2018/AGRAHAYANA 27, 1940 (SAKA)**

QUESTION

**PROTECTION OF WILFUL LOAN DEFAULETRS FROM DISCLOSURE**

**877. SHRI NEERAJ SHEKHAR:**

**SHRI RAVI PRAKASH VERMA:**

Will the Minister of FINANCE be pleased to state:

- a) whether former Governor of RBI had submitted a list of wilful loan defaulters to Government;
- b) if so, the details thereof along with the date on which it was submitted to Government;
- c) the details of action taken against the above wilful defaulters by Government till date;
- d) whether Government is not divulging the names of above defaulters; and
- e) if so, under which rules/law Government is shielding the defaulters?

**ANSWER**

**To be answered by**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRI SHIV PRATAP SHUKLA)**

(a): No, sir.

(b) and (c): Do not arise. However, a number of steps have been taken in respect of wilful defaulters, including, *inter-alia*, the following:

(i) As per Reserve Bank of India (RBI) instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, their unit is debarred from floating new ventures for five years, and lenders may initiate criminal proceedings against them, wherever necessary.

(ii) As per data reported by Public Sector Banks (PSBs), till 30.9.2018, 2,571 FIRs have been registered against wilful defaulters, 9,363 suits have been filed for recovery from

them, and action has been initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of 7,616 cases of wilful defaulters.

(iii) As per Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wilful defaulters and companies with wilful defaulters as promoters/directors are debarred from accessing capital markets to raise funds.

(iv) The Insolvency and Bankruptcy Code, 2016 has been amended to debar wilful defaulters from participating in the insolvency resolution process.

(v) Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment of property of a fugitive economic offender, confiscation of his property and disentitle him from defending any civil claim.

(vi) Government has asked PSBs to examine all accounts exceeding Rs. 50 crore, if classified as NPA, from the angle of possible fraud.

(d) and (e): Reserve Bank of India (RBI) has apprised that the list of suit-filed defaulters of Rs. 1 crore and above and the list of suit-filed wilful defaulters of Rs. 25 lakh and above are available in public domain on the websites of Credit Information Companies (CICs). RBI has also apprised that the list of non-suit filed defaulters of Rs. 1 crore and above and non-suit filed wilful defaulters of Rs. 25 lakh and above is confidential in nature and is exempted from disclosure under section 45E of the Reserve Bank of India Act, 1934. Further, RBI, *vide* circular dated 27.6.2014, has advised all banks / financial institutions to submit the said list to all CICs directly and not to RBI from December 2014 onwards.

RBI has also apprised that, in a pending case, it has submitted to Supreme Court a list of defaulters above Rs. 500 crore in a sealed cover, claiming that the said information is confidential, and has requested that it may not be revealed to the public. The matter is under the consideration of Supreme Court.

RBI has also apprised that a lending institution can consider publication of the photographs of only those borrowers who have been declared as wilful defaulters following the mechanism set out in RBI instructions, for which the lending institutions shall formulate a policy with the approval of their Board of Directors which clearly sets out the criteria based on which the decision to publish the photographs of a person covered in paragraph above will be taken by them so that the approach is neither discriminatory nor inconsistent.

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