

Action against PSB defaulters

1827. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) the names of the parties who have been declared defaulters by PSU banks and amount outstanding; and

(b) what punitive steps were taken against the defaulting parties and the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) and (b) The borrower's details are not disclosed as prescribed under Section 45E of the Reserve Bank of India (RBI) Act, 1934. However, to address the concerns expressed over the persistence of willful default in the financial system, the RBI introduced Master Circular on Wilful Defaulters (updated on July 1, 2015), allowing sharing of the information on suit filed cases (suit filed cases of wilful default of ₹ 25 lakh and above and suit filed cases of default of ₹ 1 crore and above) on the websites of the four Credit Information Companies; viz. (i) Experian Credit Information Company of India Private Limited, (ii) Equifax Credit Information Services Private Limited, (iii) High Mark Credit Information Services Private Limited and (iv) Credit Information Bureau (India) Limited (CIBIL).

As on 30.09.2015 a total of 7265 wilful defaulters have been declared and out of that FIR has been filed in 1624 cases.

Reserve Bank of India (RBI) has issued guidelines (July 1, 2015, available on RBI's website) on wilful defaulters to dis-incentivize borrowers who have money and do not pay or have diverted the funds or siphoned off funds or removed assets given as security, indicting action that includes; (i) restricting additional facilities to such defaulters from banks and financial institutions, (ii) barring of such borrowers from institutional (iii) criminal action, (iv) removal of directors of such companies from boards and (v) change in management.

Loan recovery by PSBs and FIs from deprived sections of society

†1828. SHRI RAMDAS ATHAWALE: Will the Minister of FINANCE be pleased to state:

(a) whether Government has taken or propose to take steps to review the discrepancies of the policy adopted for granting and recovering loans by banks and financial institutions for the welfare of poor, people of deprived category, unemployed youths workers and farmers;

† Original notice of the question was received in Hindi.