

dated April 28, 2001. This is a Model Education Loan Scheme for providing financial support to meritorious students for pursuing higher education in India and abroad.

Taking into account spells of under-employment/unemployment, the scheme provides for Repayment Holiday/Moratorium of Course period + 1 year, additional periods of moratorium during the life cycle of the loan, moratorium for the incubation period if the student wants to take up a start-up venture after graduation, extension of repayment period to 15 years to reduce Equated Monthly Instalment (EMI), etc. Government of India has also launched a Credit Guarantee Fund Scheme for Education Loans (CGFEL) for loans upto ₹ 7.50 Lakh. The fund provides guarantee to the extent of 75% of the defaulted amount. Further, Banks have been advised to adopt a non-coercive strategy for recovery of education loans.

As per information received from RBI, NPAs of Scheduled Commercial Banks in education sector, as on 31.03.2019, is 8.3%.

Recovery plan from top 100 wilful defaulters

2569. SHRI SYED NASIR HUSSAIN: Will the Minister of FINANCE be pleased to state:

- (a) whether the number of loan defaulters in the country have risen in last three years;
- (b) if so, whether the financial institutions have made a survey on the lenders;
- (c) whether 40 per cent of loan defaulters are wilful defaulters;
- (d) if so, the details thereof and action taken by Government including the action plan for loan recovery from top 100 borrowers; and
- (e) the amount borrowed by top 100 borrowers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (e) As per Reserve Bank of India (RBI)'s data on global operations, aggregate gross advances of Scheduled Commercial Banks (SCBs) increased from ₹ 25,03,431 crore as on 31.3.2008 to ₹ 68,75,748 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, *inter-alia*, aggressive lending practices, wilful default/loan frauds/corruption in some cases, and economic slowdown. Asset Quality-Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non Performing Assets (NPAs). As a result of AQR and subsequent transparent recognition by banks,

stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of SCBs, as per RBI data on global operations, rose from ₹ 3,23,464 crore as on 31.3.2015, to ₹ 7,90,556 crore as on 31.3.2017, to ₹ 10,36,187 crore as on 31.3.2018, and as a result of Government's strategy of recognition, resolution, recapitalisation and reforms, have since declined by ₹ 1,02,562 crore to ₹ 9,33,625 crore, as per RBI's provisional data, as on 31.3.2019.

With regard to loan defaulters, RBI has furnished the number of defaulting borrowers with exposure above ₹ 5 crore as reported by SCBs to the Central Repository of Information on Large Credit for the end of the preceding three financial years (FYs), as per which the percentage of defaulting borrowers out of the total number of borrowers with exposure of ₹ 5 crore and above, has reduced from 12.86% at the end of FY 2016-17 to 12.05% at the end of FY 2018-19. Further, as per data reported by RBI, the total number of wilful defaulters in SCBs with exposure of ₹ 5 crore and above during FY 2018-19 was 764, which is 9.39% of the total number of defaulters with exposure of ₹ 5 crore and above.

As per RBI data on global operations, the total funded amount outstanding of top 100 borrowers for FY 2018-19 (provisional data) was ₹ 4,07,189 crore. As per RBI data on global operations (provisional data for the financial year ending March 2019), SCBs have recovered ₹ 4,01,424 crore over the last four financial years, including record recovery of ₹ 1,56,746 crore during FY 2018-19 (provisional data).

Recovery of dues from the borrowers in NPA accounts, including the top 100 NPA accounts, takes place on an ongoing basis under legal mechanisms, which include, *inter-alia*, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act and Debts Recovery Tribunals (DRTs). Comprehensive efforts have been made to expedite and enable resolution of NPAs of banks, resulting in the recovery of ₹ 4,01,424 crore by SCBs over the last four financial years, including, *inter alia*, the following:—

- (1) The Insolvency and Bankruptcy Code, 2016 (IBC) has been enacted, which has provided for the taking over management of the affairs of the corporate debtor at the outset of the corporate insolvency resolution process. Coupled with debarment of wilful defaulters and persons associated with NPA accounts from the resolution process, this has effected a fundamental change in the creditor-debtor relationship.

- (2) SARFAESI Act has been amended to make it more effective, with provision for three months' imprisonment in case the borrower does not provide asset details and for the lender to get possession of mortgaged property within 30 days.
- (3) Suits for recovery of dues are also filed by banks before DRTs. Six new DRTs have been established to expedite recovery.
- (4) Under the PSB Reforms Agenda, PSBs have created Stressed Asset Management Verticals to focus attention on recovery, segregated monitoring from sanctioning roles in high-value loans, and entrusted monitoring of loan accounts of above ₹ 250 crore to specialised monitoring agencies for clean and effective monitoring, and created online end-to-end One-Time Settlement platforms for timely and better realisation.

Scheme to provide loans under short term agriculture loan

2570. SHRI SYED NASIR HUSSAIN: Will the Minister of FINANCE be pleased to state:

- (a) whether Government has any scheme to provide loans under short-term agriculture loan to those farmers who repay their first loan within the scheduled time at low cost of interest;
- (b) if so, the number of farmers who have got benefited under the said scheme in Maharashtra in the last three years; and
- (c) the steps being taken by Government to allot requisite funds to the State Government in time under the above said scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) In order to provide short term crop loans upto ₹ 3.00 lakh to farmers at a concessional interest rate of 7 per cent per annum, the Government of India in the Department of Agriculture Cooperation and Farmers Welfare (DAC&FW) implements an interest subvention scheme which provides interest subvention of 2% per annum to lending institutions viz. Public Sector Banks (PSBs), Private Sector Commercial Banks (in respect of loans given by their rural and semi urban branches only), Regional Rural Banks (RRBs) and Cooperative Banks on use of their own resources. Besides, additional 3% incentive is given to the farmers for prompt repayment of the loan, thereby reducing the effective rate of interest to 4%.

- (b) As reported by the National Bank for Agriculture and Rural Development (NABARD) the number of farmers who have availed crop loans from Cooperative Banks