

Recovering of public money from companies

1649. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that around 15 companies are responsible for one third of the total NPA's of nationalised Public Sector Banks (PSBs);
- (b) if so, the details thereof, company-wise; and
- (c) the time by when Government plans to recover the public money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) Reserve Bank of India (RBI) has informed that the total amount of Non-Performing Assets (NPAs) involved in top 15 NPA borrowers - funded amount outstanding, as reported by PSBs to RBI under the Central Repository of Information on Large Credit (CRILC) for borrowers (with exposure of ₹ 5 crore and above), as on 30.9.2019 (provisional data), is ₹ 1,40,548 crore. PSBs have effected record recovery of ₹ 3,35,770 crore over the last four financial years and the first quarter of the current financial year, including record recovery of ₹ 1,27,987 crore during the financial year 2018-19.

RBI has further apprised that under the provisions of section 45E of the Reserve Bank of India Act, 1934, RBI is prohibited from disclosing credit information. Section 45E provides that credit information submitted by a bank shall be treated as confidential and not be published or otherwise disclosed.

Government has implemented a comprehensive 4R's strategy, consisting of recognition of NPAs transparently, resolution and recovery of value from stressed accounts, recapitalising of PSBs, and reforms in PSBs and the wider financial ecosystem for a responsible and clean system. Comprehensive steps have been taken under the 4R's strategy to reduce NPAs of PSBs, including, *inter-alia*, the following:—

- (i) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/ owners and debarring wilful defaulters from the resolution process and debarring them from raising funds from the market.

- (ii) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 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.
- (iii) Suits for recovery of dues are also filed by banks before DRTs. Six new DRTs have been established to expedite recovery.
- (iv) Over the last five financial years including the current financial year till date, PSBs have been recapitalised to the extent of ₹ 3.89 lakh crore, with infusion of ₹ 3.13 lakh crore by the Government and mobilisation of over ₹ 0.76 lakh crore by PSBs themselves enabling PSBs to pursue timely resolution of NPAs.
- (v) Key reforms have been instituted in PSBs as part of the PSBs Reforms Agenda, including the following:—
 - a. Board-approved loan policies of PSBs now mandate tying up necessary clearances/approvals and linkages before disbursement, scrutiny of group balance-sheet and ring-fencing of cash flows, non-fund and tail risk appraisal in project financing.
 - b. Use of third-party data sources for comprehensive due diligence across data sources has been instituted, thus mitigating risk on account of misrepresentation and fraud.
 - c. Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above ₹ 250 crore.
 - d. To ensure timely and better realisation in one-time settlements (OTSs), online end-to-end OTS platforms have been set up.

Note: Figures cited above for recovery and capital in respect of PSBs include those for IDBI Bank Limited, which was recategorised as a private sector bank by RBI with effect from 21.1.2019.