

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
STARRED QUESTION NO: *119

TO BE ANSWERED ON THE 9th FEBRUARY 2018/MAGHA 20, 1939 (SAKA)

QUESTION
RESTRUCTURING OF LOANS OF WILFUL DEFAULTERS

***119: SHRI SANJAY DHOTRE:**
SHRI RAHUL SHEWALE:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government has restructured the loans of wilful defaulters in the country during each of the last three years and the current year, and if so, the details thereof including the amount involved in such restructuring, State/UT-wise and bank-wise;
- b) the criteria/norms followed by the banks in restructuring of loans of wilful defaulters in the country;
- c) whether cases of deviation from the said criteria/norms by banks in restructuring of loans of wilful defaulters have been noticed by the Government during the said period and if so, the details thereof, bank-wise; and
- d) whether the Non-Performing Assets (NPAs) of Banks have touched an alarming level due to such restructuring of loans of wilful defaulters during the said period, if so, the details thereof along with the remedial measures taken by the Government in this regard, bank-wise?

ANSWER
FINANCE MINISTER
(SHRI ARUN JAITLEY)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT AS REFERRED TO IN REPLY TO PARAs (A) TO (D) OF
LOK SABHA STARRED QUESTION NO. *119 FOR ANSWER ON
9th FEBRUARY, 2018/ MAGHA 20, 1939 (SAKA) BY SHRI SANJAY DHOTRE
AND SHRI RAHUL SHEWALE REGARDING RESTRUCTURING OF
LOANS OF WILFUL DEFAULTERS**

(a) to (d): As per the instructions of the Reserve Bank of India (RBI), wilful defaulters are normally not eligible for restructuring. However, loans of wilful defaulters may be restructured provided the Joint Lenders Forum (JLF), after review of the reasons for classification of a borrower as a wilful defaulter, is satisfied that the borrower is in a position to rectify the wilful default, and the bank Boards of individual banks within the JLF, who have classified the borrower as wilful defaulter, approve restructuring.

Public Sector Banks have informed that no restructuring of loans of wilful defaulters has taken place during the last three financial years and the current financial year.
