

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:225  
ANSWERED ON:10.03.2000  
BANK LOAN DEFAULTERS  
SHIVAJI MANE;UMMAREDDY VENKATESWARLU

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the issue of making public the names of bank loan defaulters has been discussed by the Central Vigilance Commissioner with RBI;
- (b) if so, the details thereof alongwith the reaction of RBI in this regard;
- (c) the difficulties being faced by the banks in making public the names of borrowers who are wilful defaulters; and
- (d) the steps taken or proposed to be taken by the Government for disclosure of the names of wilful defaulters?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b), (c) & (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.225 FOR 10.03.2000 REGARDING LOAN DEFAULTERS TABLED BY SHRI SHIVAJI MANE AND PROF. UMMAREDDY VENKATESWARLU.

(a), (b) & (c):- Reserve Bank of India (RBI) had received a request from the Central Vigilance Commission to arrange to publicize the names of wilful defaulting borrowers of banks and financial institutions (FIs). Under the banking laws in force, disclosure of names of borrowers of banks and financial institutions is not permissible except under the circumstances as provided under various statutes. However, there is no prohibition on disclosure of the names of defaulters against whom suits have been filed. Legal opinion obtained by the RBI is consistent with well-established canons of world-wide ethics that a bank will not disclose state of banking affairs of its customers. This obligation of secrecy with regard to the banking affairs of the customers is founded on an implied contract, which has been accepted and well-recognized.

(d):- RBI publishes as on 31st March every year a list of borrowers (with outstanding aggregating Rs.1 crore and above) against whom suits have been filed by banks and FIs for recovery of their dues. A list of suit filed accounts as on 31.3.1999 has been placed in the Parliament Library and is also available on RBI website <http://www.rbi.org.in>.