

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:200  
ANSWERED ON:22.02.2013  
CORPORATE DEBT RESTRUCTURE  
Pandey Shri Ravindra Kumar

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

(a) the details of companies subjected to Corporate Debt Restructuring (CDR) in last three years along with its impact on management, promoters and lenders; and

(b) the existing mechanism to prevent the misuse of CDR and the measures taken recently to protect the principal/interest of lenders?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): The details of companies subjected to Corporate Debt Restructuring (CDR) during the last three years is as under:

| Financial Year | No. of cases | Amount (Rs. In crore) |
|----------------|--------------|-----------------------|
|----------------|--------------|-----------------------|

|         |    |         |
|---------|----|---------|
| 2010-11 | 27 | 6614.40 |
|---------|----|---------|

|         |    |          |
|---------|----|----------|
| 2011-12 | 50 | 39601.05 |
|---------|----|----------|

|                            |    |          |
|----------------------------|----|----------|
| 2012-13 (up to 15.02.2013) | 73 | 62176.41 |
|----------------------------|----|----------|

|       |     |           |
|-------|-----|-----------|
| TOTAL | 150 | 108391.86 |
|-------|-----|-----------|

Impact of CDR on Management/Promoters is as under:

# Easing of company's cash flows by way of extension of repayment period, reduction in rate of interest and funding of interest for limited period. # Infusion of fresh funds by promoters.

Impact of CDR on lenders is as under:

# Protection of stakeholders' interest. # Asset classification protection as per Reserve Bank of India (RBI) Guidelines. # Sacrifice by lenders, which is to be recompensed by borrower on successful exit.

(b): The existing mechanism stipulates minimum rate of interest for all the facilities to be the base rate of lending; pledging of promoters' shares in all the cases; promoters' personal guarantee (mandatory) in all the cases; promoters' contribution raised from 15% to minimum 25% and reducing the timeline for viability as the measures to prevent misuse of the CDR.