

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA**

UNSTARRED QUESTION NO. 2219

TO BE ANSWERED ON MONDAY, August 02, 2021/11 Sravana, 1943 (Saka)

“Oil Shipments Seized by Enforcement Agencies”

2219. SHRI ASADUDDIN OWAISI :

Will the Minister of FINANCE be pleased to state:

(a) the number of oil shipments from Sandesaras Nigerian business, SEEPCO Nigeria or re-sold via Glencore, UK Seized by Indian Enforcement Agencies since January, 2018 till date along with their value, year-wise;

(b) the efforts made by Indian Banks, BSE, NSE and SEBI in Sterling Biotech limited matter to ensure safeguard investors interest and PSBs NPA recovery and Sandesara Group fraud matter on oil receivable from SEEPCO Nigeria along with their value;

(c) the steps taken by RBI and the Department of Financial Services to closely monitor PSBs NPA recovery and protect Tax payers money and funds infusion by banks;

and

(d) the further steps taken or being taken by the Government in this regard?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

Part (a)-

No, Sir. No oil shipments of SEEPCO Nigeria has been seized by Indian Enforcement Agencies since January, 2018 till date.

Part (b)-

The efforts made by Indian Banks, SEBI in Sterling Biotech Limited matter to safeguard investors interests and NPA recovery, are as below:

SEBI has initiated the following action:

- 11B order dated June 22, 2021 has been passed inter-alia restraining Mr. Nitin Sandesara and Mr. Chetan Sandesara -
 - i. from accessing the securities market for a period of 5 years.
 - ii. from holding any position of Director or key management personnel in any listed company or any intermediary registered with SEBI.
 - iii. from associating themselves with any listed public company or a public company which intends to raise money from the public or any intermediary registered with SEBI.
- Prosecution has also been initiated against Mr. Chetan Sandesara for noncompliance of summons issued to him.

Adjudication proceedings have been initiated inter-alia against Mr. Nitin Sandesara and Mr. Chetan Sandesara in the said matter vide Show Cause Notice dated June 29, 2018.

- Banks have taken the following actions against Sterling Biotech Limited to recover their outstanding:
 - i Recovery suits were filed in the Debts Recovery Tribunal (DRT) against the borrower and its guarantors.
 - ii Corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (IBC) was initiated in the National Company Law Tribunal (NCLT).
 - iii Borrowers, guarantors and promoter directors in the accounts of Sterling Biotech Limited and its group companies were declared as wilful defaulters.

As on date, lenders have recovered an amount Rs. 383 crore in the account of Sterling Biotech Limited.

Part (c) and Part (d)-

The important measures/ steps taken by the RBI and Government to deal with NPAs are detailed below:

Comprehensive steps have been taken to monitor and recover non-performing assets (NPAs) of banks, including Public Sector Banks (PSBs). Various steps taken in this regard include the following:

- (1) Central Repository of Information on Large Credits (CRILC) to collect, store and disseminate credit data to lenders has been set up by the Reserve Bank of India (RBI), and banks are required to submit report on weekly basis to CRILC in case of any default by borrowing entities with exposure of Rs. 5 crore and above.

- (2) Banks have been advised by RBI to—
- i review at Board level, slippages in asset classification of loan accounts with outstanding of Rs. 5 crore and above, and NPA accounts registering recoveries of Rs. 1 crore and above;
 - ii establish recovery cells at their head office for close monitoring of recovery performance; and
 - iii make their information technology and management information system robust so as to generate reliable and quality information regarding asset quality for effective decision-making.
- (3) Key reforms have been instituted in PSBs as part of the Public Sector Banks Reforms Agenda, including, inter alia, the following:
- i Stressed Asset Management Verticals were set up in banks for focussed slippage prevention, and time-bound recovery action in respect of large-value stressed assets.
 - ii 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.
 - iii 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.
 - iv 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 Rs. 250 crore.
 - v To ensure timely and better realisation in one-time settlements (OTSs), end-to-end OTS platforms have been set up in PSBs.
- (4) Change in credit culture has been effected, with 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. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC. Under IBC, resolution plans have been approved in 394 cases up to June 2021, with Rs. 2.45 lakh crore amount realisable by financial creditors.
- (5) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest 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.
- (6) Jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakh to Rs. 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions. Six new DRTs have also been established to expedite recovery.
- (7) With Government infusion supplementing the raising of capital by PSBs from market, PSBs have achieved a high provisioning coverage ratio of 83.7% as on 31.3.2021, equipping them to take decision on resolution of NPAs without being constrained on account of such decision impacting their profitability.
