

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 297
TO BE ANSWERED ON THE 24th JUNE, 2019/ASHADHA 3, 1941(SAKA)

QUESTION
Recovery of Bad Debts

297: SHRIMATI RATHVAGITABEN VAJESINGBHAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes any special schemes to recover the bad debts through selling of equity of the closed companies;
- (b) if so, the details thereof, company-wise;
- (c) the details of restructuring process of the debt recovery scheme; and
- (d) the manner in which the Government will comply with the Banking Regulation Act on such takeover process?

ANSWER

To be answered by
FINANCE MINISTER
(SMT. NIRMALASITHARAMAN)

(a) to (d): Recovery and resolution under existing mechanisms include sale of pledged equity of defaulting borrowing companies by their lenders, and for conversion of defaulting borrowing company's debt into equity (which may subsequently be sold) in name of the lenders, as per approved resolution plan, subject to guidelines issued by Reserve Bank of India. No special scheme for selling of equity of closed companies is under consideration.
