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# SC to hear if names of bank defaulters can be made public

By [Samanwaya Rautray](#), ET Bureau | Oct 25, 2016, 01.01 AM IST

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NEW DELHI: The [Supreme Court](#) asked the [Reserve Bank of India](#) why the names of borrowers that owe more than Rs 500 crore to the country's banks shouldn't be made public.

"The borrower may complain, but why should the RBI have a complaint?" chief justice TS Thakur said after the central bank's counsel resisted the suggestion on the ground that all may not be "wilful defaulters."

"Why should they be considered wilful defaulters? This is public money. The public must know. The amounts involved are phenomenal. The public must know the magnitude of the problem," said Thakur, who was sitting alongside justices L Nageshwar Rao and DY Chandrachud. Thakur estimated debt to the public banking system that had not been restructured at Rs 3-4 lakh crore. He pegged restructured loans at Rs 10 lakh crore.

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"The disclosure will be in the interest of the nation. RBI and the banks must now see what should be done to ensure recoveries," Thakur said. Solicitor general Ranjit Kumar also opposed any court direction to make the information public. The RBI had, in compliance with an earlier order, submitted the names to the court in a sealed cover. The court opened the envelope and examined its contents on Monday. Kumar said the Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983, barred the publicizing of such information. In any case, a committee had already been set up to deal with the issue of non-performing assets (NPAs) of banks, he argued.

[Prashant Bhushan](#), counsel for NGO Centre for [Public Interest Litigation](#) (CPIIL) that had drawn the court's attention to the bad loans issue, contested the composition of the committee on the ground that most of the members were party to approving the loans.

The committee comprising a former State Bank of India chairman and a former central vigilance commissioner has been set up by the Indian Banks' Association in consultation with the RBI and the finance ministry.

Bhushan wanted the court to instead ask former RBI Governor Raghuram Rajan to probe the NPAs. The CJI observed wryly: "He's already left for Chicago. We can't call him back for this."

The activist-lawyer then argued that banks were bound by a December 2015 Supreme Court order to share all such information with the public. The Indian Banks' Association, the RBI and the additional solicitor general opposed this interpretation vehemently.

They instead urged the court to hear their arguments against sharing such information with the public. Bhushan dismissed the RBI's claim of fiduciary trust as "bogus". Revealing such information to the public would be a deterrent and act as a check on those who collude in keeping the magnitude of the problem a secret, he said.

Thakur said he would examine this issue at length on November 14. "Why should it be withheld from the public?" he asked again. "These people have swallowed up crores of public money? But you (banks) don't want it not to be revealed. How does it affect you?"

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