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# PSU banks take recovery action against 5,954 wilful defaulters

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NEW DELHI: Public sector banks have taken loan recovery action under Sarfaesi law against 5,954 wilful defaulters owing about Rs 70,000 crore to the lenders.

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At the end of March 31, 2017, 21 banks together have taken action against 5,954 wilful defaulter under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act, as per data collated by the [Finance Ministry](#).

The country's largest lender [SBI](#) has taken action against 1,444 such defaulters with [outstanding loan](#) of Rs 20,943 crore.

Remaining 20 banks have taken action against 4,510 wilful defaulters with outstanding loan of Rs 48,496 crore.

Total outstanding loans due to public sector banks by wilful defaulters amounted to Rs 92,376 crore, according to the finance ministry data.

The total outstanding loans by wilful defaulters rose to Rs 92,376 crore at the end of financial year 2016-17, from Rs 76,685 crore at the end of fiscal 2015-16 -- up 20.4 per cent.



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At the same time, there has been close to 10 per cent increase in the number of wilful defaulters on annual basis. It increased to 8,915 at the end of March as against 8,167 in the previous fiscal.

Out of 8,915 cases of wilful defaults, banks have filed FIR (first information report) in 1,914 cases with outstanding loans of Rs 32,484 crore.

During 2016-17, 27 public sector banks, including SBI and its five associates, had written off Rs 81,683 crore, the highest in the last five fiscals. The amount was 41 per cent higher than that in the previous fiscal.

Gross [NPAs](#) of the public sector banks rose to Rs 6.41 lakh crore at the end of March 2017 as against Rs 5.02 lakh crore a year ago.

In order to check incidences of wilful default, [RBI](#) has tightened the norms and made it clear that promoter of the defaulting company cannot escape from his responsibility even if he is not a whole-time director.

As per earlier guidelines, a bank couldn't label a non- whole-time director of a company as a wilful defaulter unless there was conclusive evidence that the individual was aware of the wilful default by the company and had not objected to it.

A wilful default occurs when a borrower does not honour an obligation despite having the capacity to pay or siphons off funds by disposing of assets without the knowledge of the bank, according to RBI.

RBI has allowed banks to name and shame wilful defaulters by publishing their photographs.

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