

ITEM NO.10 COURT NO.1 SECTION PIL(W)

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Writ Petition(s)(Civil) No(s). 573/2003

CENTRAL FOR PUBLIC INTEREST LITIGATION

Petitioner(s)

VERSUS

HOUSING & URBAN DEVELOPMENT CORP.LTD&ORS
(with office report)

Respondent(s)

Date : 16/02/2016 This petition was called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE
HON'BLE MRS. JUSTICE R. BANUMATHI
HON'BLE MR. JUSTICE UDAY UMESH LALIT

For Petitioner(s) Mr. Prashant Bhushan,Adv.
Mr. Rohit Kumar Singh, Adv.

For Respondent(s) Mr. Ranjit Kumar, SG,
MS. Binu Tamta, Adv.
Mr. D.L.Chidananda, Adv.
Mr. R.K.Verma, Adv.
Mr. D. S. Mahra,Adv.

Mr. Gopal Jain, Sr. Adv.
MS. Ruby Singh Ahuja, Adv.
Mr. Vishal Gehrana, Adv.
Mr. Milind Sharma, Adv.
Mr. Karan Dev Chopra, Adv.

Mr. Kuldeep S.Parihar, Adv.
Mr. H. S. Parihar,Adv.

Mr. P. Parmeswaran,Adv.

Mr. Pranab Kumar Mullick,Adv.
MS. Soma Mullick, Adv.

Signature Not Verified

Mr. Sebot Kumar Deuria, Adv.

Digitally signed by
Mahabir Singh
Date: 2016.02.17
10:24:21 IST
Reason:

Mr. Rajeev Sharma,Adv.
Ms. Radhalakshmi, Adv.
Mr. Sahil Bhalaik, Adv.

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Mr. Varun Singh, Adv.
Mr. Vikas Mehta,Adv.

UPON hearing the counsel the Court made the following
O R D E R

Mr. Prashant Bhushan, learned counsel for the petitioner

has today filed a detailed note based on the averments made in the writ petition and Central Vigilance Commission (CVC) report submitted pursuant to the directions of this Court dated

29.08.2005. Certain additional documents are also filed to point

out that the problem of advancing loans to undeserving borrowers is

not confined only to HUDCO but extends to several other financial

institutions including public sector banks. He submits by

reference to a report published in "The Indian Express" that during

the year 2015 loans advanced to private parties that were written

off are in the range of nearly Rs. 40,000/- crores. From the same

report, it appears that top ten banks have in the last three

financial years written off loans of more than Rs. 80,000/- crores

as bad debts. Mr. Bhushan submits that several of such

defaulters owe huge amounts to the banks and financial institutions

in excess of Rs. 500/- crores or so in each case. He further

submits that in terms of 5/25 scheme for Corporate Debt

Restructuring introduced by the Reserve Bank of India, many of

these debts are being restructured by waiving of the interest due

on the principal amount. He points out that according to his

information debts of more than Rs. 3,00,000/- crores have been

restructured over the past few years. He submits that keeping in

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view the nature of the controversy in the present proceedings filed

in public interest, Reserve Bank of India may be added as a party

respondent to these proceedings and directions issued to it to

place on record information relating to the defaulters in excess of

Rs. 500/- crores including the details of borrowers whose debts of

more than Rs. 500 crores have been restructured under the scheme

afore-mentioned. We see no reason to decline that prayer. We

accordingly add Reserve Bank of India through its Governor as party

respondent No. 6. Mr. H.S.Parihar, Adv. who appears for the RBI in

other matters is directed to accept notice and file an affidavit of

a responsible officer of the Bank setting out the details of the

debts and restructuring already done and extent of bad debts written off during the past five years.

Mr. Parihar submits that particulars of defaulters may not be accurately available with the Bank and even if it is available, the information may be confidential. In the circumstances, we direct that whatever information regarding bad debts is available with the RBI in regard to the debtors who are in default of payment of amounts more than Rs. 500/- crores shall be filed along with the affidavit in a sealed cover. Needful shall be done within six weeks.

Post after six weeks.

(Shashi Sareen)
AR-cum-PS

(Veena Khera)
Court Master