

RBI has further reported that frauds involving more than Rs. 1 crore and above are specifically monitored by the central office of the RBI. RBI have advised that in January, 1996 a case of fraud involving Rs. 1.38 crores was reported to have occurred in the Jaipur (M.I. Road) branch of the State Bank of Bikaner & Jaipur in one of the accounts. It was reported that the borrower in collusion with the branch Manager fabricated the financial statements on the basis of which credit facilities were obtained from the bank and huge cash withdrawals were allowed in the account. The matter was reported to the CBI who after investigations have filed a case for prosecution of the Manager in Court. The bank has since recovered the principal amount of Rs. 1.38 crores.

#### Target for Recovery/Reduction of NPA

1076. SHRI JANG BAHADUR SINGH PATEL :

DR. JAYANTA RONGPI :

PROF. PREM SINGH CHANDUMAJRA :

DR. CHINTA MOHAN :

DR. SUSHIL INDORA :

DR. BIZAY SONKAR SHASTRI :

Will the Minister of FINANCE be pleased to state:

(a) whether the amount of Non-Performing Assets (NPA) in banks have been increasing for the last few years;

(b) if so, the details thereof;

Year ended	Gross NPAs	% to gross advances	Net NPAs	% age to net advances
31.3.1996	1474.34	7.99	747.42	4.61
31.3.1997	2542.31	9.03	1650.06	6.12
31.3.1998	4067.67	12.14	1848.48	5.60

It may be seen from the above data that the gross NPAs have increased both in absolute as well as percentage terms.

(c) and (d) The RBI does not fix any specific targets for reduction of NPAs of the individual banks. Reduction of NPAs to certain levels committed by banks themselves is an important component of the performance obligations, commitments of the 19 Nationalised Banks. Statement-I showing the reduction of NPAs of PSBs as on 31st March 1998 on account of upgradation, compromise/write off and recoveries of NPAs is enclosed.

(e) As reported by the RBI all commercial banks have been advised to lay down loan policy as well as loan recovery policy etc. prepared and duly vetted by their boards of Directors. Thus each bank is now required to have a loan recovery policy which sets down the manner of recovery of

(c) whether any target for recovery/reduction of NPAs has been fixed by RBI for individual nationalised banks and whether the same is monitored periodically;

(d) If so, the details thereof and the achievements made, bank-wise and month-wise;

(e) the procedure followed in the case of private sector banks to recovery, reduce NPAs and the amount recovered, bank-wise and month-wise;

(f) whether any action has been taken against the authorities in public and private sector banks who are responsible;

(g) if so, the details thereof; and

(h) the amount written off during the last five years both in the private and public sector banks, bank-wise and year-wise and the level to which such a decision was taken?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The Reserve Bank of India (RBI) has reported that the gross and net NPAs of public sector banks stood at Rs. 41660.94 crores and Rs. 18297 forming 18.01% and 8.90% to gross and net advances recovered respectively as on 31st March, 1996 and at Rs. 456.53 crores and Rs. 21176.18 crores forming 16.02% and 8.13% of gross and net advances respectively as on 31st March, 1998.

The details relating to NPAs of private sector banks are furnished below :-

dues targeted level of reduction (period wise), norms for permitted sacrifice/waiver factors to be taken into account before considering waivers decision levels reporting to higher authorities and monitoring of write offs/waiver cases. However, these policies may differ from bank to bank in some respects depending upon factors such as composition of the individual bank's credit portfolio, credit mix etc.

(f) and (g) Banks look into the aspect of staff accountability in NPAs at the time of the slippage of a credit facility further into NPA and also while examining compromise/negotiated settlement proposal, as a part of the loan recovery policy approved by the Board, and where considered necessary banks initiate required action.

(h) The amount written off by public sector banks during 95-96, 96-97 is given in the attached Statement-II.

**Statement-I**  
**Public Sector Banks - Reductions in NPAs as on 31.03.1998 (Provisional)**

(Rs. crores)											
Name of the Bank	NPAs at the beginning of the year	Upgradation	% to total Reduction/rec. in NPA	Compromise write off	% to total Reduction/rec. in NPA	Recovery	% to total Reduction/rec. in NPA	Total of Reduction/rec. in NPA	Reduction/rec. as % to NPAs	Additions during the Year	NPAs at the end of the Year
State Bank of India	10961.54	716.00	28.23	667.00	26.30	1153.00	45.47	2536.00	22.12	3039.82	11465.36
State Bank of Bikaner & Jaipur	454.99	17.51	12.53	59.66	42.70	62.55	44.77	139.72	30.17	147.77	463.04
State Bank of Hyderabad	849.42	75.65	21.73	117.52	33.75	155.00	44.52	348.17	36.09	463.42	964.67
State Bank of Indore	266.76	7.32	9.89	24.52	33.12	42.20	57.00	74.04	24.69	107.11	299.83
State Bank of Mysore	467.06	45.49	40.88	26.15	23.50	39.63	35.62	111.27	20.65	183.04	538.83
State Bank of Patiala	454.80	29.85	22.02	91.78	67.72	13.90	10.26	135.53	26.33	195.48	514.75
State Bank of Saurashtra	326.40	15.45	22.33	18.69	27.01	35.06	50.66	69.20	18.97	107.58	364.78
State Bank of Travancore	586.85	48.90	32.06	39.13	26.74	60.28	41.20	146.31	16.06	1470.46	911.00
<b>Total of SBI Group</b>	<b>14367.82</b>	<b>954.17</b>	<b>26.80</b>	<b>1044.45</b>	<b>29.34</b>	<b>1561.62</b>	<b>43.86</b>	<b>3560.24</b>	<b>22.94</b>	<b>4714.68</b>	<b>15522.26</b>
Allahabad Bank	1302.89	64.09	26.45	115.78	47.77	62.48	25.78	242.35	16.61	398.39	1458.93
Andhra Bank	365.68	4.46	3.91	81.44	71.38	28.20	24.72	114.10	33.43	89.72	341.30
Bank of Baroda	3116.00	77.00	8.44	419.00	45.94	416.00	45.61	912.00	29.14	925.28	3129.28
Bank of India	2275.00	231.00	24.87	310.00	33.37	388.00	41.77	929.00	34.81	1323.00	2669.00
Bank of Maharashtra	749.43	15.42	7.26	128.37	60.41	68.70	32.33	212.49	29.97	172.15	709.09
Canara Bank	3323.72	226.00	27.97	156.00	19.31	426.00	52.72	808.00	22.56	1065.09	3580.81
Central Bank of India	2520.00	76.00	19.74	147.00	38.18	162.00	42.08	385.00	15.95	279.53	2414.53
Corporation Bank	316.78	5.59	8.49	21.56	32.75	38.69	58.76	65.84	19.26	90.92	341.86
Dena Bank	674.21	160.00	51.28	67.00	21.47	85.00	27.24	312.00	40.27	412.58	774.79
Indian Bank	3303.00	165.00	47.49	23.37	6.73	159.04	45.78	347.41	10.13	472.80	3428.39
Indian Overseas Bank	1317.00	38.00	8.15	268.00	57.51	160.00	34.33	466.00	37.13	404.00	1255.00
Oriental Bank of Commerce	367.56	0.00	0.00	61.08	48.48	64.90	51.52	125.98	31.71	155.65	397.23
Punjab & Sind Bank	1089.90	34.58	17.66	97.28	49.69	63.90	32.64	195.76	18.84	144.76	1038.90
Punjab National Bank	2426.14	67.00	9.87	386.00	56.85	226.00	33.28	679.00	27.75	699.86	2447.00
Syndicate Bank	1291.78	9.98	3.65	102.24	37.36	161.44	58.99	273.66	23.09	167.17	1185.29
UCO Bank	1872.62	13.92	3.75	176.33	47.54	180.66	48.71	370.91	20.83	278.59	1780.30
Union Bank of India	987.80	26.41	12.55	16.47	7.83	167.49	79.62	210.37	17.61	417.30	1194.73
United Bank of India	1398.00	10.00	10.31	12.00	12.37	75.00	77.32	97.00	6.69	150.00	1451.00
Vijaya Bank	511.96	10.23	10.35	28.17	28.50	60.45	61.15	98.85	18.55	119.84	532.95
<b>Total for Natl. Banks</b>	<b>29209.47</b>	<b>1234.68</b>	<b>18.04</b>	<b>2617.09</b>	<b>38.23</b>	<b>2993.95</b>	<b>43.73</b>	<b>6845.72</b>	<b>22.72</b>	<b>7766.63</b>	<b>39130.38</b>
<b>Total for PSBs</b>	<b>43577.29</b>	<b>2188.85</b>	<b>21.03</b>	<b>3661.54</b>	<b>35.19</b>	<b>4555.57</b>	<b>43.78</b>	<b>10405.96</b>	<b>22.79</b>	<b>12481.31</b>	<b>45652.64</b>

**Statement-II**

*Bad debts written off by the Nationalised Banks during the last two years*

(Amount in crores)

Sr. No.	Name of the Bank	1995-96	1996-97
1.	Allahabad Bank	6.71	21.39
2.	Andhra Bank	1.95	37.42
3.	Bank of Baroda	46.42	70.17
4.	Bank of India	307.08	217.15
5.	Bank of Maharashtra	56.52	47.30
6.	Canara Bank	169.49	18.20
7.	Central Bank of India	138.44	156.83
8.	Corporation Bank	19.13	0.94
9.	Dena Bank	51.92	58.76
10.	Indian Bank	115.94	10.28
11.	Indian Overseas Bank	75.01	375.73
12.	Oriental Bank of Commerce	0.82	46.22
13.	Punjab National Bank	53.14	150.34
14.	Punjab & Sind Bank	2.86	9.93
15.	Syndicate Bank	8.03	58.79
16.	Union Bank of India	38.81	30.57
17.	UCO Bank	110.98	220.57
18.	United Bank of India	36.51	65.48
19.	Vijaya Bank	13.26	12.72
Total		1253.02	1608.79

*Bad Debts written off by the State Bank of and its associate banks during the last two years*

(Amount in crores of rupees)

Sr. No.	Name of the Bank	1995-96	1996-97
1.	State Bank of India	398.69	293.67
2.	State Bank of Bikaner and Jaipur	24.98	26.45
3.	State Bank of Hyderabad	15.85	138.69
4.	State Bank of Indore	6.04	26.02
5.	State Bank of Mysore	5.72	12.09
6.	State Bank of Patiala	4.93	19.62
7.	State Bank of Saurashtra	4.02	2.38
8.	State Bank of Travancore	28.96	36.29
Total		489.19	553.21

**Yatri Niwas in Assam**

1077. SHRI NRIPEN GOSWAMI : Will the Minister of TOURISM be pleased to state:

(a) the details of proposals received from the Government of Assam for the construction of Yatri Niwas in the State;

(b) if so, the funds allocated to the State during 1997-98 for the purpose; and

(c) the number of Yatri Niwas in the State at present, location-wise?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI OMAK APANG) : (a) to (c) During 1997-98, the Ministry of Tourism provided funds for the construction of three Yatri Niwas amounting to Rs. 76 lakhs at Barpeta, Bhuban-Silchar and Betadrava.

One more Yatri Niwas was sanctioned at Guwahati in the year 1991-92.

In addition a number of tourist complexes, lodges and cottages have been sanctioned to the State Government.

**Industries in Kashmir Valley**

1078. PROF. SAIFUDDIN SOZ : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have conducted any survey/research for setting up of industries suitable for Kashmir Valley;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) and (b) The State Government of Jammu & Kashmir have reported that they have carried out the following surveys/studies for the entire Jammu & Kashmir State including Kashmir valley:

i) Study of small industries development in J & K through Administrative Staff College of India, Hyderabad.

ii) Techno Economic Survey of Leather and Leather based industries in J & K through central Leather Research Chennai.

iii) Rehabilitation of sick units through Entrepreneur Development Institute of India, Ahmedabad.

(c) Does not arise.

[Translation]

**Increase in Losses of Banks**

1079. SHRI RAM TAHAL CHAUDHARY :

SHRI MOHAMMAD ALI ASHRAF FATMI :

Will the Minister of FINANCE be pleased to state: