

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:198
ANSWERED ON:26.07.2002
INDUSTRIAL DEVELOPMENT BANK OF INDIA
THAAWAR CHAND GEHLOT

Will the Minister of FINANCE be pleased to state:

- (a) whether Industrial Development Bank of India (IDBI) has been facing financial crisis for the last few years;
- (b) if so, the details alongwith the reasons therefor;
- (c) the alternative measures adopted by IOBI to improve its financial position;
- (d) the number of the bogus companies as well as those which have since been closed to whom loans were provided by IOBI leading to financial crisis; and
- (e) the company-wise and State-wise details in this regard?

Answer

THE MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) & (b): Industrial Development Bank of India (IOBI) has reported that it was not facing any financial crisis.

(c): IOBI has adopted the following measures to improve its financial position:

- # Measures to contain Non-Performing Assets
- # Risk Management Initiatives . Measures to control costs
- # Augmentation of Tier-I Capital to improve Capital Adequacy Ratio

(d): IOBI has reported that they did not sanction any assistance to bogus companies as the verification of the antecedents of the promoters are undertaken alongwith the detailed appraisal of the projects before sanctioning any assistance. However some of the companies assisted by IOBI have turned sicklwere closed down due to a combination of environmental, Industry specific, unit specific factors.

(e) Does not arise