

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:340
ANSWERED ON:25.02.2000
LOANS TO BIG BUSINESS HOUSES
PRABHUNATH SINGH;SHEESH RAM SINGH RAVI

Will the Minister of FINANCE be pleased to state:

- (a) whether big business houses and Members of Confederation of Indian industry (CMI) who are in default of making payment of their outstanding bank loan are again given fresh loans by the same banks or other banks;
- (b) if so, the reasons for advancing loans to defaulters again and again; and
- (c) the details of bank defaulters who have again been given loans alongwith reasons therefor, bank-wise both public and private sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) to (c) Reserve Bank of India (RBI) has reported that under a scheme introduced in April, 1994 by RBI it has been collecting from and disseminating to, banks and financial institutions information on defaulters of banks and financial institutions with outstanding aggregating Rs. 1 crore and above whose account have been classified as doubtful or loss assets and where suits have been filed by banks and Financial Institutions for recovery of their dues. Banks and financial institutions make use of the information while considering, on merits, the requests for new and additional credit requirements by existing constituents and new constituents. Under the current provisions of law, disclosure of information about the borrowers of banks and financial institutions is prohibited except under circumstances as provided under the Statutes.