

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6093  
ANSWERED ON:05.05.2000  
INDUSTRIAL INVESTMENT BANK OF INDIA  
BASUDEB ACHARIA;MAHBOOB ZAHEDI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Central Vigilance Commission has complained that the performance of Industrial Investment Bank of India has steadily deteriorated due to rampant malpractices by its management;
- (b) if so, the details thereof;
- (c) whether out of Rs. 75 crores capital base, Rs. 50 crores were doled away to shady companies, thus turning it to Non-Performance Asset within a month;
- (d) if so, the details thereof; and
- (e) the steps taken against the officials who received generous kickbacks by giving the bad loans?

**Answer**

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

- (a) and (b) Central Vigilance Commission (CVC) has informed that they had received a source information regarding irregularities in sanctioning of credit in certain cases and alleged involvement of Industrial Investment Bank of India (IIBI) officials. CVC had sought a factual report from the Department of Banking Supervision of the Reserve Bank of India (RBI). Investigations were carried out by the RBI and a report has been sent to CVC for appropriate Action.
- (c) IIBI has reported that they have not doled away their capital to shady companies. Though assistance to companies is extended after thorough appraisal and scrutiny, there have been cases of Non-Performing Assets due to various reasons like, temporary cash crunch, business failure, recession in industry, economic condition in the country as a whole.
- (d) and (e) Does not arise.