

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1089

ANSWERED ON:05.08.2011

RECOVERY OF LOANS

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Will the Minister of FINANCE be pleased to state:

- (a) whether public sector banks are facing difficulties in the recovery of loans particularly from the big multinational companies and industrial houses;
- (b) if so, the details of such defaulters having an outstanding amount in excess of Rs. 1 crore, as on date, bank-wise;
- (c) a comparative figure of such bad debt between the Public Sector and Private Sector Banks as on date;
- (d) the steps taken / being taken by the Government to recover such outstanding loans alongwith progress made in this regard;
- (e) whether such outstanding loans of defaulters have been waived/written off in the recent past; and
- (f) if so, the details thereof and the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) & (b): Reserve Bank of India (RBI) disseminates list of non-suit filed borrowers of banks and Financial Institutions (FIs) with outstanding aggregating Rs. 1 crore and above as on 31st March and 30th September each year for their confidential use. Further, Credit Information Bureau (India) Limited (CIBIL) is maintaining a database on suit-filed accounts of Rs. 1 Crore and above. As on 30.09.2010 (latest available), the bank-wise details of non-suit filed and suit-filed defaulters of public sector banks of Rs. 1 crore and above are at Annex I & II respectively.

(c): The comparative figures of defaulters having outstanding amount of more than Rs 1 crore for public and private sector banks is given as under: Non-Suit filed accounts Suit filed accounts (As reported to RBI) (CIBIL website) (As on September 30, 2011) (As on September 30, 2011)

| No. of accounts | Amount (Rs crore) | No. of accounts | Amount (Rs crore) | Public Sector Banks | 1628 | 17,363 | 4043 | 34,558 |
|----------------------|-------------------|-----------------|-------------------|---------------------|------|--------|------|--------|
| Private Sector Banks | 592 | 4,477 | 1468 | 10,011 | | | | |

(d): To improve the health of financial sector, to reduce the NPAs, to improve asset quality of the banks and to create a good recovery climate, RBI and the banks have already taken various steps over the years, which, inter-alia, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, Corporate Debt Restructuring and other restructuring schemes, One Time Settlement schemes, enactment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, the Credit Information Companies (Regulation) Act, 2005 and the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993 etc. Due to these concerted efforts, the NPAs of public sector banks have been reduced to Rs. 29,897 crore and Rs. 43,016 crore during the year 2009-10 and 2010-11 respectively.

(e) & (f): Although, the banks have various channels of recovery for dealing with bad loans, they write-off bad loans after exhausting all the avenues of recovery including legal action and the recoverable value of the asset charged to the banks becomes nil. The details of write-offs by public and private sector banks during the financial years ended March 2009, 2010 and 2011 are given as under:
Write-Offs during the year ended (Rs. Crore) Mar-09 Mar-10 Mar-11 Public Sector Banks 7,217 10,966 17,292 Private Sector Banks 5,740 7,667 2,936

