

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2029
ANSWERED ON:02.12.2011
LOANS TO INDUSTRIAL HOUSES
Nagar Shri Surendra Singh;Sharma Shri Jagdish

Will the Minister of FINANCE be pleased to state:

- (a) the details of the loans disbursed by the public and private sector banks to the industrial houses of the country during each of the last three years and the current year, State-wise and bank-wise including IDBI;
- (b) the details of the target set for disbursal of loans to the industrial houses for year 2012-13;
- (c) the details of the industrial houses having liability of more than Rupee ten crores to the said banks, as on date, bank-wise;
- (d) the status of recovery of such loans during the said period; and
- (e) the steps taken / being taken by the Government for recovery of such loans from the said industrial houses?

Answer

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

(a): Reserve Bank of India (RBI) does not have the information in the desired manner. However, the bank-wise details of gross advances given by public sector and private sector banks are at Annex.

(b): Generally, banks do not set any target for disbursal of loans to industrial houses.

(c): RBI has put in place a scheme to collect details about borrowers of banks and Financial Institutions (FIs) with outstanding aggregating Rs. 1 crore and above which are classified as 'Doubtful' or 'Loss' or where suits are filed, as on 31st March and 30th September, each year. RBI disseminates list of above said non-suit filed borrowers 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. The number of defaulters of public sector banks having outstanding amount of more than Rs 1 crore is given as under:

Non-Suit filed accounts (As reported to RBI) (As on 31.03.2011)	Suit filed accounts (CIBIL website) (As on 31.03.2011)
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No. of accounts (Rs in crore)	Amount (Rs in crore)	No. of accounts (Rs in crore)	Amount (Rs in crore)
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1776	18897.31	3379	21428.80
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Section 45E of the Reserve Bank of India Act, 1934 prohibits the RBI for disclosing 'credit information' except in the manner provided therein.

(d) & (e): In order to improve asset quality of the banks and 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 Institution (DRT) Act, 1993, etc.

Banks have also been advised to:

1. Formulate and implement Loan Policy and Loan Recovery Policy with the approval of the Board of Directors;
2. Establish Recovery Cells at Head Office, fixing of recovery targets for various levels and close monitoring of recovery performance;
3. Review of NPA accounts of Rs.1 crore and above by Board of Directors with special reference to fixing of staff accountability and

review of top 300 NPA accounts by Management Committee of the Board;

4. Strengthen the risk management systems by putting in place institutional framework for identifying, monitoring and management of credit risk.

NPAs amounting to Rs. 7514 crore and Rs 15,642 crores were recovered during the year 2009-10 and 2010-11 respectively through the channels of Lok Adaiats, Debt Recovery Tribunals and SARFAESI Act, 2002.