

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2893

ANSWERED ON:24.07.2009

OUTSTANDING LOANS

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

- (a) whether loans of Multi National Companies (MNCs) and Industrial Houses are pending with Banks;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the process of recovery of aforesaid loans is similar to that of adopted for others;
- (d) if so, the details thereof; and
- (e) the corrective steps taken by the Government for recovery of such loans?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The existing Management Information System of the Reserve Bank of India (RBI) does not provide the information in the desired manner. However, as on last reporting Friday of the year 2008-09, total outstanding loans to the industrial sector (including small, medium and large industries) stood at Rs. 10,54,390 crore. Most of these outstanding loans are standard assets wherein the repayments are received by the banks in time, in usual course of business.

(c) & (d): The procedure for recovery of banks' dues depend upon the classification of the assets, amount of the outstanding loan, security available and its realizable value, applicability of the relevant provisions of law, RBI guidelines and recovery policy of the Bank, etc.

(e) 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 Government have 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 bank and Financial Institutions (DRT) Act, 1993 etc.