

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5891

ANSWERED ON:11.05.2012

IDENTIFICATION OF STRESSED ACCOUNTS

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Prataprao;Jaiswal Shri Gorakh Prasad ;Paranjpe Shri Anand Prakash;Raghavan Shri M. K.;Sayeed Muhammed Hamdulla A. B.
;Semmalai Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) the details of Non-Performing Assets (NPAs) in the banks, bank-wise;
- (b) whether the NPAs of Scheduled Commercial Banks (SCBs) are posing a threat to the viability of the banking system in the country;
- (c) whether there is any mechanism to identify and deal with the cover ups being used by certain unscrupulous persons to avoid repayment of the loans;
- (d) if so, the details thereof and success achieved therein;
- (e) whether the Reserve Bank of India (RBI) has also directed the banks to put in place a mechanism to identify stressed accounts and promptly restructure viable cases to preserve the economic value; and
- (f) if so, the details thereof and the response of the banks thereto, bank-wise?

Answer

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

(a): The details of bank-wise Gross Non-Performing Assets (GNPAs) of Scheduled Commercial Banks (SCBs) as on March 2012 is annexed.

(b): Although the GNPAs of SCBs have increased, the GNPA ratios of the banks do not indicate any systemic vulnerability.

(c) & (d): In order to prevent access to the capital market by the willful defaulters, the list of such defaulters is sent by Reserve Bank of India (RBI) to Securities and Exchange Board of India (SEBI). It has been decided that the banks should initiate penal measures against willful defaulters like:

Not granting additional facilities to them,

Debarring entrepreneurs/promoters of defaulting companies from institutional finance for floating new ventures for a period of 5 years etc.

Further, in case, any falsification of accounts on the part of the borrowers is observed by the banks, they should lodge a formal complaint against the auditors of the borrowers with the Institute of Chartered Accountants of India.

(e) & (f): RBI has prescribed guidelines for all banks on restructuring of loan accounts applicable to different types of borrowers i.e. Industrial units under the Corporate Debt Restructuring Mechanism; Small and Medium Enterprises and all other advances.