

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:8

ANSWERED ON:22.02.2013

BANKS OUTSTANDING LOAN AGAINST COMPANIES

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

- (a) the details of the loans disbursed to the various private sector companies / industrial houses by public-private sector banks during each of the last three years and the current year;
- (b) whether the said companies are making timely repayment of loans;
- (c) if so, the details thereof including loans outstanding against multinationals / industrial houses during the last three years;
- (d) the details of the recovery of such loans during the said period; and
- (e) the steps taken / proposed to be taken by the Government including fixing of time limit for speedy recovery of such loans?

**Answer**

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

(a) to (e): Reserve Bank of India (RBI) has informed that desired information is not available. However, the total advances to private companies and industrial houses, arrived at by subtraction of agriculture advances, retail advances and SSI / MSE advances from total Gross Advances are given as under:-

(Rs. In crore)

Bank Group	March 2010	March 2011	March 2012	December 2012
Public Sector Banks	15,21,127	18,06,806	21,60,417	22,05,702
Private Sector Banks	2,71,284	3,58,765	4,11,488	4,97,813

Source: latest updated OSMOS database

The recovery of the loans and advances disbursed is the primary responsibility of the concerned bank which is monitored at various levels in the bank.

Further, 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 (RDDBFI) Act, 1993, etc.

Furthermore, in order to ensure effective and expeditious recovery of defaulted loans of Banks and Financial Institutions through effective enforcement of their security interest, the SARFAESI Act and RDDBFI Act (DRT Act) have been amended. The Enforcement of Security interest and Recovery of Debts Laws (Amendment) Act, 2012 (No.1 of 2013) has been enacted bringing out certain amendments in the SARFAESI, Act, 2002 and RDDBFI Act, 1993.