

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2032

ANSWERED ON:31.07.2015

Credit Suisse Report

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

- (a) whether the Credit Suisse Report of 2012 highlighted that only 10 corporate groups are enough to wipe out almost the entire shareholder capital and the profits accumulated by the banks, if so, the details thereof; and  
(b) the steps taken / being taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI JAYANT SINHA)

(a) "Credit Suisse Report of 2012 indicated that the debt of 10 corporate groups amounted ? 5,39,450 crore which is inclusive of bank loan as well as debt from the market. The Capital and Reserve & Surplus, in 2011-12 of all Scheduled Commercial Banks was ? 6,08,561 crore."

(b) Major steps taken by the Government and Reserve Bank of India (RBI) for Containment of Non-Performing Assets (NPAs) in Banks:

i) The Government has decided to establish six new Debt Recovery Tribunals (DRT) (at Chandigarh, Bengaluru, Ernakulum, Dehradun, Siliguri, Hyderabad) to speed up the recovery of bad loans of the banking sector.

ii) RBI has released guidelines dated 30 January, 2014 for "Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy" suggesting various steps for quicker recognition and resolution of stressed assets:

? Creation of a Central Repository of Information on Large Credits (CRILC) by RBI to collect, store, and disseminate credit data to banks on credit exposures of Rs. 5 crore and above,

? The Framework for formation of Joint Lenders Forum (JLF), Corrective Action Plan (CAP), and sale of assets outlines formation of JLF and corrective action plan that will incentivise early identification of problem cases, timely restructuring of accounts which are considered to be viable, and taking prompt steps by banks for recovery or sale of unviable accounts.

iii) RBI has issued guidelines on July 15, 2014 and December 15, 2014 on Flexible Structuring of Loan Term Project Loans to Infrastructure and Core Industries. Long term financing for infrastructure has been a major constraint in encouraging larger private sector participation in this sector. On the asset side, banks will be encouraged to extend long term loans to infrastructure sector with flexible structuring to absorb potential adverse contingencies, (also known as the 5/25 structure).

iv) RBI now has come out with new category of borrower called Non-Cooperative borrower. A non-cooperative borrower is a borrower who does not provide information on its finances to the banks. Banks will have to do higher provisioning if they give fresh loan to such a borrower.

v) Taking further steps in the area of Asset Reconstruction Companies, RBI has tightened the norms for Asset Reconstruction Companies (ARCs), vide guidelines dated August 5, 2014, where the minimum investment in Security Receipts should be 15% which was earlier 5%.

vi) Stalled Projects: On 28.04.2015 a meeting at Mumbai to resolve the stalled project's issue was convened.

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