

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3564
ANSWERED ON TUESDAY, THE 12TH AUGUST, 2014**

OUTSTANDING LOANS OF CORPORATE GIANTS

QUESTION

3564. SHRI ISHWARLAL SHANKARLAL JAIN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government has failed to recover the outstanding loan amount from companies of corporate giants which have not been paid back for years;
- (b) if so, the names of these companies and their locations along with the quantum of outstanding loan on these companies;
- (c) whether Government extends fresh loan to these companies;
- (d) whether the Ministry has tried to identify such companies during the past three years and also tried to know the reasons behind the nonpayment of the loan; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE
IN THE MINISTRY OF CORPORATE AFFAIRS

(SMT. NIRMALA SITHARAMAN)

(a) to (e) No specific information is available regarding outstanding loans of corporate giants which have not been paid back for years. Section 45E of the RBI Act, 1934 and the Banking Laws provide for obligation of a bank or financial institutions to maintain secrecy about the affairs of its constituents.

To improve the health of the financial sector, reduce the NPAs, improve asset quality of banks, and to prevent slippages, Reserve Bank of India (RBI) has issued instructions which stipulate that each bank is to have a Board approved loan recovery policy in place. For information sharing of sanction of fresh loans/ad-hoc loans/renewal of loans to new or existing borrows, a robust mechanism has been put in place for early detection of signs of distress including prompt

restructuring in the case of all viable accounts, taking recourse to legal mechanism like SARFAESI Act, 2002, DRTs and Lok Adalats.
