

separate Audit Commission to audit the accounts of the banks is not considered necessary

Bad Debts of Banks

6454. **SKRI SANJAY DALMIA:** Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to ban those groups of companies and industrial houses which owe banks over Rs. 1 crore or more and which have been written off as bad debts, from further operations;

(b) whether Government also propose, as further punitive measure, to ban these companies, industrial houses, from funding capital markets and also prohibit them from opening private banks, Insurance company, etc;

(c) if so, by when these measures are likely to be made operative; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The Reserve Bank of India (RBI) has reported that there is no such proposal at present. However, under the 'Group Approach' concept, RBI has already issued instructions to banks and financial institutions that wherever within a "group" there is a company which is wilful defaulter to a bank/financial institution, the concerned bank/financial institution should invoke the group approach and inform all other banks/financial institutions cautioning them about making available further advances to such groups for the purpose of expansion or diversification.

(b) to (d). RBI has reported that while examining proposals for setting up new banks in the private sector, antecedents of the promoter companies and individuals are carefully looked into. Default in repayment of banks' dues will be taken into consideration

in evaluating the antecedents of the promoter companies.

RBI has also issued guideline to all scheduled commercial banks and financial institutions on 23rd April, 1984 with regard to disclosure of information regarding defaulting borrowers of banks and financial institutions. These guidelines, *inlet aha*, provide for submission by banks and financial institutions to RBI the details borrowal accounts which have been classified as Doubtful, Loss and Sui-filed win outstanding (both funded and non-funded) aggregating to Rs 1 crore and above, and circulation by RBI to banks and financial institutions of this information which they may make use of while considering on merits the requests for new additional credit limits by existing and new constituents. Based on the information so collected, RBI would publish every year in a booklet form the list of suit-
*!<!ed. accounts and also an update -of i he list half-yearly. Government also do not at present have any proposal to deny such defaulting groups at companies access to the capital markets.

Arid-inflationary Package

6455. **SHRI SYED SIBTEY RAZI:** Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to work out a crash anti-inflationary package very soon;

(b) if so, the details thereof, with background for such package;

(c) whether some expectations are attached to this package;

(d) if so, the details thereof and if not, the reasons therefor;

(e) whether these measures will reduce the concern of Government towards increasing inflation in the country; and

(f) if so, the details thereof and if not, the reasons therefor?