

(d) if so, the steps Government propose to take against CAs as well as companies involved in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) Searches have been conducted by the Department in the cases of a few Chartered Accountants and related persons. The modus operandi was opening of bogus bank accounts through which cash was routed as non-existent loans etc. Hawala entries of long term and short term capital gains and losses were provided by trading in shares of companies which existed on paper only.

(c) No such instance has come to the notice of the Government.

(d) In view of answer to Part (c) of the question, does not arise.

Failure of Banks in Recovery of NPAs

†1018. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks in the country have completely failed in the matter of recovery of their loans;

(b) if so, the total amount to be recovered by each of the Nationalised Banks as on 30th June, 2000;

(c) whether Government/Reserve Bank of India have issued any guidelines to such banks and the powers given to these banks for the recovery of the said loans within the specific time frame; and

(d) if so, the details thereof along with the other efforts being made for the recovery of the said loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) No Sir, Nationalised banks have been making continuous efforts to recover their dues by regular follow up, monitoring, compromise/negotiated settlement. If their efforts for recovery fail, suits are filed by the bank.

(b) the position of amount to be recovered by each of the

†Original notice of the question was received in Hindi.

nationalised banks i.e. the Gross and Net non-performing assets (NPAs) as on 31.3.2000 (Latest available) is given in the statement (See below).

(c) and (d) In May, 1999 RBI advised the Banks for setting up Settlement Advisory Committee (SACs), covering NPAs under small sector viz., Small Scale Industries Sector, Small Business including trading and personnel Segment and agriculture sector which were chronic and at least three years old as on 31.3.1999. These guidelines were issued on 27.5.1999 and were to be in operation till 30.09.2000. In the light of the feed-back received from Banks and in order to arrest the incidence of fresh NPAs covering all sectors, the May 1999 guidelines have been modified to provide a simplified, non-discriminatory and non-discretionary mechanism for recovery of stock of NPAs with outstanding upto Rs. 5 crore in all sectors. The salient features of the revised guidelines, are as under:

(i) The revised guidelines will cover all NPAs in all sectors irrespective of the nature of business, which have become doubtful or loss as on March 31, 1997 with outstanding balance of Rs. 5 crore and below on the cut off date.

(ii) The guidelines will also cover NPAs classified as sub-standard as on March 31, 1997, which have become doubtful or loss subsequently.

(iii) These guidelines will also cover cases pending before courts/ DRTs/BIFR subject to consent decree being obtained from courts/ DRTs/BIFR.

(iv) Cases of wilful default, fraud and malfeasance will not be covered.

(v) The revised guidelines will remain operative only upto March 31, 2001.

(vi) CMDs of public sector banks should personally supervise NPAs above Rs. 5 crores on a case to case basis and decide course of action in terms of rehabilitation/restructuring, one time settlement or filing of suits, by 31st August, 2000.

[1 August, 2000]

RAJYA SABHA

Statement

Nationalised Banks — Gross and Net NPAs as on 31.03.2000
(Provisional)

(Rs. crore)

NAME OF THE BANK	Gross NPAs	% of NPAs to Total Advances	Net NPAs	% of net NPAs to Net Advances
ALLAHABAD BANK	1504.37	16.93	871.00	10.53
ANDHRA BANK	456.78	7.83	193.60	3.47
BANK OF BARODA	3836.00	14.78	1663.00	6.98
BANK OF INDIA	3282.00	11.89	2233.00	8.43
BANK OF MAHARASHTRA	716.79	12.65	370.48	6.97
CANARA BANK(*)	2396.08	10.42	1243.76	5.28
CENTRAL BANK OF INDIA CORPORATION BANK	2842.67	16.63	1555.45	9.84
DENA BANK	433.03	5.39	148.80	1.92
INDIAN BANK	1399.60	18.15	983.11	13.48
INDIAN OVERSEAS BANK	3134.00	29.63	1148.00	13.79
ORIENTAL BANK OF COMMERCE	1622.79	13.18	885.37	7.65
PUNJAB & SIND BANK (&)	527.51	5.50	336.42	3.61
PUNJAB NATIONAL BANK	729.88	14.38	416.17	8.74
SYNDICATE BANK	3126.77	13.19	1916.95	8.52
UCO BANK	992.15	7.74	386.72	3.17
UNION BANK OF INDIA	1651.41	18.79	683.88	8.75
UNITED BANK OF INDIA	1881.20	12.27	1164.28	7.97
VIJAYA BANK	1520.00	27.60	578.00	12.7
	567.19	11.52	309.97	6.64
TOTAL FOR NATL. BANKS	32820.22	14.13	17087.96	7.81

(*) Canara Bank has reported that the gross NPAs as on 31.03.2000 stands reduced by amount representing technical write off at Head Office.

(&) Gross NPAs reduced by reversal interest Suspense Account amount during the year.