

**Settlement of bad loan by public sector banks**

3765. SHRI ARVIND KUMAR SINGH:

SHRI ALOK TIWARI:

SHRI PRABHAT JHA:

Will the Minister of FINANCE be pleased to state:

(a) the details of the bad loans recovered, settled, entered into compromise write offs during last three years, year-wise and public sector banks-wise;

(b) whether there is sharp decrease in bad debt of public sector banks during last two years;

(c) if so, the details thereof; bank-wise;

(d) whether public sector banks have preferred to settle bad debt of at least Rs. 57,641 crores during last four years instead of recovery that helped them report better even after overall stress of bad loan went up; and

(e) if so, the details thereof, bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a), (d) and (e) As reported by Reserve Bank of India, Public Sector Bank-wise details of reduction in Non-Performing Assets (NPs), including actual recovery and compromise & write offs, for the last four years viz. as on 31st March, 2009, 31st March, 2010, 31st March, 2011 and 31st March, 2012 are at annexure. [See Appendix 228 Annexure No.42]

(b) No, Sir.

(c) Does not arise.

**Identification of ineligible farm loan beneficiaries**

3766. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) had ordered banks to identify the ineligible farm loan beneficiaries and make full recoveries from such beneficiaries in view of the serious observations made by the CAG on lapses in form of violation of guidelines; and

(b) if so, the details thereof and how many banks had acted thereon and how much money was recovered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The Performance Audit of the Agriculture Debt Waiver and Debt Relief Scheme, 2008 was undertaken by the Comptroller and Auditor General (CAG) of India. The Report of the Audit was laid on the Table of both the Houses of Parliament on 5.3.2013. During the Exit Conference with official of CAG on 7.12.2012, some observations with regard to implementation of the Scheme were made.

Accordingly, the Government instructed the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD), the implementing agencies of the Scheme, on 11.1.2013 to take remedial measures which, in turn, issued directions to the lending institutions to examine the cases of any irregularities and take corrective steps, including recovery of such amounts from ineligible beneficiaries, recovery of any excess payment and fixing responsibility of the bank staff in appropriate cases, non-issuance of debt waiver and debt relief certificates and ensure monitoring of fresh loans to the beneficiaries.

The Government had also on 15.2.2013 directed RBI, NABARD and all Public Sector Banks to take immediate corrective action based on the observations of audit and also re-verify all the claims reimbursed while implementing ADWDRS, 2008. Lending institutions have commenced re-verification of all claims.

The RBI has reported that 23 public sector banks have so far refunded a total amount of Rs. 3.61 crore. The NABARD has reported that so far RRBs and Cooperative Banks have recovered a total amount of Rs. 4.04 crore.

#### **Extension of tax benefit for M and A**

3767. SHRI B.S. GNANADESIKAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Confederation of Indian Industry (CII) has asked Government to extend tax benefits pertaining to Mergers and Amalgamation (M&A) to all businesses such as telecom, IT, sports and entertainment since these benefits are limited to industrial undertakings and selected services such as shipping, hotels, aircraft and banking;