

company-wise and State-wise details along with action taken by the insurers are given in the Statement (*See below*).

(e) IRDA have informed that they have put in place a number of measures to be taken by insurance companies to address the various risks faced, including frauds. These include a detailed framework for Insurance Fraud Monitoring laid down *vide* IRDA circular reference IRDA/ SDD/MISC/CIR/009/01/2013, dated 21st January, 2013. Misappropriation of insured amounts through fake death certificates have been classified as Fraudulent Death Claims under Policyholder Fraud and Claims Fraud. It is applicable to all the insurers/reinsurer and is effective from the year 2013-14. Further, recognizing the importance of 'sharing of fraud related information' among the insurers, the IRDA has mandated sharing fraud related information among the insurers through the platform of respective Life and General Insurance Councils. IRDA has also prescribed reporting formats for Fraud Detections, monitoring and reporting with effect from the financial year 2013-14.

#### ***Statement***

##### *Data on misappropriation of insured amounts through fake death certificates -Life Insurer/State-wise—Financial year 2011-12*

Sl. No.	Name of the Insurer	No. of cases	Amount involved in Rs.	State	Action taken by insurers
1	Kotak Mahindra Life Insurance	1	1625259	Gujarat	FIR filed against advisor and claimant
2	Life Insurance Corporation of India	4	4776199	Karnataka	Civil and Criminal suits filed against the claimants
TOTAL		5	6401458		

#### **Growth and inflation rates**

†526. SHRI THAAWAR CHAND GEHLOT : Will the Minister of FINANCE be pleased to state:

(a) the details of special measures taken by Government to increase the growth rate and reduce the rate of inflation in the country;

(b) the reasons for reduction in the growth rate and increase in the inflation in the country; and

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†Original notice of the question was received in Hindi.

(c) whether country's economy in comparison to that of other countries has been affected and the rate of growth declined and rate of inflation mounted due to global economic recession?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) The Government has taken several steps to revive growth in the economy that, *inter-alia*, include measures to speed up project clearances *via* the creation of the Cabinet Committee on Investment (CCI); boost to infrastructure financing by encouraging Infrastructure Debt Funds and enhancement of credit to infrastructure companies; provision of greater support to micro, small and medium enterprises; strengthening of financial and banking sectors; liberalisation of norms for foreign direct investment; steps to boost manufacturing growth; and, fiscal consolidation through reforms including reduction in the subsidy of diesel and cap on the number of subsidized LPG cylinders. Various fiscal, monetary and administrative measures have been taken to reduce inflation. Some of the specific measures taken include: reducing import duties for wheat, onion, pulses and refined edible oils; banning export of edible oils and pulses; imposing stock limits for select essential commodities; maintaining the Central Issue Price for rice and wheat since 2002; suspending futures trading in rice, urad and tur; fixing the Minimum Export Price of onion at US\$ 1150 per MT and allocating 195000 tonnes of rice and 327000 tonnes of wheat for distribution to retail consumers under Open Market Sales Scheme (Domestic) for the period up to March, 2014. The policy stance and measures in the Second Quarter Review (October 29, 2013) of the Reserve Bank of India are intended to curb mounting inflationary pressures.

(b) The slowdown in Gross Domestic Product (GDP) growth in recent years is attributable to both domestic factors as well as the uncertain global economic environment. The tightening of monetary policy during most of 2011-12 to control inflation, lower demand for Indian exports from the rest of the world following a slowdown in advanced economies, bottlenecks in project implementation, such as, obtaining environmental clearances, land acquisition, etc. contributed to a slowdown in investment and growth. Inflation is primarily driven by food inflation especially meat, fish and eggs, vegetables and fruits and non-food items like fuel, medical care and transportation. Factors including seasonal demand-supply mismatches and rupee depreciation have contributed to the persistence of inflationary pressures.

(c) Global economic conditions have affected the GDP growth rate as well as inflation in India. However, despite a slowdown in growth, India's GDP growth rate was higher than that of most major economies of the world during 2011-12 and 2012-13. Headline Wholesale Price Index (WPI) inflation in India averaged 5.8 per cent in

2013-14 (April—October) that is lower than 7.4 per cent in 2012-13. However, Consumer Price Index for Industrial Workers (CPI-IW) inflation averaged 10.77 per cent in 2013—14 (April-October) compared to 10.44 per cent in 2012-13.

**Writing off loans by bank**

527. SHRI BALWINDER SINGH BHUNDER : Will the Minister of FINANCE be pleased to state:

(a) whether, according to RBI, nationalised banks have written off loans amounting to Rs. one lakh crore in the last three years in which 90% of the cases were of large loans;

(b) if so, the details of loans written off by each bank in the last three years along with names of individual or company etc. bank-wise;

(c) the reasons given by each bank against each written off loan case-wise and bank-wise;

(d) whether RBI has scrutinised the reasons given by these banks in writing off the loans; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) Public sector bank-wise details of loans written off (including compromise settlements) during the last three years are given in the Statement (*See below*). The Data reporting system of the Reserve Bank of India (RBI) does not generate the information regarding percentage of written off loans involving large loans.

(c) to (e) Banks resort to write off of loan only after exhausting all other possible avenues for recovery or when the asset coverage is not enough. The banks are required to adhere to the Guidelines issued by RBI on write off of loans.

Banks are required to adhere to Guidelines issued by RBI on write off of loans. In terms of RBI's Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2013 (available at RBI's Website- [www.rbi.org.in](http://www.rbi.org.in)), among other things, the banks should make full provision as per the guidelines for write-off of such advances and claim such tax benefits as are applicable, by evolving appropriate methodology in consultation with their auditors/tax consultants. Recoveries made in such accounts should be offered for tax purposes as per the rules.