

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:67

ANSWERED ON:04.03.2005

IRREGULARITIES IN GTB

Das Gupta Shri Gurudas;Gangwar Shri Santosh Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Oriental Bank of Commerce (OBC) has filed criminal complaint with CBI against five borrowers of Global Trust Bank (GTB) for misappropriating over Rs.192 crores;
- (b) if so, the details thereof;
- (c) whether the internal investigations have revealed many other cases of financial irregularities in some of the borrowers accounts;
- (d) if so, the details thereof and the action taken thereon;
- (e) the total amount of loan disbursed by the Global Trust Bank from 1998 to 2004;
- (f) the number of persons/borrowers who were advanced more than rupees one crore or more amount as loan and outstanding amount as on date; and
- (g) the steps taken by the Government to recover the loan?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (h) : A statement is laid on the Table of the House. Statement referred to in reply to Parts (a) to (g) of Lok Sabha Starred Question No.67 for 4th March,2005 by S/Shri Santosh Gangwar and Gurudas Dasgupta regarding irregularities in GTB.

(a & b) : Upto 15.12.2004 Oriental Bank of Commerce (OBC) had filed five complaints with CBI against borrowers of erstwhile Global Trust Bank (GTB) for investigation of criminality observed in their accounts as per details given below:

S.No. BranchName of Amount involved
account

1. Fort, Mumbai
Unitel Software Ltd. 6.76

2. Mylapore, Chennai
Distillery Ltd.Kayvalya
Agro Farms Pvt. Ltd.
Smruthi Agro Farms Pvt.Ltd. 30.28

3. Bandra, Mumbai
Petro Energy Products
Co.India Ltd. ` 101.56

4. MG Road, Bangalore
Shonkh Technologies 46.00
International Ltd.

5. Nariman Point, Mumbai
Business India
Publications Ltd. 12.94

(c)& (d) : Internal investigations have revealed financial irregularities in 23 more borrower accounts as per details given in the Annexure. In these cases the bank has filed 12 more complaints with CBI.

(e),(f) & (g): The amount of loan disbursed by GTB from 1998 to 2004 is not readily available, as the system does not generate such information. However, the outstanding balance of total advances of GTB as on 31.3.1998 and 31.3.2004 was Rs.2574.78 crores and Rs.4194.42 crores respectively. As on 31.3.2004, there were 328 borrowers' accounts having an outstanding of Rs.1.00 crore and above with an aggregate outstanding of Rs.3702.03 crores. The bank is proactively pursuing recovery in NPA accounts of GTB and till 31.1.2005 recovery of Rs. 127.96 crores has been made. Further, NPAs amounting to Rs.811.88 crores in 32 accounts have been settled, restructured or upgraded.