

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:358

ANSWERED ON:17.03.2006

OUTSTANDING LOAN OF SICK UNITS

Mahato Shri Bir Sing;Patel Shri Jivabhai Ambalal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has estimated the amount of loan advanced by the nationalised banks and other financial institutions which are outstanding against the sick industrial units;

(b) if so the details thereof;

(c) whether the Government has taken any measures for its recovery; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (d) A statement is laid on the Table of The House.

STATEMENT PLACED ON THE TABLE OF LOK SABHA IN REPLY TO PARTS (A) TO (D) OF LOK SABHA STARRED QUESTION NO.358 FOR ANSWER ON 17 MARCH, 2006 REGARDING 'OUTSTANDING LOAN OF SICK UNITS' TABLED BY SHRI SIR SINGH MAHATO AND SHRI JIVABHAI AMBALAL PATEL.

(a) & (b): The Reserve Bank of India (RBI) has informed that the amount outstanding in the books of scheduled commercial banks in respect of sick industrial units in the Small Scale Industries (SSI) sector as on 31.03.2005 is Rs.5,380.13 crores. RBI's present data collecting system does not generate information in respect of sick industrial units other than SSI sector. However, as informed by RBI, the amount outstanding in the books of scheduled commercial banks in respect of sick industrial units other than SSI sector as on March, 2003 was Rs.29,109.89 crores.

(c) & (d): As part of the announcement made by the Finance Minister in Parliament in August, 2005 for stepping up credit to Small and Medium enterprises (SMEs), a Debt Restructuring Mechanism and a One Time Settlement Scheme for units in SME sector has been formulated by RBI advising all commercial banks to ensure restructuring of debt of all eligible SMEs. The details are contained in RBI's circulars dated 8th September, 2005 and 3rd September, 2005. The recovery of the outstanding dues of sick industrial units is decided by the respective banks under the Corporate Debt Restructuring Mechanism depending on the merits of the case.