

LOK SABHA DEBATES

LOK SABHA

Friday, March 7, 1986/Phalguna
16, 1907 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Recovery of Loans

*185. SHRI K.D. SULTANPURI: Will the Minister of FINANCE be pleased to state :

(a) the recovery position of loans granted by the various nationalised banks during the last three years ;

(b) whether Government are satisfied with the recovery position ; and

(c) if not, the steps Government propose to take to strengthen the machinery to improve the recovery position ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) A Statement is given below.

Statement

The recovery performance of public sector banks in the case of direct agricultural advances during the last three years has been as follows :—

(Rupees in crores.)

Year ended	%age of recovery		
	June Demand	Recovery	to demand
1983	2223	1182	53.2
1984	2725	1406	51.6
1985	3292	1794	54.5

2. The performance of public sector banks in the field of recovery is being regularly monitored. The banks have been advised to improve their method of appraisal and supervision of credit so as to minimise the incidence of overdues. The State Government have also been requested to extend necessary assistance to the banks in affecting recovery of their dues. The Reserve Bank of India has further advised banks to monitor the recovery performance branchwise and to pay special attention to the areas where the recovery is less than 50% of demand.

[Translation]

SHRI K. D. SULTANPURI: Mr. Speaker, Sir, with regard to the reply given by the hon. Minister, I would like to know from him the number of loanees owing more than rupees one crore to the banks who have failed to repay the loans? The hon. Minister has also indicated the recovery performance of the public sector banks in the case of direct agricultural advances during the last three years. I want to know whether this recovery pertains to the agricultural sector alone or does it include the recovery pertaining to industrialists and truck operators?

[English]

SHRI JANARDHANA POOJARY: The present data reporting system does not yield information as asked by the hon. Member. But I can say about the amount that is locked up in the big industries, medium industries and small scale industries. There are about 93,382 large, medium and small scale industries which have become sick, and a sum of Rs. 3,638.39 crores is locked up in these industries.

[Translation]

SHRI K.D. SULTANPURI: I am not satisfied with this answer. The hon. Minister has further said in his reply that the performance of public sector banks in the

field of recovery is being regularly monitored and that the banks have been advised to improve their method of appraisal and supervision of credit so as to minimise the incidence of overdues. But I would like to point out that from the actions of the bank officials, General Managers and Chairmen of the Boards, it appears that the entire credit is going to the industrialists and the farmers are getting just a fraction of it. I want to know from the hon. Minister what steps he is taking in this regard? What procedure has he adopted to push up the recovery of loans worth crores of rupees which have become overdue and the time by which this money would be recovered from the defaulters?

[English]

SHRI JANARDHANA POOJARY : It is not correct to say that farmers are not getting any loan from the bank.....

[Translation]

SHRI K. D. SULTANPURI : You will reveal the information imparted to you by the officers.

[English]

SHRI JANARDHANA POOJARY : 40 per cent of the total advances should go to the priority sector; that is the target, and we have crossed that target; our performance is 43.2 per cent; the amount that has been advanced in the priority sector is Rs. 20,595 crores. So far as direct advances to agricultural sector is concerned, the target is 15 per cent; we have crossed that target; our performance is 15.5 per cent; the amount that has been advanced is Rs. 7,377 crores. So far as the weaker sections are concerned, the target is 10 per cent; we have crossed that target; the amount that has been given is Rs. 4,844 crores. The amount that is given to the big industrialists has to come from the rest of the amount that is available for the banking sector to advance.

[Translation]

**SHRI CHARANJIT SINGH
ATHWAL :** My question is that the nationalised banks in Punjab and Haryana which give loans to the poor, especially,

give the full amount of loan at a time. The terms and conditions of the nationalised banks are such that the actually needy persons cannot get loans. Out of a loan of Rs. 5,000, the banks pay Rs. 3,000 in the first instalment and Rs. 2,000 in the second instalment and as a result neither the money can be properly utilised nor the banks can make the recovery effectively.

My second supplementary is whether in view of the situation obtaining in Punjab during the last 3-4 years, Government propose to show any leniency to the Harijans and poor people or not?

[English]

SHRI JANARDHANA POOJARY : The mode of payment to the borrowers depends upon the economic activities which they are going to adopt. In some cases the amount need not be paid in the beginning itself. At the time of acquiring of some assets that has to be paid. In some cases where the amount has to be paid in the beginning itself, the banks have to pay.

In so far as the allegation is concerned that unnecessarily it is being delayed, we will look into it if any specific case is brought to our notice. So far as the question of recovery is concerned—whether we can show any concession—it is after all the public amount and no concession could be shown. It is the duty of every borrower to pay back the amount.

SHRI RAM PYARE PANIKA : I would like to know from the hon. Minister what is the ratio between the recovery of agricultural advances and that of the industrial advances in the country. Actually, I have been told that so far as the agricultural advances are concerned, the recovery is very good and satisfactory. But the advances in industrial sector is very bad rather we should say unsatisfactory. Is it a fact?

SHRI JANARDHANA POOJARY : In the beginning itself when the hon. Member asked the question I have stated that the present data reporting system

the recovery position from industrial sector. (*Interruptions*)—The bankwise overdues as a percentage of sectorwise outstanding advances of public sector banks as on 31-12-1983 is so far as large and medium scale industries are concerned it is 10.5%. So far as the small scale industries are concerned, it is 17.3%. That is the bankwise, sectorwise overdues as a percentage of sectorwise outstanding advances of public sector banks. So far as the agricultural sector is concerned it is 21.9%. That is the overdue position.

So, in the case of big and small scale industrial sectors we are giving cash credit and term loans etc. Now I have also instructed the Reserve Bank of India to have the position and the data reporting system should yield the information regarding the industries also. I have asked them to get that also. So far as the agricultural sector recovery position is concerned, it is 54.5%. There also improvement is required. We are not satisfied with this position. Steps are being taken to improve in that area.

SHRI AMAL DATTA : The question is about recovery of loans. We often find articles on bank accounts. It all depends upon the hearsay and the Minister should make it clear.

It says that lot of loans have been written off during the last three years. It also says that suites have been filed for fantastic amounts ranging to thousands of crores of rupees. Then there are sticky loans also consisting of huge amount and the rest of the accounts are disorderly. Will the hon. Minister clarify how much of the loans either in quantity or in percentage have been written off during the last 3 years and for how much suites have been filed in the last 3 years in quantity and percentage ?

SHRI JANARDHANA POOJARY : Sir, the hon. Member is an experienced member of the House and he knows the position also. The law that has been passed by the Parliament says that we should not disclose any information regarding bad debts. So, I am not in a position to disclose it.

(*Interruptions*)

SHRI AMAL DATTA : You cannot disclose the particular account.

SHRI JANARDHANA POOJARY : I have already stated that in 93,282 sick industries a sum of Rs. 3,638.39 lakhs have been locked. I do not want to suppress which is permissible. When there is a statutory bar I am not in a position to disclose. (*Interruptions*)

MR. SPEAKER : Let me handle it. Let me speak. They are asking about bad debts and not names.

SHRI JANARDHANA POOJARY : As per the law I cannot say what is the... (*Interruptions*)

MR. SPEAKER : Order. Order. If I understand correctly...

(*Interruptions*)

MR. SPEAKER : When I am asking certain things why are you interrupting unnecessarily all the time ? Is it the way to behave ? I think what Mr. Amal Datta asking is the amount.

SHRI AMAL DATTA : The percentage of bank loans which have been written off. I am not asking individual banks and individual accounts.

MR. SPEAKER : He is asking about the percentage loss.

SHRI JANARDHANA POOJARY : That is what I am submitting. It is not even published in the balance sheet and we are not expected to publish it also.

(*Interruptions*)

MR. SPEAKER : Let me ask him. Please sit down. Whatever the rules are we will let them prevail.

AN HON. MEMBER : The House should know.

[*Translation*]

MR. SPEAKER : We shall see to it, if the House is entitled it will be informed.

[*English*]

SHRI AMAL DATTA : Sir, they can call the Attorney General here to explain the legal position.

[Translation]

MR. SPEAKER : You can ask your question when your turn comes.

SHRI GIRDHARI LAL VYAS : Mr. Speaker, Sir, the capitalists are cornering the entire loans. You are not giving us an opportunity to speak.....(Interruptions)

MR. SPEAKER : I allow the hon. Members to put supplementaries. Whom else do I allow ? Nowhere it is written that unless Shri Vyas speaks, the things will not move. You can speak when your turn comes.

[English]

I want that you should first clarify this point to yourself and then I shall allow Half-an-Hour discussion on this.

SHRI JANARDHANA POOJARY ; I want to clarify at this stage. If you want me to disclose it...

MR. SPEAKER : No I do not want you to do anything which is against the rules. I want that you first satisfy yourself and then satisfy the House.

SHRI JANARDHANA POOJARY : Sir, one more point.....

SHRI H. M. PATEL : Sir, let the Minister quote the law under which...

MR. SPEAKER : That is what I have asked him to make sure what he is to say and what he is not to say as per rules prevailing. That is what I told him. Then, when we have the half-an-hour discussion we will know about it.

(Interruptions)

PROF. MADHU DANDAVATE : The Finance Minister says that no law prevents...

(Interruptions)

MR. SPEAKER : We shall see.

(Interruptions)

MR. SPEAKER : If there is no law, then we shall have the information. If there is law, 'Yes, well and good'.

(Interruptions)

SHRI JANARDHANA POOJARY : Sir, I don't want to suppress anything.

MR. SPEAKER : No, you won't suppress. I have not said that you want to suppress anything. I only wanted you to be sure...

(Interruptions)

MR. SPEAKER : Please don't interrupt me. It is a very bad habit. I am trying to get something for you. Please listen to me.

(Interruptions)

MR. SPEAKER : You make sure that your ground is firm and you stand on firm footing and good wicket and then come.

Export of Indian Textiles to United States

*186. SHRI V. TULSIRAM : Will the Minister of TEXTILES be pleased to state :

(a) whether export of Indian textiles to the United States is on the increase ;

(b) if so, the total value of textiles exported to the United States during the last three years ;

(c) the share of textiles exported from Andhra Pradesh ;

(d) whether it is a fact that India is facing a tough competition from other Asian countries in US market ; and

(e) if so, the steps taken to face the competition and boost our exports ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) Yes, Sir.

(b) The total value of textiles and clothing exported to the United States during the last three years were :—

(Rs. in crores)

1983	279.41
1984	410.29
1985	476.12

(c) The statistics of State-wise textile exports are not maintained.

(d) There is competition from some Asian countries.