

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2980
ANSWERED ON:16.03.2001
FUNDS SPENT BY BANKS FOR RECOVERY OF NPA
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Will the Minister of FINANCE be pleased to state:

(a) the amount spent by each Public Sector Bank on services for litigation for recovery of Non-Performing Assets during the last three years; and

(b) the recent policy initiatives taken for better results in recovery of bad debts/outstanding dues ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): The information is being collected and will be laid on the Table of the House.

(b) Reserve Bank of India (RBI) have issued guidelines in July, 2000 to all public sector banks for recovery of dues relating to Non-Performing Assets (NPAs). These guidelines cover:-

(i) All NPAs in all sectors irrespective of the nature of business, which have become `doubtful` or `loss` as on 31st March, 1997 as well as `sub-standard` as on 31.3.1997 which have subsequently become `doubtful` or `loss` category with outstanding balance of Rs.5 crore and below on the cut-off date.

(ii) Cases pending before Courts/DRTs/BIFR.

(iii) Cases of wilful default, fraud and malfeasance will not be covered.

These guidelines also contain the settlement formula, mode of payment etc. As regards NPAs of Rs.5 crore and above, the guidelines provide for personal supervision of such cases by the Chairman & Managing Directors. The guidelines will remain operative upto 31.3.2001.