

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7864
ANSWERED ON:17.05.2002
NPA OF BANKS
NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

- (a) whether the National Institute of bank Management has conducted a survey about non-performing assets (NPA);
- (b) if so, the break-up of share of big, small and medium industries in this amount of NPA;
- (c) the bank-wise break-up of NPA in non-priority sector;
- (d) the reasons behind this massive NPA in non-priority sector; and
- (e) the reaction of the Government thereto and the measures proposed to be taken for realization of this amount of NPA ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): On behalf of RBI, NIBM made analytical study of commercial banks in December, 1999 to review different aspects of performance of banks including NPAs. .

(b)&(c): The bank-wise details of NPAs in non-priority sector including large and medium industries and NPAs in Small Scale Industries (SSI) sector in priority sector is at Annexure.

(d): The reasons for NPAs in the non-priority sectors inter-alia includes deficiency in credit appraisal and supervision, diversion of funds by the borrower and wilful default in repayment, inefficient management of the unit financed, labour problems, Natural calamities, non-completion of projects due to cost/time over-runs and delay in disposal by courts of suits filed by banks etc.

(e): Government of India and Reserve Bank of India (RBI) have advised the banks and financial institutions to take several steps for recovery of dues such as evolving and implementation of recovery policy by banks, filing of suits with courts, Debt Recovery Tribunal (DRTs), compromise settlement through settlement Advisory Committees and monitoring and follow up of Non-Performing Assets (NPAs), use of Lok Adalats and compromise settlement/one-time settlement etc.