

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5137
ANSWERED ON:25.04.2003
NPA OF NON-BANKING FINANCE COMPANIES
KAMAL NATH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether Reserve Bank of India has recently asked the Non-Banking Finance Companies (NBFCs) to furnish information regarding non-performing assets in their balance sheets;
- (b) if so, the details of the non performing assets of NBFCs as on March 31, 2003;
- (c) whether the Government have taken any steps to ensure non-performing assets of NBFCs are cleared within a stipulated period of time; and
- (d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a):- Yes, Sir.

(b):- Non-performing assets of Non-Banking Finance Companies (NBFCs) as reported by Reserve Bank of India (RBI) on March 31, 2002 (latest available) were Rupees 3294.87 crores.

(c) & (d) :- RBI have further reported that it has prescribed, as part of the prudential standards for NBFCs, the norms for provisioning against Non Performing Assets (NPAs). The provisions are to be created by NBFCs at a graded scale of percentage of the outstanding balance after the assets became non performing. The norms envisage that the NBFCs either realise their dues from the borrowers through recoveries or sale of securities charged to them or make provisions out of their profit and loss account within a specified period.