

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:564

ANSWERED ON:03.12.2004

NON PERFORMING ASSETS

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Will the Minister of FINANCE be pleased to state:

(a) the value of non-performing assets in rupee in the Nationalised Banks/ Financial Institutions in the country as on November 30, 2004, bank-wise;

(b) the present position of recovery of outstanding amount of loans of Banks & financial institutions., Bank-wise, financial Institution-wise;

(c) the amount written off against profit amounts during the last three years; and

(d) the steps taken by the Government for recovery of outstanding amount?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMAMCKAM)

(a),(b) & (c) The non-performing assets and recoveries (other than write offs) and write offs by public sector banks as on 30th September 2004 (latest available) is at Annexure I. The bank-wise details regarding total amount written off during the last three years is at Annexure II. Information regarding financial institutions is being collected and will be laid on the Table of the House to the extent available.

(d) Government of India and Reserve Bank of India have advised the banks and financial institutions to take several steps for recovery of dues on continuous basis. These include evolving and implementation of recovery policy by banks, filing of suits in civil courts, filing cases with Debt Recovery Tribunals (DRTs), compromise settlement through Settlement Advisory Committees, Lok Adalats and monitoring and follow up of NPAs at various levels. Credit Information Bureau has also been set up to disseminate information on borrowers among the banks. Corporate Debt Restructuring (CDR) scheme has been put in place to provide a transparent mechanism for restructuring of corporate debts of viable entities facing problems due to internal and external factors. A company viz., `Asset Reconstruction Company (India Ltd.)` has been incorporated under the Companies Act, 1956 for the purpose of addressing Non-performing Assets. `The Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002` has been enacted- to facilitate foreclosures and enforcement of - securities in cases of default, in order to enable the banks and financial institutions to realize their dues.

RBI had also issued revised guidelines for compromise settlement of chronic NPAs of Public Sector Banks on 29 January, 2003. These guidelines were to cover all NPAs in all sectors irrespective of the nature of business, which have become doubtful or losses on 31 March 2000 with outstanding balance of Rs. 10 crores and below.