

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3971

ANSWERED ON:03.12.2010

NPAS OF BANKS

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**Will the Minister of FINANCE be pleased to state:**

(a) whether the Non-Performing Assets (NPAs) of the Public Sector Banks (PSBs) have increased due to lending to the Micro Small and Medium Enterprises (MSMEs) during the last three years and the current financial year;

(b) if so, the details thereof and the reasons therefor; and

(c) the remedial measures taken / being taken by the Government in this regard?

**Answer**

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) & (b): RBI has informed that data on Non-Performing Assets (NPAs) in Micro Small and Medium Enterprises (MSMEs) is not available. However, the NPA position of the Public Sector Banks (PSBs) during the last three years is as follows:

Amount Outstanding at end (Rs, Crore)  
Mar-08   Mar-09   Mar-10

Gross NPAs        39,749   44,039   57,301

Total Gross Advances    1,696,333   2,103,763   2,519,331

Gross NPAs to Gross Advances (%)    2.34   2.09   2.27

(c): To improve the health of financial sector, to reduce the NPAs, to improve asset quality of the banks and to create a good recovery climate, Reserve Bank of India (RBI) and the Government have already taken various steps over the years, which, inter-alia, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, Corporate Debt Restructuring and other restructuring schemes, One Time Settlement schemes, enactment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, the Credit Information Companies (Regulation) Act, 2005 and the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993 etc.