

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:416
ANSWERED ON:31.07.2009
NON PERFORMING ASSETS IN BANKS
Lagadapati Shri Rajagopal

Will the Minister of FINANCE be pleased to state:

- (a) the details of Non Performing Assets (NPAs) of public sector banks in corporate, retail, agriculture, small scale industry (SSI) sectors during the last three years, bank-wise and sector-wise;
- (b) whether NPAs in the corporate sector are expected to rise in the near future;
- (c) if so, the details thereof; and
- (d) the action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a)to (d): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.416 FOR 31ST JULY, 2009 REGARDING NON-PERFORMING ASSETS IN BANKS TABLED BY SHRI L. RAJAGOPAL

(a):The existing Management Information System of the Reserve Bank of India does not provide the information in the desired manner.However, the data on gross NPAs and NPAs in agriculture and small scale industries sector as captured from the offsite returns submitted by the banks are furnished in the Annex.

(b) & (c): Government has not received any communication from banks expressing concerns that their non-performing assets (NPAs) are likely to go up beyond manageable limits during the year 2009-10.The banks manage their NPAs and effect recoveries in these accounts in accordance with their recovery policies and Reserve Bank of India (RBI) guidelines which, inter-alia, include prudential norms for provisioning and classification of NPAs, guidelines for prevention of slippages, Corporate Debt Restructuring and other restructuring Schemes, One Time Settlement schemes, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993.

(d): The Government is ensuring that the targets of Gross NPAs, set by the Public Sector Banks in their `Statement of Intent on Annual Goals1 for 2009-2010, are such that they strive to contain the level of their Gross NPAs within acceptable limits.