

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:262

ANSWERED ON:15.03.2013

RECOVERY OF NPAS

Bali Ram Dr. ;Pandurang Shri Munde Gopinathrao

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

(a) the details of loans sanctioned to individuals/companies against whom loans of more than rupees one crore and above are pending for recovery during the last three years and current year, bank and State/UT-wise;

(b) the details of Non Performing Assets (NPAs) of Public Sector Banks (PSBs) recovered and written off during the said period, bank and State/UT-wise;

(c) whether the Government/Reserve Bank of India (RBI) proposes to amend the guidelines concerning recovery of NPAs by giving more administrative/financial powers to the banks; and

(d) if so, the details thereof and the steps taken/being taken by the Government/RBI to reduce the level of NPAs in the banks in future?

**Answer**

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

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

STATEMENT AS REFERRED TO IN REPLY TO PARAS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 262 FOR 15TH MARCH 2013 / PHALGUNA 24, 1934 (SAKA) REGARDING RECOVERY OF NPAs.

(a) & (b): The Public Sector Bank (PSB)-wise details of loans of more than rupees one crore and above which are pending for recovery, and the details of Non-Performing Assets (NPAs) recovered and written off during the last three years and current year, as collated and available with the Reserve Bank of India (RBI), are at Annex-I and Annex-II respectively. The Data Reporting System of RBI does not generate such information, State/UT-wise.

(c) to (d): To improve the health of the financial sector, to reduce the NPAs, to improve asset quality of banks, and to prevent slippages, Reserve Bank of India (RBI) has issued instructions which stipulate that each bank is required to have a robust mechanism for early detection of signs of distress including prompt restructuring in the case of all viable accounts; to have a loan recovery policy which sets down the manner of recovery of dues, targeted level of reduction (period-wise), norms for permitted sacrifice/waiver, factors to be taken into account before considering waivers, decision levels, and reporting to higher authorities; monitoring of write-off/waiver cases; valuation of properties including collaterals accepted for their exposures; and taking recourse to legal mechanisms like SARFAESI Act, 2002, DRTs and Lok Adalats. The existing guidelines are sufficient to address the issues of NPA management.

The Government has advised PSBs to take a number of new initiatives to increase the pace of recovery and manage NPAs, which include appointment of Nodal officers for recovery, to conduct special drives for recovery of loss assets, to put in place early warning system, to replace system of post dated cheques with Electronic Clearance System (ECS) and to constitute a Board level Committee for monitoring of recovery.

Parliament has recently enacted 'The Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012' for removing certain bottlenecks in the recovery of bad debts. The Amendment Act has come into force from 15.01.2013.

The steps taken by the Government and RBI have resulted in year-on-year improvement in recovery of NPAs by PSBs.