

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5224

ANSWERED ON:26.04.2013

CONFERENCE ON BANK LOANS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo;Paranjpe Shri Anand
Prakash;Ramasubbu Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has recently held a meeting with Chairpersons of different Public Sector Banks (PSBs);
- (b) if so, the details thereof along with the issues discussed therein;
- (c) whether the issue of loan defaulters and growing Non Performing Assets (NPAs) of the PSBs was also discussed in the said meeting; and
- (d) if so, the details thereof along with the steps taken/being taken by the Government for expeditious recovery of such loans as well as to bring down the level of NPAs to an acceptable limit?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): Yes Sir. A meeting was held on 18th March, 2013 under the chairmanship of Shri P. Chidambaram, the Minister of Finance with the Chief Executive Officers of all Public Sector Banks (PSBs). The issues discussed in the foresaid meeting were as per the following Agenda items:

Agenda Subject
Item No.

1. Deposit and Credit Growth
2. Non-Performing Assets (NPAs): Recovery of NPAs
3. Stalled Projects
4. New Projects/Proposals
5. Exposure of PSBs/Financial Institutions (FIs) in Renewable Energy Projects
6. Budget Announcements pertaining to Banking
- 7 Top 30 NPAs of PSBs and Gross NPAs above Rs. One Crore

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 detailed instructions to address the issues of NPA management. Besides, 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.