

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:773

ANSWERED ON:25.07.2003

NPA OF BANKS

AJAY CHAKRABORTY;M. JAGANNATH;MAHESHWAR SINGH;RENUKA CHOWDHURY;SRINIVASULU KALAVA;SURESH CHANDEL

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

- (a) whether the quantum of Non-performing Assets (NPAs) of the public sector banks/financial institutions have come down after the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 has come into effect,
- (b) if so, the details of NPAs of each public sector banks/ financial institutions as on March 31, 2002 and March 31,2003;
- (c) the NPAs recovered and the amount written off during the year 2002-2003 by each of these banks/ financial institutions separately; and
- (d) the further steps taken by the banks to recover the NPAs ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

- (a) : The total Gross NPAs of the Public Sector Banks decreased by Rs. 4839 crore fromRs. 56607 crore to Rs. 51768 crore between March 31, 2002 and March 31, 2003 (Provisional).In the case of financial institutions the Net NPAs have increased by 10.8% from Rs. 12104 crores as on March 2002 to Rs. 13412 crores as on March 2003 (provisional).
- (b): The bank-wise gross NPAs of public sector banks & institution-wise net NPAs of financialinstitutions as on 31 March 2002 and 31st March 2003 are at Annexure I.
- (c): The bank-wise details of amount of NPAs written-off and NPAs recovered in the year2002-2003 by each of these banks is at Annexure II. Institution-wise details in this regard are 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 financialinstitutions to take several steps for recovery of dues such as evolving and implementation of recovery policy by banks, filing of suits with 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 setup to disseminate information on borrowers to 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. The Securitization & Reconstruction of Financial Assets and Enforcement of Security InterestAct. 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 has issued revised guidelines for compromise settlement of chronic NPAs of Public SectorBanks on 29th January, 2003. These guidelines will cover all NPAs in all sectors irrespective of the nature of business, which have become doubtful or loss as on 31st March 2000 with outstanding balance of Rs. 10.00 crore and below.