

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:497
ANSWERED ON:28.04.2000
NON- PERFORMING ASSETS
DHANI RAM SHANDIL;HANNAN MOLLAH

Will the Minister of FINANCE be pleased to state:

- (a) whether bankers want the Government to clarify certain matters in relation to the recovery of non-performing assets (NPAs) during a recently concluded annual meeting on January 12, 2000;
- (b) if so, the details of issues bankers wanted the Government to clarify;
- (c) the Government's response thereto;
- (d) whether the Government propose to set up an Authority to deal with non-performing assets of banks; and
- (e) if so, the details of the functions of the Authority?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR) :

- (a) to (e) A statement is laid on the Table of the House.

Statement

(a) and (b) Recovery of amounts due to the banks and presently classified as non-performing assets is the responsibility of the banks concerned. Some issues relating to recovery of dues to banks were discussed at a meeting of the Finance Minister with the chief executives of public sector banks on January 12, 2000. The issues discussed included the setting up of the Asset Reconstruction Company/s, the strengthening of Settlement Advisory Committees, the setting up of Credit Information Bureau and improvements in the legislative framework to expedite the process of recovery of dues to banks.

(c), to (e) The proposal to set up an Asset Reconstruction Company is under examination. Efforts are also under way to strengthen recovery mechanisms and set up credit information bureau. The recovery of Debts due to Banks and Financial Institutions Act, 1993 has been amended recently to improve the process and pace of recovery.