

- (e) if so, the details thereof, State-wise; and
- (f) the details of Government programme to bring down the NPAs of Public Sector Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (e) Banks, under the provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and Rules made there under, are empowered to sell Non-Performing Asset (NPA) properties in order to recover their dues. In addition, other tools for recovery of NPA dues *i.e.* filing suit for recovery in Debt Recovery Tribunals, entering into One Time Settlement proposals or compromise settlements, Lok Adalats etc. are also available with Bank.

The details of such NPA property sold during the last three years, State-wise are not available in the data reporting system of Reserve Bank of India (RBI).

(f) Banks are required to monitor NPAs and take steps to bring them down through recovery/other channels. RBI also monitors the NPA levels in banks. This aspect is reviewed during Annual Financial Inspections and monitored on an ongoing basis through regulatory returns submitted by banks and periodical meetings with banks. The channels of recovery available to banks include recourse to SARFAESI Act, 2002, Debt Recovery Tribunals, Lok Adalats etc. As per RBI, NPAs amounting to Rs. 7514 Crore and Rs. 15,642 Crore were recovered during the year 2009-10 and 2010-11 respectively through the channels of Lok Adalats, Debt Recovery Tribunals and SARFAESI Act, 2002.

Recommendation of Ashok Chawla Committee

4220. SHRI ANIL DESAI :
SHRI SANJAY RAUT :

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Group of Ministers has accepted the Ashok Chawla Committee's recommendation to distance the administrative Ministry from the appointment and removal of regulators in various sectors;
- (b) if so, the details of the report; and
- (c) whether the committee's recommendation would be extended to financial regulators such as SEBI and IRDA?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) Yes sir. However, the Committee's recommendations are only with regard to the eight natural resources identified by it, *viz.*, coal, minerals, petroleum, natural gas, spectrum, forests, land and water.

(b) The Committee has suggested a few broad institutional ground rules for regulators and allocation of functions. These include (i) distancing the administrative ministry from appointment and removal of regulators and entrusting it to a statutorily defined body, (ii) having an independent cadre for the regulator with appropriate remuneration and service conditions and ensuring that it has a stable budget, (iii) appropriate support for the staffing of the regulator to create conditions for ensuring that the regulator possesses substantial technical capacity and have the ability to access specialized technical knowledge and use it effectively, and (v) appropriate definition of the power to issue policy directions to the regulator accompanied by suitable justification, and (vi) providing suitable budgetary provisions before implementation.

The GoM in its 6th meeting dated 30th September, 2011 considered the advice of the CoS on recommendations of the CANR and accepted *inter alia* the recommendation at S.No. 77 in the Report of the Committee with the following formulation:

“The Committee has suggested a few broad institutional ground rules for regulators and allocation of functions. These include distancing the administrative ministry from appointment and removal of regulators and entrusting it to a statutorily defined body, having an independent cadre for the regulator with appropriate remuneration and service conditions and ensuring that it has a stable budget. Appropriate support for the staffing of the regulator is essential to create conditions for ensuring that the regulator possess substantial technical capacity and have the ability to access specialized technical knowledge and use it effectively. The power to issue policy directions to the regulator also needs to be appropriately defined, accompanied by suitable justification and approved by the Minister concerned. Any financial impact of such directions needs suitable budgetary provisions before implementation.”

(c) No Sir.

Impact of recession in Europe

†4221. SHRI RAMCHANDRA PRASAD SINGH :
SHRI SHIVANAND TIWARI :

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the International Monetary Fund (IMF) has cautioned through World Economic outlook report that the adverse effects of recession in Europe are still continuing;

(b) if so, the details thereof; and

(c) the reaction of Government on the report and whether the measures to ward off the adverse effects have been considered upon?

† Original notice of the question was received in Hindi.