

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:996
ANSWERED ON:19.07.2002
CASES PENDING WITH DRTS
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Will the Minister of FINANCE be pleased to state:

:

- (a) whether as many as 5,780 cases involving an amount of Rs. 8,014.63 crore are pending with debt recovery tribunal as on March 31, 2002;
- (b) if so, the main reasons for pendency of such cases; and
- (c) the steps being taken by the Union Government to dispose off the pending cases at the earliest?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a) Debts Recovery Tribunals (DRTs) have reported that 33,595 cases involving an amount of Rs. 90,110 crores are pending with DRTs as on 31.3.2002.

(b) & (c) Initially in several cases, Writ Petitions were filed in several High Courts challenging the validity of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (DRT Act). In fact Delhi High Court had allowed the Writ Petition, thereby slowing down the disposal of cases. Later, Government of India went in appeal to Supreme Court and got transferred the pending Writ Petitions from High Courts to Supreme Court which vide its order dated 14th March, 2002 has declared that the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (DRT Act) is a valid piece of legislation. Besides, upholding the validity of the Act, the judgment has also laid down that before moving to a High Court under Article 226 and 227 of the Constitution of India, the parties should move before the Authority under the Act. This will take care of the tendency on the part of borrowers to move to a High Court directly against any interim order passed by a DRT by-passing the DRAT. This is a major development towards fast recovery of dues of Banks and Financial Institutions.

Initially 10 DRTs and one DRAT were set up in the country. Keeping in view the increased workload on each DRT, Government decided to set up more DRTs and as such, at present 29 DRTs and 5 DRATs are functioning in the Country. To make the DRTs more effective, the DRT Act was amended in 2000 to further empower the DRTs for speedy disposal of cases and speedy recovery of dues. Measures such as raising the number of employees per DRT and delegating administrative and financial powers to Presiding Officers were also taken to improve the functioning of DRTs. The performance of DRTs is being monitored on continuous basis by the Government and steps are being taken from time to time to remove the legal, infrastructural and other hurdles in the way of smooth functioning of the DRTs.