

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2716
ANSWERED ON:08.08.2003
AMENDMENT TO DRT ACT
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have advised financial institutions to take several steps for recovery of dues;
- (b) if so, the details thereof;
- (c) whether in order to improve the recovery, the Government have amended Debt Recovery Tribunals Act making the provisions more effective;
- (d) if so, whether any improvement has been shown in debt recovery after amending this Act; and
- (e) the steps taken or being taken by the Government in consultation with State Governments for speedy debt recoveries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VSTHOBA ADSUL):

(a), (b) and (e) Government have introduced several enabling measures for improving the situation arising out of growing incidence of Non-Performing Assets (NPAs) through strengthening of Debt Recovery Tribunals (DRTs), introduction of Corporate Debt Restructuring (CDR) mechanism, enactment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRES) and the setting up of Asset Reconstruction Companies (ARCs). RBI has also issued circulars to FIs and banks to enter into non-discretionary and non-discriminatory mechanism for recovery of NPAs in all sectors through compromise settlements under One Time Settlement Scheme (OTS)

(c) and (d) The Recovery of Debts due to Banks and Financial Institution Act, 1993 (DRT Act) was amended in the year 2000 to remove certain legal anomalies observed during the course of implementation of the Act. as also to strengthen the Debts Recovery Tribunals. Consequent upon these amendments, the DRT rules have also been amended and notified on 21.1.2003. The following steps further have been taken for speedy disposal of cases by DRTs:

- (i) constitution of 15 more DRTs since 1st April, 2000 thereby taking the total number of DRTs in the country to 29;
- (ii) Increasing the staff strength of DRTs;
- (iii) Further delegation of administrative and financial powers to Presiding Officers to improve their functioning;
- (iv) Arranging adequate infrastructure for DRTs; and
- (v) Office computerisation in DRTs. As a result of various measures taken, disposal of cases has increased from 4637 in 2000-2001 to 8931 in 2001-02 and to 10233 during 2002-03. The number of cases disposed of during 2002-2003 exceeded the number of cases registered afresh. Similarly, recoveries made through DRTs has also gone up from Rs. 1185 crores in 2000-01 to Rs. 2153 crores during 2001-02 and to Rs. 3252 crores during 2002-03.