

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2620
ANSWERED ON:09.12.2011
HARASSMENT IN RECOVERY OF LOANS
Nagorao Shri Dudhgaonkar Ganeshrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the private banks are complying with the directions of the Reserve Bank of India (RBI) regarding repayment of loans;
- (b) if so, the details thereof and if not, the reasons therefor alongwith action taken against such banks;
- (c) whether the Government has received complaints against some private sector banks for harassment of their customers by way of dissuading them from making pre-payment of loans during each of the last three years and the current year;
- (d) if so, the details thereof alongwith action taken on such complaints; and
- (e) the other corrective steps taken/being taken by the Government/RBI in this direction?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Yes, Sir. Private Banks generally comply with Reserve Bank of India (RBI) directions,

(c) & (d): Data generating system of RBI does not generate such type of information.

(e) : RBI has issued instructions from time to time to all Scheduled Commercial Banks (SCBs) advising them to follow the guidelines issued for engagement of recovery agents, methods to be followed by recovery agents, training to recovery agents, taking possession of property mortgaged / hypothecated to banks. Banks were also advised that they, as principals, are responsible for the actions of their agents and they should ensure that agents engaged for recovery of their dues should strictly adhere to the guidelines and instructions, including the Banking Code and Standard Board of India (BCSBI) Code, while engaged in the process of recovery of dues. Complaints received in the matter are dealt with by Banking Ombudsman as per extant instructions and as per provisions of the Banking Ombudsman Scheme and corrective action taken in all such cases.