

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6944
ANSWERED ON:18.05.2012
OUTSTANDING LOANS OF PSBS
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Will the Minister of FINANCE be pleased to state:

- (a) whether large number of retail vehicle loans and retail home loans granted by the Public Sector Banks (PSBs) are still outstanding;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the process of recovery of aforesaid outstanding loans is reportedly slow;
- (d) if so, the reaction of the Government thereto; and
- (e) the steps taken / proposed to be taken by the Government for expeditious recovery of such outstanding loans?

Answer

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

(a) to (e): As reported by Reserve Bank of India (RBI), details of outstanding loans in respect of Housing Loan and Auto Loan portfolio of Public Sector Banks, is furnished below:

(Rs. Crores)

PSBs: Outstanding Housing & Auto Loans Mar-11 March 2012 #

Retail- Outstanding Housing Loan 255,272 289,661

Retail- Outstanding Auto Loans 42,363 42,781

Source: Latest updated OSMOS database
Figures for March 12 are unaudited

RBI advises banks from time to time, to take effective measures to strengthen the credit appraisal and post-credit monitoring to arrest the incidence of fresh NPAs and adopt a more realistic approach to reduce the existing and chronic NPAs in all categories. RBI also monitors the NPA levels in banks on an ongoing basis. Each bank is required to have a loan recovery policy. Banks follow several procedures to ensure recovery of the outstanding amount which may include, formal negotiations followed by restructuring of the payment schedule for interest as well as principal, calling back of the loan through a legal notice, recovery by recourse to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 filing suit for recovery, including suits in the Debt Recovery Tribunals (DRTs), Lok Adalats, entering into One Time Settlement (OTS) proposals or compromise settlement, etc.