

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:359
ANSWERED ON:23.11.2012
VEHICLE HOME LOANS PROVIDED BY BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) the number of people who have taken vehicle and home loans from various Public Sector Banks (PSBs) in the country during each of the last three years and the current year, bank-wise;
- (b) whether vehicle and home loans granted by the public sector banks are being repaid in time;
- (c) if not, the action taken/ being taken by the banks against defaulting persons during the aforesaid period, bank-wise; and
- (d) the measures undertaken/ proposed to be undertaken by the PSBs for recovery of NPA loans?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) Based on the information received from Reserve Bank of India, the Public Sector Banks (PSBs) outstanding loans for housing and vehicles as at end of March 2010, March 2011, March 2012 and September 2012 is attached in Annexure-I

(b) to (d): The repayments in most of the Home and Auto Loans accounts are done in time. However, in some accounts, repayments are not being done in time and these accounts are classified as Non-Performing Assets (NPA).

The following action (s) are taken/ being taken by banks against defaulters:

- (i) The account holders of impaired Loan accounts are being followed up vide Telephonic calls/Letters/Personal calls.
- (ii) Wherever required cautions of action under Photo publishing.

The details of action taken under SARFAESI Act is in the Annexure-II

(iii) Account Tracking Centre (ATC) has been launched at all Local Head Offices for telecalling of borrowers in Special Monitoring accounts (SMA) and NPA categories

(iv) In term of RBI's circular, each bank is required to have a loan recovery policy. The recovery of NPAs is being done by the banks by following the laid down recovery policy and taking recourse to options available under law like; taking recourse to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security-Interest Act, 2002 (SARFAESI Act), Debt Recovery Tribunals (DRTs), Lok Adalats and Compromise/One Time Settlement. The SARFAESI Act allows enforcement of Security interest and one of the methods of recovering secured debts of banks is to take possession of the secured assets, i.e the property on which security interest is created.