

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1986
ANSWERED ON:08.03.2013
RECOVERY OF LOANS
Alagiri Shri S. ;Rama Devi Smt.

Will the Minister of FINANCE be pleased to state:

- (a) the details of vehicle and home loans disbursed by the Public Sector Banks (PSBs) in the country during each of the last three years and the current year, bank-wise;
- (b) the details of loans that remain unrecovered on these accounts as on date along with the reasons therefor, bank-wise;
- (c) whether any instructions/ guidelines have been issued by the Reserve Bank of India (RBI) to public sector banks for recovery of loans and if so, the details thereof and if not the reasons therefor; and
- (d) the corrective steps taken/ proposed to be taken by the Government in this regard?

Answer

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

(a) & (b): Details in respect of vehicle and home loans disbursed by the Public Sector Banks during the last three years and the current year, bank-wise and details of loans that remain unrecovered are annexed.

(c) & (d): Reserve Bank of India (RBI) has issued instructions which stipulate that each bank is required to have a robust mechanism for early detection of signs of distress including from restructuring in the case of all viable accounts, to have a loan recovery policy which sets down the manner of recovery of dues, targeted level of reduction (period-wise), norms for permitted sacrifice/waiver, factors to be taken into account before considering waivers, decision levels, and reporting to higher authorities, monitoring of write-off/waiver cases, valuation of properties including collaterals accepted for their exposures, and taking recourse to legal mechanism like SARFAESI Act, 2002, DRTs and Lok Adalats.

The Government has advised Public Sector Banks (PSBs) to take a number of initiatives to increase the pace of recovery and manage NPAs, which include appointment of Nodal officers for recovery, to conduct special drives for recovery of loss assets, to put in place early warning system, to replace system of post dated cheques with Electronic Clearance System (ECS) and to constitute a Board level Committee for monitoring of recovery.

Parliament has recently enacted 'the Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012' for removing certain bottlenecks in the recovery of bad debts. The Amendment Act has come into force from 15.01.2013.