

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2688
ANSWERED ON:04.12.2009
RECOVERY OF LOANS
Verma Shri Sajjan Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether cases of violation of Reserve Bank of India (RBI)/Supreme Court guidelines by the recovery agents of various Scheduled, Commercial Banks and financial institutions as regard harassing the defaulters have come to the notice of the Government;
- (b) if so, the names of such banks which have violated the said guidelines, State-wise and bank-wise; and
- (c) the action taken by the Government in this regard?

Answer

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

(a) to (c):- The data base maintained by RBI does not generate the required information.

However, RBI has reported that during the period July 1,2008 to June 30,2009, 3018 complaints have been received by Banking Ombudsmen (BO) under the category of `Direct selling agents /Recovery agents`. Bank-wise details are given at Annexure.

RBI has issued instructions to all the banks vide its circular dated April 24, 2008 advising banks to follow the guidelines issued for engagement of recovery agents, taking possession of property mortgaged/hypothecated to banks. Banks have also been advised that they, as principals, are responsible for the actions and should ensure that agents engaged for recovery of dues should strictly adhere to the guidelines and instructions, including the Banking Codes and Standards Board of India Code, while engaged in the process of recovery of dues. Further w.e.f. February 03, 2009, Banking Ombudsman Scheme, 2006 has also been amended to incorporate complaints received on use of Recovery Agents by banks as one of the grounds of complaints. Complaints received in the matter are dealt with by Banking Ombudsmen as per extant instructions and as per provisions of the Banking Ombudsman Scheme and corrective action is taken in all cases.