

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:944  
ANSWERED ON:28.11.2014  
ONE TIME SETTLEMENT BY BANKS  
Lokhande Shri Sadashiv Kisan

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of one time loan settlements done by Public and Private Sector Banks in the country, till date, State-wise including in Maharashtra, during the last three years and the current year;
- (b) the amount of loans granted/recovered by Public and Private banks during one time settlement;
- (c) whether the banks are allowed by the RBI guidelines in this regard; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b): The amount of write off including one time loan settlements done by Public and Private Sector Banks in the country during the last three years as collated and available with the Reserve Bank of India (RBI) is as per Annex. This information is collated by RBI annually. The Data Reporting System of RBI does not generate such information, State/UT-wise.

(c) & (d): RBI has deregulated the matters related to One Time Settlement (OTS)/Compromise Settlements vide DBOD.BP.BC.81/21.01.040/95 dated July 28, 1995. Banks are free to engage in OTS/Compromise Settlements with borrowers as per their Board approved internal policy, their commercial judgement and extant regulatory guidelines.

RBI has issued the following circulars in this regard:

- i) DBOD.No.LEG.BC.114/09.06.002/2000-01 dated May 2, 2001 – Guidelines for compromise settlement of dues of banks and financial institutions through Lok Adalats.
- ii) DBOD.No.BC.36/09.06.002/2001-02 dated October 24, 2001 - Guidelines for compromise settlement of dues of banks through Lok Adalats.
- iii) DBOD.No.LEG.BC./21/09.06.002/2004-05 dated August 3, 2004 – Guidelines for compromise settlement of dues of banks and financial institutions through Lok Adalats Enhancing the ceiling from Rs. 5 lakh to Rs. 20 lakh.
- iv) DBOD.No.BC.34/21.04.048/2007-08 dated October 4, 2007 – Guidelines on purchase/sale of Non Performing Assets
- v) DBOD.No.BC.55/21.04.117/2007-08 dated November 30, 2007- Guidelines on settlement of Non Performing Assets – Obtaining Consent Decree from Court.
- vi) DBOD.No.BC.112/21.04.048/2009-10 dated June 21, 2010 – Compromise/Negotiated/One Time settlement of Non Performing Assets – Appending of certificate that the compromise settlements are in conformity with the RBI guidelines.