

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

LOK SABHA

UNSTARRED QUESTION NO: 3445

ANSWERED ON:01.08.2014

DEBTS RECOVERY TRIBUNALS

BAIJAYANT "JAY" PANDA

(a)the details of Debts Recovery Tribunal (DRT) set up by the government to recover outstanding debts due to banks and financial institutions in the country;

(b)the total amount of outstanding debts of banks involved during each of the last three years, tribunal and bank-wise;

(c)the number of cases disposed of/ pending by each tribunal since its inception and the amount recovered during the last three years and the current year;

(d)whether the Debts Recovery Tribunals have been able to recover the outstanding debts due to banks and financial institutions and if so, the details thereof and if not, the reasons therefor; and

(e)the steps taken/ proposed to be taken by the Government to improve the performance of DRT throughout the country?

Will the Minister of FINANCE be pleased to state:-

ANSWER

MINISTER OF STATE FOR FINANCE (SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is annexed.

STATEMENT AS REFERRED TO IN REPLY TO PARAS (a) TO (e) OF LOK SABHA UN-STARRED QUESTION NO. 3445 FOR 1ST AUGUST, 2014 / 10 SHRAVANA, 1936 (SAKA) REGARDING DEBTS RECOVERY TRIBUNALS.

(a) to (c) in pursuance of provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (RDDBFI Act), 33 Debts Recovery Tribunals (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) have been established in various parts of the country for expeditious adjudication and recovery of debts due to Banks and Financial Institutions. The details of DRTs/ DRATs are at Annexure-I.

The disposal of cases by the DRTs, the amount involved in these cases and the amount outstanding during the last 3 years and current year is as under:

| S. No. | Period | Cases disposed | Cases Pending | Amount involved of outstanding Debt involved | No. of cases | Amount disposed of |
|--------|--------|----------------|---------------|--|--------------|--------------------|
| | | (in crore) | (in crore) | (in crore) | | (in crore) |
| 1 | 2011 | 12122 | 21155 | 54061 | 146180 | |
| 2 | 2012 | 9125 | 16078 | 41205 | 130815 | |
| 3 | 2013 | 13279 | 23424 | 47970 | 317944 | |
| 4 | 2014 | 3031 | 5931 | 50128 | 332652 | |

(till March)

As per information available, the DRT-wise disposal of cases and amount involved for the years 2006-07 onwards and pendency as on March 2014 is given in Annexure-II. Bank-wise categorization of cases is not maintained by the DRTs.

(d) & (e) Yes Sir. As per the information provided by RBI, the amount so far recovered by the Scheduled Commercial Bank (SCBs) through DRTs is as under:

Amount in Rupees Crores

Year 2011-12 2012-13 2013-14 Cumulative for last three years

Amount 4097 4352 5261 13710

recovered

To improve functioning of the DRTs, the Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012 has been enacted, inter-alia, amending the RDDBFI Act. Salient features of these amendments are as under:

(a) Multi-state co-operatives banks have been included in the definition of 'bank'.

(b) The Debts Recovery Tribunals have been empowered to pass an order acknowledging settlement of compromise between the banks/ financial institutions and the borrower.

(c) If any application filed before the Tribunal for recovery of any debts is settled prior to commencement of hearing or at any stage of proceedings before the final order is passed, the applicant may be granted refund of fee paid by him at such rates as may be prescribed.

(d) A time limit of 30 days has been fixed for filing the written statement by the defendants provided that one or two further extensions may be allowed, in exceptional cases and in special cases circumstances, to be recorded in writing by the Presiding Officer.

(e) The number of adjournments allowed in a case has been restricted to three to a party and if there are three or more parties, the total number of such adjournments should not exceed six.

Besides the above, various administrative steps have been taken to remove the bottlenecks in speedy disposal of cases in DRTs, which are as under:

(i) Regular meetings with Registrars of DRTs/ DRATs are held to address the administrative & logistics issues.

(ii) Meetings with Recovery Officers are held on a regular basis for speedy disposal of recovery cases.

(iii) DRTs are holding Lok Adalats on a regular basis to expedite the disposal of cases.

(iv) Regular training of Registrars and Recovery Officers is conducted.

Keeping in view the increasing workload of DRTs, action has been initiated to set up 6 new DRTs, one each at Chandigarh, Bangalore, Ernakulam, Dehradun, Siliguri and Hyderabad, in accordance with the proposal included in the Finance Minister's Budget Speech.