

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 1206

TO BE ANSWERED ON THE 22ND December 2017/ Pausha 1, 1939 (SAKA)

One Time Settlement Policy

1206. SHRI B. V. NAIK:

SHRI S. P. MUDDAHANUMEGOWDA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India (SBI) has a One Time settlement policy for all large and medium scale units and if so, the details thereof;
- (b) whether it is a fact that the SBI has different policy when dealing with debt stricken and displaced farmers and unemployed students as opposed to its sympathetic treatment of big business houses and if so, the details thereof;
- (c) the reasons for the SBI adopting a very harsh policy towards displaced farmers and people in large number of such backward areas of the country including Karnataka; and
- (d) the steps proposed to review the harsh policies towards farmers and students by the SBI in tribal areas of the country including Karnataka?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) to (b): Yes, Sir. State Bank of India (SBI) has apprised that it has a well-defined One Time Settlement (OTS) policy in place, applicable to borrowers in all segments, including large and medium scale units. Settlement through compromise (*i.e.*, one-time settlement of dues) is a negotiated settlement, under which the bank endeavours to recover its dues to the maximum extent possible.

SBI has apprised that there is no difference in the policy for dealing with borrowers in different segments, including farmers and students, for settling overdues through OTS.

(c): SBI has informed that there is a new scheme for financing distressed agriculturist again as per their need-based requirements or scale of finance decided in State Level Bankers' Committees. This scheme, with special benefits for the agriculture segment, is uniformly applicable across states, and involves waiver of up to 50% on loans.

(d): SBI has informed that the Rinn Samadhan Scheme allows concessions up to 50% of outstanding amount, in addition to waiver of accrued interest, and is uniformly applicable to all borrowers as per eligibility criteria.
