

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO: 573

TO BE ANSWERED ON THE 20th JULY, 2018 / ASHADHA 29, 1940 (SAKA)

QUESTION
RECOVERY AGENTS OF BANKS

**573: SHRIMATI RAMADEVI:
SHRI HARISH CHANDRACHAVAN:**

Will the Minister of FINANCE be pleased to state:

- a) whether the Supreme Court has made any comment with reference to the recovery agents of private banks;
- b) if so, the details thereof;
- c) the action taken in compliance of the said comment during the last three years; and
- d) the outcome thereof along with the reaction of the Government thereto?

ANSWER

**To be answered by
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a) to (d): The Reserve Bank of India (RBI) is the regulator and supervisor of the banking system, as per powers conferred by relevant provisions of the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1934, and other relevant statutes. With regard to whether Supreme Court had made any comment with reference to recovery agents of private banks, RBI has apprised that no such information is available with it.

In addition, RBI has apprised that it has issued to all Scheduled Commercial Banks a Circular dated 24.4.2008 on “Mid-Term Review of the Annual Policy for the year 2007-08 — Recovery Agents engaged by banks” detailing guidelines relating to recovery agents engaged by banks. Further, RBI, *vide* circular dated 5.5.2003, has issued ‘Guidelines on Fair Practice Code for Lenders’ which are required to be adopted by banks, duly approved by their Boards of Directors. The circular provides, *inter-alia*, that in the matter of recovery of loans, lenders should not resort to undue harassment, *viz.*, persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
