

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-2971
ANSWERED ON- 21/03/2022

OTS OF BANK LOANS

2971. SHRI NAMA NAGESWARA RAO

Will the Minister of FINANCE be pleased to state:-

- (a) whether there are any guidelines for One Time Settlement(OTS) of bank loans and if so, the details thereof including details and number of cases of OTS sanctioned/approved by nationalised banks during the last three years, bank-wise;
- (b) the amount recovered against OTS in each case and against total amount (Principal amount plus Interest), bank-wise; and
- (c) the total amount waived off in each case (Principal amount plus Interest), bank-wise?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): As per Reserve Bank of India instructions, banks are required to have a Board-approved loan recovery policy, which may cover, *inter alia*, negotiated settlements through compromise, including one-time settlements (OTS), under which recovery in non-performing asset (NPA) loan accounts are to be effected to the maximum extent possible at minimum expense, with a view to help banks promptly recycle their funds with advantage. All nationalised banks have Board-approved loan recovery policy in place. As per inputs received from the eleven nationalised banks, OTS were approved in 38,23,432 cases during the last three financial years, bank-wise details of which are at Annex. Further, aggregate amount of Rs. 60,940 crore has been recovered through OTS by these nationalised banks during the last three financial years and up to December 2021 of the current financial year.

With regard to case-wise details, banks have apprised that borrower-wise (case-wise) information on OTS can not be shared under section 13 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980.

Annex referred to in

Lok Sabha unstarred question no. 2971, regarding OTS of Bank Loans

Details of One-Time Settlement approved by Nationalised Banks during the last three financial years

S.N.	Bank	Number of OTS approved
1	Bank of Baroda ¹	4,34,869
2	Bank of India	4,97,698
3	Bank of Maharashtra	63,202
4	Canara Bank ²	4,18,734
5	Central Bank of India	4,02,469
6	Indian Bank ³	4,27,279
7	Indian Overseas Bank	1,33,213
8	Punjab and Sind Bank	20,607
9	Punjab National Bank ⁴	8,87,772
10	UCO Bank	2,38,090
11	Union Bank of India ⁵	2,99,499
Total		38,23,432

Source: Banks

¹ Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda with effect from 1.4.2019

² Syndicate Bank was amalgamated into Canara Bank with effect from 1.4.2020

³ Allahabad Bank was amalgamated into Indian Bank with effect from 1.4.2020

⁴ Oriental Bank of Commerce and United Bank of India were amalgamated into Punjab National Bank with effect from 1.4.2020

⁵ Andhra Bank and Corporation Bank were amalgamated into Union Bank of India with effect from 1.4.2020

Note: The figures of the banks amalgamated are incorporated into those for the respective bank into which they were amalgamated.
