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Ahmedabad debt recovery tribunals have highest number of big-value cases

By [Dheeraj Tiwari](#), ET Bureau | Updated: Mar 10, 2016, 04.12 AM IST

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NEW DELHI: Ahmedabad has the highest number of large-value cases being heard in debt recovery tribunals across the country.

About 90% of the 600 cases of debt recovery - each amounting to Rs 500 crore or more - are being heard by the two tribunals in Ahmedabad, data compiled by government shows.

"This shows the business propensity of the city and that a large number of borrowers take advantage of the delay in the recovery process," said a senior official with the Ahmedabad DRT.

At present there are 33 DRTs across the country with about 70,000 applications involving assets of around rs 4 lakh crore. The highest number of pending cases is in West Bengal, where there are three tribunals handling about 16,000 cases.

"We have restricted powers and the borrowers often move to higher courts to delay proceedings," said the DRT official, adding that even in the ongoing Kingfisher case, the company may decide not to follow the tribunal's order.

Earlier this week, a tribunal in Bengaluru ruled that Vijay Mallya can't take the \$75 million (Rs 500 crore) that Diageo paid him to walk away from United Spirits until a case that banks have filed for the recovery of Rs 7,000 crore in loans to Kingfisher Airlines is decided.

A finance ministry official said the government is taking steps to strengthen the DRTs and once the bankruptcy law comes into operation, there will be faster clearance of cases stuck in the tribunals.

The government plans to introduce the bankruptcy and insolvency law in the second part of the ongoing budget session.

"We will also be implementing the e-DRT project, which will help banks and financial institutions to efficiently manage case records, track cases online and access accurate reports," he said.

According to MoF data, DRTs dispose of 11,000 cases worth Rs 21,000 cr every year on average. Cases have been piling up with DRTs as banks have been reeling under bad loans. NPAs of public sector banks increased by almost Rs 1 lakh crore during the first nine months of the current financial year. The level of gross NPAs of these banks increased to 7.3% in December from 5.43% in March 2015. A senior banker, however, said the DRTs may not be of much use in the current scenario when the defaulting borrowers are big companies.

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