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Finance Ministry to meet recovery officers of public sector banks next week

By [Dheeraj Tiwari](#), ET Bureau | Updated: Mar 16, 2016, 05.14 AM IST

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NEW DELHI: The [finance ministry](#) has called a meeting of senior recovery officers of all public sector banks next week to take stock of big loan default cases.

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The ministry has sought information from all the banks on their exposure to [Kingfisher Airlines](#) and status of their cases.

"The ministry has sent us a letter seeking details on Kingfisher Airlines, saying the information is required by the Enforcement Directorate," a senior official of a state-run bank said. The official said the ministry has separately called a meeting of recovery officers to take cognisance of efforts made towards salvaging loans granted to large borrowers. "Banks should be proactive and if required, take necessary steps to avoid such situations," the official said.

Major defaulter cases that may come up for discussion include Winsome Diamond & Jewellery, Zoom Developers, Electrotherm India and S Kumars Nationwide.



Last week, [finance minister](#) Arun Jaitley acknowledged that banks should have acted earlier to stop Mallya from going abroad. "Let the bankers take all steps to recover their money. If somebody is responsible for inaction...or any other matter of this kind coming to our notice, we will certainly look into that and take appropriate action," he had said. The government may also ask investigating agencies, including the Central Vigilance Commission, to consider the accountability of other professionals empanelled by banks during the loan sanction process.

"There should not be a witch hunt against the bankers," said another government official aware of the deliberations.

"The CVC itself in some of the cases had observed that professionals such as advocates, valuers and even chartered accountants are involved in unfair practices, including distorted reports, which lead to distressed assets," he added. The CVC had advised banks that in such cases, besides de-panelling, they should take up the matter with regulatory authorities.

Last week, Reserve Bank Governor Raghuram Rajan and finance minister Jaitley had said there is a well-defined process for defining wilful defaulters and there should not be a broad fishing expedition at banks that becomes a reason for banks to get worried about lending.

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