

## **Loan defaulters given two options**

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The top court Tuesday gave two options to loan defaulters - pay 75 percent of total outstanding principal amount or the banking court will be asked to decide their cases on merit. A three-judge bench, headed by Chief Justice Mian Saqib Nisar, was hearing a suo motu case on Rs54 billion waived off loans.

A three-member Commission, headed by former Justice Syed Jamshed Ali, had recommended that 222 cases should be further probed as Rs54 billion had been waived off in these cases.

The Chief Justice directed the defaulters to apprise the bench of the option by today (Wednesday). Justice Saqib said in the spirit of Alternate Dispute Resolution (ADR) they are trying to resolve the matter, but if some people want to adopt legal way then their cases will be sent to the banking court to decide them in six weeks.

The recovery from them will be made as per the recommendations of Commission's report. The banking court would be asked to recover the mark-up as well. The properties of the loan defaulters would be attached for finalization of their cases.

Khawaja Tariq Rahim, representing Punjab Industrial Development Board, said the outstanding loan against his client is Rs46 million. If the settlement is made by paying 60 percent amount then his client is ready to pay it in three months, he added.

The Chief Justice appreciated Tariq's proposal and said that the court would not do injustice with anyone.

The Chief Justice said instead of returning the recovered amount to the banks, it should be used for retiring debts. "We want to give better future to our children," he added.

The Supreme Court on June 03, 2011 had constituted a three-member Commission, headed by former Justice Syed Jamshed Ali, a former judge of SC, for the recovery of written off loans from 1971 onward and to compile a report.

The Commission in February 2013 submitted its report according to which Rs87 billion were written off in 38 years - between 1971 and 2009.

The report said the Commission could probe only 740 different cases. It had recommended that the 222 cases should be probed further as Rs54 billion had been waived off in these cases.

The report although found grave irregularities in loans given to politicians, civil and military bureaucracy, yet it could not get proofs about waiver on political basis as bank officials concealed the facts because they were afraid of the influential persons. The bankers have given only business reasons for writing off loans.

The Commission has given four options, according to that only principal amount should be recovered from the persons who got their loans written off, or the difference amount of the principal amount and the amount they had submitted. The tribunals comprising on-duty or retired judges of high courts should be set up for the recovery of amounts.

The Commission proposed for a legislation for the recovery of written off loans. The Commission also recommended that action should be taken against the provincial credit committee. However, it has given the final authority to the Supreme Court for recovery of loans.

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