PNB strengthens recovery efforts: Name-and-shames willful defaulters; boosts Mission Gandhigiri

- o   PNB to name and shame 1084 willful defaulters
- o   Mission Gandhigiri results in recovery of INR 100-150 cr month-on-month
- o   Tie-up with credit agency helps in tracing of defaulters

Punjab National Bank is strengthening its recovery efforts with innovative recovery mechanisms and technology partnerships to accelerate Non-Performing Assets (NPAs) recovery. The bank has intensified its efforts as per RBI's directions to name and shame willful defaulters. Over the past few weeks, the bank has boosted its Mission Gandhigiri and tied up with a credit agency to help increase recoveries and reduce NPAs. Moreover, special One-Time Settlement (OTS) schemes have also contributed to a sharp rise in recoveries.

Following the government's directions regarding willful defaulters, the bank has taken a lead by taking strong steps over the past few weeks. The bank has already declared 1084 wilful defaulters and published photos of 260 such defaulters in newspapers. Due to PNB's aggressive stance towards willful defaulters, 150 passports have been impounded over the past few months. Over the last 9 months, the bank has also lodged 37 FIRs against defaulters.

Mission Gandhigiri, an innovative recovery mechanism by PNB, was launched in May 2017 and has consistently delivered positive results in recovery. Born out of the need to name and shame defaulters to increase societal pressure and urge them to pay back, Mission Gandhigiri has a dedicated recovery team across all circles of the bank. Currently, there are 1144 field staff members that is driving this initiative. The Mission Gandhigiri team visits the borrowers' office or residence and sit their silently. Depending on the number of NPAs in a circle, this team operates at a daily to weekly frequency and uses placards and branded T-shirts and caps to let the neighbors know that they are bank representatives who have gone to the said site for recovery of loan. The placards have hard-hitting messages such as "It

is public money, please repay the loans" while the car has a banner that reads "Recovery Team". Through this initiative, the recovery team has been able to achieve its primary objective of getting these defaulters to the negotiation table and recover INR 100-150 cr in a month.

Similarly, in a bid to leverage data analytics for loan recovery and risk management, Punjab National Bank has tied up with a leading credit agency. With the help of third-party expert analytics, PNB will get access to contact information of PNB defaulters who have good credit record with other lenders. This partnership is a part of the larger strategy to deploy technology to strengthen internal systems. This partnership will not only help the bank with loan recovery but will also help identify and automate profitable lending strategies and minimize credit and fraud risk. PNB has been actively working towards improvinginternal systems by incorporating analytics and AI for reconciliation of accounts.

Moreover, in order to encourage borrowers to pay their dues, two special OTS schemes have helped accelerate NPA recovery for the bank. From an average of recovering loan amount from 70000-80000 NPA accounts in a year, this move has resulted in recovery in 225000 NPA accounts over a span of 10 months. These schemes apply to small NPA accounts helping defaulters come out of debt.