(PSBs) is mounting day by day due to sanctioning of loans by banks without verifications and counter guarantee;

(b) if so, the latest figures of NPAs of PSBs;

(c) the number of companies which have defaulted during this year and total NPAs owed by these companies so far; and

(d) the details of companies having NPAs of more than ten crore rupees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Main reasons for increase in NPAs of banks, *inter-alia*, are stalled projects, sluggishness in the domestic growth in the last few years and slowdown in recovery in the global economy. The issue of taking security including guarantee is governed by Reserve Bank of India (RBI) Master Circular updated on July 1, 2014 on Loans and Advances - Statutory and Other Restrictions which provides a framework of the rules/ regulations/instructions issued to Scheduled Commercial Banks on statutory and other restrictions on loans and advances. Banks have to implement these instructions and adopt adequate safeguards in order to ensure that the banking activities undertaken by them are run on sound, prudent and profitable lines.

(b) As per data made available by RBI the Gross Non Performing Assets (NPAs) of Public Sector Banks are ₹ 2,60,531 crore as on December, 2014.

(c) and (d) As per the data made available by RBI, the total number of NPA borrowers ₹ ten crore and above as at the end of Sept. 2014 are 2897 with, amount outstanding of ₹ 1,60,164 crore. The borrower's details in respect of non-suit filed cases are not disclosed as prescribed under Section 45E of the RBI Act, 1934 and the banking laws, which provide for obligation of a bank or financial institution to maintain secrecy about the affairs of its constituents. However the information on suit filed cases (suit filed cases of wilful default of ₹ 25 lakh and above and suit filed cases of default of ₹ 1 crore and above) are available on the following websites of the four Credit Information Companies: *www.cibil.com, www.equifax.co.in, www.experian.in, www.highmark.in.*

Identification of NPAs of PSBs

2141. SHRI AVINASH PANDE : Will the Minister of FINANCE be pleased to state:

(a) the details of measures being taken by Government to identify and turnaround Non-Performing Assets (NPAs) of Public Sector Banks (PSBs);

(b) whether any policy or guidelines have been formulated regarding the same; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) Main reasons for increase in NPAs of banks, *inter-alia*, are stalled projects, sluggishness in the domestic growth in the last few years and slowdown in recovery in the global economy. Reserve Bank of India (RBI)/Government has taken following measures for recovery of NPAs:

- To have a Board approved loan recovery policy;
- To put in place an effective mechanism for information sharing for sanction of loans;
- Required to have a robust mechanism for early detection of signs of distress including prompt restructuring in the case of all viable accounts;
- Taking recourse to legal mechanisms like SARFAESI Act, 2002, DRTs and Lok Adalats;
- To review slippages in asset classification in the borrowal accounts with outstanding ₹ 5 crore and above by the Board of Directors of the bank and review NPA accounts which have registered recoveries of ₹ 1 crore and above;
- Management Committee of the Board to review top 100 borrowal accounts of below ₹ 5 crore in each category of NPA *i.e.,* Sub-standard/Doubtful/Loss;
- RBI has released guidelines dated 30 January, 2014 for "Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalizing Distressed Assets in the Economy" suggesting various steps for quicker recognition and resolution of stressed assets: Creation of a Central Repository of Information on Large Credits (CRILC) by RBI to collect, store, and disseminate credit data to banks on credit exposures of ₹ 5 crore and above, Formation of Joint Lenders Forum (JLF), Corrective Action Plan (CAP), and sale of assets. 254 JLFs have been formed so far for reviewing projects.
- Six new DRTs at Bengaluru, Chandigarh, Dehradun, Ernakulam, Hyderabad, and Siliguri have been sanctioned by the Government, in addition to existing 33 DRTs for faster disposal of recovery cases.

- Government has announced in the Budget Bankruptcy law reform and a task force for creating Financial Redressal Agency to address grievance against all financial service providers.

Government borrowings from PSBs

2142. SHRI PANKAJ BORA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government proposes to give more autonomy to the Public Sector Banks (PSBs) with a commercial mindset;

(b) if so, whether the autonomy will be able to reduce the bad assets or debts of the Banks; and

(c) the details of Government borrowings from PSBs since April, 2014?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Public Sector Banks (PSBs) are autonomous entities and they are governed by their Board driven policies under various guidelines of Reserve Bank of India (RBI). The process involved in selection and appointment of Chairman and Managing Director and Executive Directors has already been revamped. The Government has also approved splitting of the position of Chairman and Managing Director into a 'Non-executive Chairman' and 'Managing Director & Chief Executive Officer'. The process for selection of Non Official Directors is also being restructured.

All these steps will improve corporate governance in the Public Sector Banks and promote professionalism. It is expected that efficiencies and improvement in governance will get reflected in better credit management and subsequently in reduction of bad assets.

(c) Data on loans/advances by PSBs to Government (Centre/State) is as under:

(₹ crore outstanding)

Advances to Governments (Central/State)		Advances Food Credit	
March 2014	December 2014	March 2014	December 2014
42,285.58	55,138.97	83,888.00	90,189.24