

(c) and (d) RBI 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. This Framework provides for centralised reporting and dissemination of information on large credits; early formation of a lenders’ committee with timelines to agree to a plan for resolution; incentives for lenders to agree collectively and quickly to a plan—better regulatory treatment of stressed assets if a resolution plan is under way, or accelerated provisioning if no agreement can be reached; improvement in current restructuring process; Independent evaluation of large value restructurings mandated, with a focus on viable plans and a fair sharing of losses (and future possible upside) between promoters and creditors; more expensive future borrowing for borrowers who do not co-operate with lenders in resolution and more liberal regulatory treatment of asset sales.

The intention of this Framework is not to encourage a particular resolution option, *e.g.* restructuring or recovery, but to arrive at an early and feasible resolution to preserve the economic value of the underlying assets as well as the lenders’ loans.

Credit facility for bank accounts opened under PMJDY

64. SHRI RAVI PRAKASH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that under the Pradhan Mantri Jan Dhan Yojana (PMJDY), State-run banks have opened 115 million no frill accounts in five months;

(b) if so, whether there is a proposal to give credit to these new customers with operational accounts;

(c) if so, the amount of credit proposed to be given to the account holder under the scheme and rate of interest to be charged therefrom; and

(d) the details of the policy framed for repayment of credit provided under the PMJDY?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) As on 31.01.2015, more than 12.54 crore accounts have been opened under Pradhan Mantri Jan Dhan Yojana (PMJDY).

(b) and (c) Indian Banks’ Association (IBA) has circulated an Overdraft (OD) Scheme which *inter alia* provides for an OD upto ₹ 5,000/- to low income group/underprivileged customers to meet their exigencies without insistence on security,

purpose or end-use of the credit to one account-holder per household, preferably lady of the house after 6 months of satisfactory operation of the account. The rate of interest chargeable is "Not exceeding 2% above base rate".

(d) The management of loan sanctioning/recovery activity is essentially an internal management function and each bank is authorized to frame suitable policies subject to Income Recognition and Asset Classification (IRAC) norms of Reserve Bank of India.

Reduction in maturity period of tax saving deposit instruments

†65. SHRI VIJAY GOEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to reduce the maturity period of National Savings Certificates (NSC) and bank deposit accounts involving income tax rebate, so that more and more income tax payers may deposit their money in these schemes;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) Sir, there is no such proposal and NSCs have a fixed maturity period. However, for making small savings schemes investor centric, interest rates are reset on 1st April of every year, as per recommendations of Shyamala Gopinath Committee. While resetting the rates are aligned with the prevailing rates of Government securities.

Expenditure on subsidies

66. DR. CHANDAN MITRA: Will the Minister of FINANCE be pleased to state:

(a) total annual expenditure on various kinds of subsidies for the last 3 years, year-wise;

(b) whether Government have formulated any plan to rationalize all the subsidies and public expenditure;

(c) if so, the details thereof;

(d) if not, the reasons therefor; and

(e) the steps taken by Government to rationalize various kinds of subsidies being provided at present in order to have stability in tax and other policies?

†Original notice of the question was received in Hindi.