

**Monetary policy on inflation**

212. SHRIMATI RAJANI PATIL: Will the Minister of FINANCE be pleased to state:

(a) in view of the fact that inflation in the country is persistently on rise, whether Government proposes to tighten its monetary policy to bring prices under control;

(b) if so, the details thereof; and

(c) the likely impact of tightening monetary policy on inflationary trend?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Reserve Bank of India, in its first bi-monthly monetary policy review 2016-17 held on April 5, 2016 has reduced the policy repo rates under the liquidity adjustment facility (LAF) by 25 basis points from 6.75 per cent to 6.50 per cent and kept the Cash Reserve Ratio (CRR) unchanged at 4.0 per cent. On a year-on-year basis, headline CPI (Combined) inflation declined to 4.8 per cent in March, 2016 from 5.3 per cent in February, 2016.

(c) Does not arise.

**NPAs of PSBs**

213. SHRI RAM KUMAR KASHYAP: Will the Minister of FINANCE be pleased to state:

(a) details of private and public sector banks in India and how many of them are operating in loss;

(b) whether Government has ascertained the causes of loss in those banks and if so, details thereof together with steps taken to bring them out of losses;

(c) the quantum of non-performing assets of the public sector banks, bank-wise;

(d) the details of companies who have taken loans amounting more than ₹ 100 crores from public sector banks and have become NPA; and

(e) the steps taken to recover NPAs from those companies within a time-bound manner?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) There are 27 Public Sector Banks (PSBs) and 22 Private Sector Banks in India. The details of PSBs and Private Sector Banks that have shown losses during the period April 15 to December 15 is given in the Statement-I (*See below*).

(b) RBI has identified high and increasing share of credit in 'industry' sector and stressed sectors such as 'infrastructure' as the reasons which has affected profitability and internal generation of capital of PSBs.

In the Financial year 2015-16, the loss making PSBs have been allocated ₹ 12,479 crore. It is estimated that PSB's market valuations will improve significantly due to (i) far-reaching governance reforms; (ii) tight NPA management and risk controls; (iii) significant operating improvements; and (iv) capital allocation from the Government.

(c) The quantum of non-performing assets of Public Sector Banks (PSBs) bank-wise is given in the Statement-II (*See below*).

(d) and (e) The details of NPA account of ₹ 100 crore and above for PSBs are given in the Statement-III (*See below*).

The Government has taken specific measures to address issues in sectors such as Infrastructure (Power, Roads etc.), Steel and Textiles, where incidence of NPAs is high. The Government has also approved establishment of six new Debt Recovery Tribunals (DRTs), to speed up the recovery of bad loans of the banking sector, in addition to existing thirty three. Reserve Bank of India (RBI) has also undertaken steps which include (i) Formation of Joint Lenders' Forum (JLF) for revitalizing stressed assets in the system, (ii) Flexible Structuring for Long Term Project Loans to Infrastructure and Core Industries, and (iii) Strategic Debt Restructuring (SDR) Scheme.

#### ***Statement-I***

##### *Details of Net Profit/loss for Public/Private Sector Banks*

(₹ in crore)

| Sl. No.             | Name of the Bank      | Net Profit/loss(-)  |
|---------------------|-----------------------|---------------------|
| Public Sector Banks |                       | April 15 to Dec. 15 |
| 1.                  | Allahabad Bank        | -162                |
| 2.                  | Bank of Baroda        | -2165               |
| 3.                  | Bank of India         | -2502               |
| 4.                  | Central Bank of India | -520                |
| 5.                  | Dena Bank             | -609                |
| 6.                  | IDBI Bank             | -1929               |
| 7.                  | Indian Overseas Bank  | -1961               |
| 8.                  | UCO Bank              | -1084               |

| Sl. No.              | Name of the Bank          | Net Profit/loss(-)  |
|----------------------|---------------------------|---------------------|
| 9.                   | State Bank of Patiala     | -467                |
| Private Sector Banks |                           | April 15 to Dec. 15 |
| 1.                   | Catholic Syrian Bank Ltd. | -60                 |
| 2.                   | Dhanlaxmi Bank Ltd.       | -78                 |

Source: RBI

**Statement-II***Details of gross NPAs of PSBs as on December 2015*

(₹ in crore)

| Sl. No. | Bank Name                 | Amount |
|---------|---------------------------|--------|
| 1.      | Allahabad Bank            | 9,611  |
| 2.      | Andhra Bank               | 9,051  |
| 3.      | Bank of Baroda            | 27,354 |
| 4.      | Bank of India             | 32,995 |
| 5.      | Bank of Maharashtra       | 9,429  |
| 6.      | Bharatiya Mahila Bank     | 1      |
| 7.      | Canara Bank               | 14,872 |
| 8.      | Central Bank of India     | 17,564 |
| 9.      | Corporation Bank          | 9,760  |
| 10.     | Dena Bank                 | 7,673  |
| 11.     | IDBI Bank Limited         | 16,732 |
| 12.     | Indian Bank               | 5,599  |
| 13.     | Indian Overseas Bank      | 19,053 |
| 14.     | Oriental Bank of Commerce | 10,031 |
| 15.     | Punjab and Sind Bank      | 3,391  |
| 16.     | Punjab National Bank      | 26,561 |
| 17.     | Syndicate Bank            | 7,481  |
| 18.     | UCO Bank                  | 15,481 |
| 19.     | Union Bank of India       | 16,098 |
| 20.     | United Bank of India      | 6,112  |
| 21.     | Vijaya Bank               | 4,012  |

| Sl. No.             | Bank Name                        | Amount   |
|---------------------|----------------------------------|----------|
| 22.                 | State Bank of Bikaner and Jaipur | 3,079    |
| 23.                 | State Bank of Hyderabad          | 5,832    |
| 24.                 | State Bank of India              | 72,871   |
| 25.                 | State Bank of Mysore             | 2,915    |
| 26.                 | State Bank of Patiala            | 5,789    |
| 27.                 | State Bank of Travancore         | 2,384    |
| Public Sector Banks |                                  | 3,61,731 |

Source: RBI (Data for Dec., 2015 provisional)

### Statement-III

Details of NPA accounts above ₹ 100 crore for PSBs (as at end Dec-15)

(₹ in crore)

| Sl. No. | Name of the Bank                 | No. of NPA accounts | Amount |
|---------|----------------------------------|---------------------|--------|
| 1.      | Allahabad Bank                   | 24                  | 5,498  |
| 2.      | Andhra Bank                      | 22                  | 4,442  |
| 3.      | Bank of Baroda                   | 59                  | 13,657 |
| 4.      | Bank of India                    | 93                  | 21,398 |
| 5.      | Bank of Maharashtra              | 10                  | 2,136  |
| 6.      | Canara Bank                      | 40                  | 10,352 |
| 7.      | Central Bank of India            | 36                  | 8,673  |
| 8.      | Corporation Bank                 | 18                  | 4,198  |
| 9.      | Dena Bank                        | 16                  | 3,051  |
| 10.     | IDBI Bank Limited                | 31                  | 11,202 |
| 11.     | Indian Bank                      | 15                  | 3,068  |
| 12.     | Indian Overseas Bank             | 39                  | 8,199  |
| 13.     | Oriental Bank of Commerce        | 23                  | 5,464  |
| 14.     | Punjab and Sind Bank             | 2                   | 231    |
| 15.     | Punjab National Bank             | 50                  | 12,292 |
| 16.     | State Bank of Bikaner and Jaipur | 4                   | 502    |
| 17.     | State Bank of Hyderabad          | 10                  | 2,127  |
| 18.     | State Bank of India              | 85                  | 23,726 |

| Sl. No.     | Name of the Bank         | No. of NPA accounts | Amount   |
|-------------|--------------------------|---------------------|----------|
| 19.         | State Bank of Mysore     | 5                   | 844      |
| 20.         | State Bank of Patiala    | 14                  | 2,319    |
| 21.         | State Bank of Travancore | 2                   | 477      |
| 22.         | Syndicate Bank           | 18                  | 3,145    |
| 23.         | UCO Bank                 | 37                  | 7,218    |
| 24.         | Union Bank of India      | 29                  | 6,838    |
| 25.         | United Bank of India     | 10                  | 1,600    |
| 26.         | Vijaya Bank              | 9                   | 1,265    |
| GRAND TOTAL |                          | 701                 | 1,63,920 |

Source: RBI

### Disinvestment of PSUs

214. SHRI MANSUKH L. MANDAVIYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government intends to expedite disinvestment process and has fixed targets for disinvestment for next three years, if so, the details thereof;

(b) whether Government has identified Public Sector Undertakings (PSUs) for the purpose, if so, the details thereof along with targets sets, PSU-wise; and

(c) the action being taken by Government as on date, to attract and ensure more entities to participate in disinvestment process to have healthy competition thereby generating more revenues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) The budget estimate (BE) for disinvestment for the FY 2016-17 is ₹ 56,500 crore. This comprises ₹ 36,000 crore as disinvestment receipts from Central Public Sector Enterprises (CPSEs) and ₹ 20,500 crore from strategic disinvestment.

With a view to expedite disinvestment process, the following steps have been taken by the Government:

- (i) As a part of the strategy to keep stocks readily available for transaction to take advantage of market conditions without any loss of time the Government has identified some CPSEs for disinvestment during the year in sectors like mineral and metal, oil, energy, capital goods as well as some mid-size and small stocks.
- (ii) In line with the announcement made in the Budget 2015-16, the Cabinet Committee on Economic Affairs in its meeting held on 17th February, 2016