THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) and (b) No, Sir. The recommendations of the seventh Central Pay Commission on Allowances have already been accepted by the Government and have been implemented with effect from 1st July, 2017.

(c) and (d) No, Sir.

Loans written off by PSBs

709. PROF. M.V. RAJEEV GOWDA: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a rise in loans written off by Public Sector Banks in recent years;

(b) if so, the details thereof and the reasons therefor;

(c) the number of loans written off by Public Sector Banks since 2014, year-wise; and

(d) the value of the loans written off by Public Sector Banks since 2014, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (d) Asset Quality Review (AQR) carried out in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non-Performing Assets (NPAs). Expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were reclassified as NPAs and provided for. Public Sector Banks (PSBs) initiated cleaning up by recognising NPAs and provided for expected losses. Primarily as a result of AQR and subsequent transparent recognition, the gross NPAs of PSBs increased by ₹ 6,16,586 crore between March 2015 and March 2018 (provisional data), as per the Reserve Bank of India (RBI) data. As per RBI guidelines and policy approved by bank Boards, non-performing loans, including, *inter alia,* those in respect of which full provisioning has been made on completion of four years are removed from the balance-sheet of the bank concerned by way of write-off. Thus, the amounts written off during recent financial years are substantially on account of such stressed loan accounts of earlier years, which have been transparently recognised following AQR and fully provisioned. Banks write-off NPAs as part of their regular exercise to clean up their balance-sheet, tax benefit and capital optimisation. Borrowers of such written-off loans continue to be liable for repayment. Recovery of dues takes place on ongoing basis under legal mechanisms, which include, *inter alia,* the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, and Debts Recovery Tribunals. Therefore, write-off does not benefit the borrower.

Year-wise details of the value of loans written-off by PSBs since financial year 2014-15, are given in the Statement (*See* below). RBI has apprised that the number of loans written off by PSBs since 2014, is not available.

Statement

Public Sector Banks amount Written-Off (including compromise)

Amounts in crore ₹

Financial Year	Amount
2014-15	50,419
2015-16	57,585
2016-17	81,683
2017-18	1,28,229

* Write-offs are done after full provisioning, and as per RBIs guidelines and policy approved by bank Boards, non-performing loans, including, *inter alia,* those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off. Further, the process of recovery of dues from the borrower in such loan accounts continues and, therefore, the write-off does not benefit the borrower.
Source: Reserve Bank of India (global operations)

Abolition of Contributory Pension Scheme

710. SHRI DHARAMAPURI SRINIVAS: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government is drawn to the matter of Contributory Pension Scheme and problems being faced by the employees;

(b) if so, the details thereof;

(c) whether a number of requests from State Governments and Government employees have been received by Government to withdraw the CPS System, the status of such requests; and

(d) whether Government is planning to resolve the matter and abolish the CPS System in view of the problems being faced by the employees?