

**Recapitalisation of financial sector**

406. SHRI RIPUN BORA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any planning of Government to recapitalise the banking sector of the country;

(b) whether Government has identified the big defaulter's account's causing bad loans of the Public Sector Banks and total bad loans upto 31st December, 2017;

(c) the proposal of Government regarding large budgetary support towards recapitalisation of the financial sector;

(d) whether Government proposes to use the foreign exchange reserves for shoring up the bank capital therein; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) Government, in October 2017, announced its decision to recapitalise Public Sector Banks (PSBs) over the current and next financial years. This entails mobilisation of capital to the tune of about ₹ 2,11,000 crore, through capital infusion by the Government amounting to ₹ 153,139 crore and the balance through capital raising by banks from the market. For the current financial year, total budgetary support provision for capital infusion is ₹ 90,000 crore. The Reserve Bank of India has identified all accounts with fund and non-fund based outstanding amount greater than ₹ 5,000 crore, with 60% or more classified as non-performing by banks as of March 31, 2016. These twelve cases which accounted for about 25% of the total NPAs in the system.

(d) and (e) As per inputs from department concerned no such proposal is under consideration.

**Security of money and ornaments of account holders of PSBs**

407. SHRI SUKHENDU SEKHAR RAY: Will the Minister of FINANCE be pleased to state:

(a) whether Government is contemplating any action to secure fully the money and ornaments of the bank account holders deposited in the Public Sector Banks;

(b) if so, the details of action plan thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) *Vide* press release dated 7.12.2017, Government has

reiterated Government's implicit guarantee for Public Sector Banks. Indian banks have adequate capital and are also under prudent regulation and supervision to ensure safety and soundness, as well as systemic stability. A sound legal framework is in place to ensure the integrity, security and safety of the banking system, and all possible steps and policy measures are taken to prevent bank failure and protect interests of depositors, which include issuance of directions, measures under Reserve Bank of India's Prompt Corrective Action, capital adequacy norms superior to the Basel-III international framework, prudential norms, and the existing deposit insurance as per the scheme.

#### **Impact of FDI on job creation**

408. SHRI SUKHENDU SEKHAR RAY: Will the Minister of FINANCE be pleased to state:

(a) whether jobs have been created in the country as a resultant effect of Foreign Direct Investments;

(b) if so, the number of jobs created between 2011 and 2017; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) to (c) Foreign Direct Investment (FDI) is a major driver of economic growth and a source of non-debt finance for the economic development of the country. Government has put in place an investor friendly policy on FDI, under which, FDI up to 100%, is permitted on the automatic route in most sectors/ activities. In the recent past, the Government has undertaken FDI policy reforms in a number of sectors *viz.* Defence, Construction Development, Insurance, Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Civil Aviation, Pharmaceuticals, Trading etc. Liberalization of the FDI policy has removed bottlenecks hindering FDI inflows into the country which, in turn, will boost direct and indirect employment in various sectors of the Indian economy.

Director General of Employment does not have data relating to creation of jobs between 2011 and 2017 as a result of FDI.

#### **Declining credit to micro and small enterprises**

409. SHRI BHUBANESWAR KALITA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that credit to Micro and Small enterprises is declining;

(b) if so, the details thereof for the last three years;