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;

(c) whether it is also a fact that declining credit has adversely affected the Micro, Small and Medium Enterprises; and

(d) if so, the remedial action taken by Government to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) Outstanding credit of Scheduled Commercial Banks (SCBs) to Micro and Small enterprises (MSEs) as on 31st March is as under:–

(₹ in crore)

Financial Year	Outstanding Credit
2014-15	9,61,174.17
2015-16	9,96,424.94
2016-17	10,70,129.48

There was thus an increase of 3.67% in outstanding credit to MSEs in 2015-16 and of 7.40% in 2016-17 over the corresponding previous year.

(c) and (d) Outstanding credit of SCBs to Micro, Small and Medium Enterprises (MSMEs) as on 31st March is as under:–

(₹ in crore)

Financial Year	Sector		Total of MSME Sector
	Micro and Small	Medium	
2014-15	9,61,174.17	2,09,851.88	11,71,026.05
2015-16	9,96,424.94	2,19,582.17	12,16,007.11
2016-17	10,70,129.48	2,26,269.34	12,96,398.82

Source: RBI.

There was thus an increase of 3.84% in outstanding credit to MSMEs in 2015-16 and of 6.61% in 2016-17 over the corresponding previous year.

Government and Reserve Bank of India have taken several steps to facilitate easy loans to MSMEs, which *inter alia* include, advise to all SCBs to achieve a 20% year-on-year growth in credit to MSEs, allocation of 60% of the MSEs advances to the Micro Enterprise accounts, adoption of one cluster, operationalising at least one specialised MSME Branch in every district etc. In addition, a target of 7.5% of Adjusted Net Bank Credit (ANBC) has been prescribed for Micro Enterprises. SCBs have been mandated not to accept collateral security in the case of loans up to ₹ 10 lakh extended to units in the MSE sector and computation of working capital requirements of MSE units has been simplified to make it minimum 20% of the projected annual turnover of the unit.

Selling and swapping of loan assets by PSBs

410. SHRI A.K. SELVARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has asked public sector banks to explore options for selling and swapping of loan assets with other lenders with a view to strengthen their balance sheets;

(b) whether it is also a fact that Government has asked public sector banks to open micro, small and medium enterprises intensive branches; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) A reforms agenda based on recommendations made by Whole-Time Directors and senior management of Public Sector Banks (PSBs) has been referred by the Government to PSBs for appropriate action. One of the agenda items relates to pursuit of a differentiated banking strategy to leverage bank's competitive advantage for strong regional and market segment connect, as per a Board-approved policy, which includes asset swap/sale to achieve desired asset mix.

(b) and (c) Reserve Bank of India has apprised that PSBs were advised in 2005 to operationalise at least one specialised Micro and Small Enterprises (MSE) branch in every district and centre having a cluster of such enterprises. As on 31.3.2017, there were 2,998 specialised MSE branches.

Reforms for proper functioning of banks

411. SHRI N. GOKULAKRISHNAN: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 393 given in Rajya Sabha on 19th December, 2017 and state:

(a) whether it is a fact that there will be a series of reforms that will be announced along side capital infusion to ensure that banks are able to function properly; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) With a view to further the effective utilisation of capital infused for economic returns, a reforms agenda based on recommendations made by Whole-Time Directors and senior management of Public Sector Banks