

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (d) To address regulatory capital requirements, increase credit off-take and catalyse economic growth, Government has decided to recapitalise PSBs to the tune of ₹ 2,11,000 crore. Of this, ₹ 1,35,139 crore is through infusion of capital by the Government from the public exchequer, while the balance is envisaged through capital raising by banks themselves from markets.

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. This is done, *inter alia*, for tax benefit and capital optimisation. Borrowers of such loans continue to be liable for repayment. Recovery of their payment liabilities takes place on ongoing basis under legal mechanisms, which include, *inter alia*, the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, Debts Recovery Tribunals and Lok Adalats. Therefore, write-off does not benefit borrowing companies and individuals.

Formation of fiscal council

1155. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the top economists and experts suggested to the PM that the credibility of the finance budget should be improved by sticking to the targets set and making more realistic projections;

(b) whether it is a fact that the top economists have also suggested the PM for formation of a 'fiscal council' that would be in charge of evaluating budget estimates and fiscal targets and will be answerable to the Parliament also not just to the Finance Ministry; and

(c) if so, how far Government is serious about constituting the fiscal council?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) and (b) At the Prime Minister's interaction with top economists and experts on January 10, 2018, it was suggested that the fiscal deficit targets should be met by the Government. No suggestion either on making more realistic projections or formation of a fiscal council was made in this meeting.

(c) Does not arise.