Rising NPAs of SBI

1974. SHRI SANJAY SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India (SBI) has repotted a net loss of ₹ 2400 crores in 2017 against a net profit of ₹ 2600 crores in 2016;

(b) whether it is also a fact that the SBI's Non Performing Assets (NPAs) have doubled to rupees two lakh crore from rupees one lakh crore in 2016;

(c) if so, what are the 'reasons for such a performance by India's largest bank and its repercussions on other banks; and

(d) the measures taken by Government to address this problem during the last four years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) As per the reported results of the State Bank of India (SBI), subsequent to merger of its associate banks and Bhartiya Mahila Bank with SBI, in the financial year (FY) 2017-18 (till December, 2017), SBI had a net profit of ₹ 1,171 crore. Prior to the merger, SBI had a net profit of ₹ 1,637 crore in FY 2016-17 (till December, 2016).

(b) As per the reported results of SBI, subsequent to merger of its associate banks and Bhartiya Mahila Bank with SBI, as of December 2017, SBI had Gross Non-Performing Assets (GNPAs) of lis. 199,141 crore, with a GNPA ratio of 8.70%. Prior to the merger, as of December, 2016, SBI had GNPAs of ₹ 1,08,172 crore, with a GNPA ratio of 10.35%.

(c) The primary reasons for lower profits in FY 2017-18 (till December, 2011), *vis-a-vis* the corresponding period in the preceding financial year, are higher provisioning on account of NPAs, and lower trading income and mark-to-market losses in SBI's bond portfolio due to significant hardening of bond yields. The primary reasons for increase in GNPA ratio over the same period are alignment of asset quality in accounts common to SBI and its associate banks in the context of the merger, and stressed accounts.

(d) Government has taken various measures to improve the financial health of all Public Sector Banks (PSBs), including SBI. These include recapitalisation, under which capital infusion by the Government of an amount of ₹ 8,800 crore has been announced for the current financial year. Further, under the PSB Reforms Agenda, SBI has committed to

raising capital from the market, realising value from banks' non-core investments, strict segregation of pre- and post-sanction roles, clean consortium lending arrangements, and clean post-sanction follow-up for loans above ₹ 250 crore. In addition, Reserve Bank of India has issued a revised framework for resolution of stressed assets, to provide for timebound resolution of high-value stressed assets.

Amendments to laws governing small savings schemes

1975.   SHRI SANJAY SETH: Will the Minister of FINANCE be pleased to state:

(a)   the present criteria adopted by Government for premature closure of PPF account;

(b)   whether Government is considering new facilities for PPF account holders;

(c)   if so, the details thereof;

(d)   whether the new facilities will benefit PPF account holders, if so, the details thereof;

(e)   whether Government has proposed several amendments to the laws governing small savings schemes; and

(f)   if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) to (d) Sir, at present premature closure of a Public Provident Fund (PPF) account is permitted on specified grounds on completion of five financial years from the date of opening of account. The PPF Scheme is reviewed by the Government from time to time. No specific proposal is currently under consideration.

(e) and (f) Yes, Sir. There is a proposal of bringing in a single Act for Small Savings Schemes in place of existing three Acts. The same is part of Finance Bill, 2018.

Losses to PNB due to fraud

1976.   SHRI SANJAY SETH:
        DR. PRADEEP KUMAR BALMUCHU:
Will the Minister of FINANCE be pleased to state:

(a)   whether State-run lender Punjab National Bank (PNB) has reported unauthorised transaction worth ₹ 11,500 crore in one of its branches in South Mumbai which is one of the biggest frauds in the Indian banking system;