of Dena Bank, Bank of Baroda and Vijaya Bank. Thus, subsequent to approval of the turnaround plan, the bank's Board has approved recommending the amalgamation. In this regard, it may be noted that as per the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the general superintendence direction and management of the affairs and business of the bank vests in its Board and further, that as per the General Clauses Act, 1897, any power conferred by any Central Act is exercisable from time to time as occasion requires.

Capital infusion after merger of banks

2927. PROF. MANOJ KUMAR JHA: Will the Minister of FINANCE be pleased to state:

(a) what are the amounts of taxes and dividends paid by the Bank of Baroda, Dena Bank and Vijaya Bank to Government during the past three years;

(b) how much capital has been infused in the concerned Public Sector Banks (PSBs) by Government as a part of recapitalisation;

(c) whether Government expects the amalgamation of the three Public Sector Banks (PSBs) to lead to better financial results of the merged entity;

(d) if so, what would be the basis of such improvement; and

(e) the financial result of the merger of the present State Bank of India with its subsidiaries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) As per information furnished by Bank of Baroda, Dena Bank and Vijaya Bank, the three banks paid total Central taxes and dividend of ₹ 8,639 crore during the last three financial years.

(b) Government of India (GoI) announced recapitalisation of Public Sector Banks (PSBs) to the tone of ₹ 2.11 lakh crore in October, 2017, through infusion of capital by the Government and raising of capital by banks from the markets. Pursuant to the announcement, capital amounting to ₹ 9,697 crore has been infused in Bank of Baroda, Dena Bank and Vijaya Bank by the Government as part of the said recapitalisation.

(c) and (d) The Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980 provide that the Central Government, in consultation with the Reserve Bank of India (RBI), may make a scheme, *inter alia,* for the amalgamation of any nationalised bank with any other nationalised bank or any other banking institution. Various committees, including Narasimhan Committee (1998) constituted by RBI, Leeladhar Committee (2008) chaired by RBI Deputy Governor, and Nayak Committee (2014) constituted by RBI, have recommended consolidation of Public Sector Banks (PSBs) given underlying benefits/synergies. Taking note of this and potential benefits of consolidation, Government, with a view to facilitate consolidation among public sector banks to create strong and competitive banks, that may serve as catalysts for growth with improved risk profile of the bank, approved an approval framework for proposals to amalgamate PSBs through an Alternative Mechanism (AM).

AM, after consulting RBI, in its meeting held on 17.9.2018, approved that Bank of Baroda (BoB), Vijaya Bank and Dena Bank may consider amalgamation of the three banks. As per information received from banks in this regard, after consideration of the amalgamation, the Boards of BoB and Vijaya Bank gave their in-principle approval and the Board of Dena Bank recommended for amalgamation. After considering banks and RBI's inputs, AM in its meeting held on 20.12.2018 gave in-principle approval for the amalgamation of BoB, Vijaya Bank and Dena Bank. After obtaining RBI inputs, Government has notified the scheme of amalgamation for amalgamating Bank of Baroda, Vijaya Bank and Dena Bank. Further, it may be noted that the amalgamation will help in harnessing scale and synergy benefits, leading to wider offering of products and services, enable easy access to credit along with benefits for public at large in terms of enhanced access to banking services through a stronger network, and give bank employees access to a wider pool of opportunities.

(e) Bank advances increased rapidly as a result of aggressive lending from 2008 to 2014. This, coupled with laxity in credit risk appraisal and loan monitoring, wilful defaults, and global slowdown, led to more than three-fold increase in their stressed assets, from 3.5% in 2008 to 11.1% by 2015. However, only 4.6% was recognised as NPA. As a result of transparent recognition of restructured loans as NPAs through Asset Quality Review commenced in 2015, gross NPAs increased. Expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were reclassified as NPAs and provided for. Banks initiated cleaning up by recognising NPAs and provided for expected losses. Further, during the fourth quarter of the financial year (F.Y.) 2017-18, all such schemes for restructuring stressed loans were withdrawn. As a result, while State Bank of India (SBI) posted aggregate operating profit during first half of FY2018-19 of ₹ 25,878 crore, it posted losses primarily on account of continuing ageing provision for NPAs recognised as a result of AQR initiated in 2015 and subsequent transparent recognition by banks, including under RBI's circular discontinuing restmcturing schemes in the fourth quarter of F.Y. 2017-18. Additionally, because of hardening of bond yields, the bank had mark-to-market losses on its investment portfolios. Thus, by recognising NPAs transparency, up-front provisioning, and reforms for comprehensive systemic improvements in the bank, a clean and robust banking system has been put in place. The associate banks of State Bank of India (SBI) and Bharatiya Mahila Bank were merged with SBI, with effect from 1.4.2017. Since then, in addition to cleaning up the bank, it has improved its performance on a number of key parameters that position it for improved financial performance in succeeding quarters by leveraging the scale and synergy resulting from the merger. These include, *inter alia,* increase in bank's business by 7.5% by September, 2018, and substantial improvements in its Current Account and Savings Account (CASA) ratio from 39.64% to 45.27% as of September, 2018, Capital to Risk-weighted Assets Ratio (CRAR) from 11.79% to 12.61% and Provision Coverage Ratio from 48.89% to 70.74%, as of September, 2018, as per data reported by SBI.

Loan waiver to farmers

2928. DR. L. HANUMANTHAIAH:
SHRI VIJAY PAL SINGH TOMAR:

Will the Minister of FINANCE be pleased to state:

(a) the details of the total and average loans of the farmers of the country waived by Government till date during the last two years and as on date, State-wise including Uttar Pradesh;

(b) whether Government has any proposal to waive off the loans of farmers upto rupees three lakhs; and

(c) if so, the details thereof, State-wise including Karnataka and Uttar Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) No farm loan waiver scheme was implemented by the Union Government during the last two years. Further, the Union Government at present is not considering any loan waiver scheme for farmers. As informed by National Bank for Agriculture and Rural Development (NABARD), since 2014, various State Governments have announced their own schemes, *inter alia,* for loan waiver of farmers.