

Levy of tax on cash withdrawals

1160. SHRI MOHD. ALI KHAN: Will the Minister of FINANCE be pleased to state:

- (a) whether there is any proposal with Government to levy tax on cash withdrawals from banks if it exceeds a fixed sum annually;
- (b) if so the details thereof; and
- (c) whether at present any restriction on cash withdrawals from banks?

THE MINISTER OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Various Proposals/Representations/Suggestions relating to the amendments in tax laws are examined at the time of the preparation of the Finance Bill and the outcome of the same is reflected in the Finance Bill tabled before the Parliament.

- (c) At present there is no restriction on cash withdrawals from banks.

Improvement in system of loan disbursement by PSBs

1161. SHRI HISHEY LACHUNGPA: Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that various loan services like education loan, personal loans etc. by the Public Sector Banks (PSBs) are perceived to be very cumbersome, slow and time consuming as compared to the private sector banks;
- (b) if so, the details thereof; and
- (c) the details of the list of steps taken by Government to improve the system of loan disbursement in PSBs?

THE MINISTER OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) Public Sector Banks (PSBs) lead in the delivery of loan service in many respects. PSBs have taken the initiative for hassle-free and expeditious in principle approval for loans to MSMEs in contactless digital mode through the *psbloansin59minutes.com* platform, which private sector banks have subsequently on-boarded. PSBs also lead in lending in several loan categories, such as loans for education and for priority sector agriculture and allied activities, in which PSBs account for 96% (as on 30.9.2018, as per RBI data) and 76% (as on 31.3.2019, as per RBI data) respectively of lending by Scheduled Commercial Banks. Further, PSBs have led in extending credit through the overdraft facility available under Pradhan Mantri Jan Dhan Yojana to account holders having satisfactory conduct of account, accounting for over 99.8% (including through Regional Rural Banks, which are sponsored by PSBs) of the total overdraft amount availed of as on 14.6.2019.

Though reforms initiated by the Government under a reforms agenda for PSBs, a number of steps have been taken to improve the system of loan sanctioning and disbursement in PSBs, including, *inter-alia*, the following:—

- (i) All PSBs have on-boarded the Trade Receivable electronic Discounting System (TReDs) platform, enabling online discounting of trade receivables by MSMEs for faster realisation against the receivables.
- (ii) For time-bound credit decision making for better turnaround time of loan proposals, comprehensive Loan Management Systems (LMS) have been put in place in banks for personal segment and MSME loans.
- (iii) Decision-making layers for loan sanctioning have been rationalised and restricted to a maximum of three layers.
- (iv) Proactive reach-out and faster automated processing for personal loans have been enabled to greater use of dedicated sales channels, including digital channels, co-origination of loans in tie-up with non-banking financial companies, external partnerships and dedicated marketing workforce.

Claims arising from losses due to Fani cyclone

1162. SHRI K.R. ARJUNAN: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the IRDAI has directed the insurance companies to ensure that all claims arising from losses due to the Fani cyclone are surveyed immediately and the payments disbursed at the earliest;
- (b) if so, the details thereof;
- (c) whether it is also a fact that the IRDAI wanted the firms to launch an extensive awareness campaign on the steps taken by them in the cyclone affected States; and
- (d) if so, the details and the response thereto?

THE MINISTER OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Insurance Regulatory and Development Authority of India (IRDAI) had directed the insurance companies through its guidelines dated 07.05.2019 to settle the insurance claims of victims of the cyclone Fani, expeditiously, with simplified process/procedure, wherever feasible.

(c) and (d) IRDAI had directed insurance companies to publish the details of offices/ special camps set up for the purpose, to enable immediate filing of claims. Pursuant to the direction of the Authority, the insurers have undertaken publicity through print and electronic media about the relaxations granted, and the details of offices where the claims can be lodged for quick settlement.