

- (2) Use of third-party data sources for comprehensive due diligence across data sources has been instituted, thus mitigating risk on account of misrepresentation and fraud.
- (3) Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above ₹ 250 crore.
- (4) To ensure timely and better realisation in One-Time Settlements (OTSs), online end-to-end OTS platforms have been set up.

Enabled by the above steps, financial gains from cleaning of the banking system are now amply visible. Gross NPAs of SCBs, as per RBI data on global operations (including provisional data for March, 2019, as reported on 2.7.2019), have reduced over the last financial year by ₹ 1,02,562 crore, and recovery of ₹ 4,01,424 crore has been effected by these banks over the last four financial years, including a record recovery of ₹ 1,56,746 crore in the last financial year.

As per inputs received from RBI, the total fund-based amount outstanding of top 12 borrowers whose accounts have turned into NPA, as on 31.3.2019 (provisional data), reported by SCBs, was ₹ 1,73,309 crore. Banks have initiated recovery/resolution process in respect of such accounts. The Union Government has not implemented any loan waiver scheme during the last three years, though some loan waiver schemes have been implemented by various State Governments.

With respect to details of borrowers whose loan accounts have turned into NPA, RBI has apprised that under the provisions of section 45E of the Reserve Bank of India Act, 1934, RBI is prohibited from disclosing credit information with respect to individual borrowers. Section 45E provides that credit information submitted by a bank shall be treated as confidential and not be published or otherwise disclosed.

(c) and (d) No corporate loan waiver has been done.

#### **NPAs written off by PSBs**

1796. SHRI KUMAR KETKAR: Will the Minister of FINANCE be pleased to state:

(a) out of the total NPAs of Public Sector Banks (PSBs), how many loans were based on the valuation reports authenticated by practicing member of ICAI during the last three years;

(b) the action taken or investigation commenced against how many such members;

- (c) the total amount written off by the PSBs under Insolvency and Bankruptcy Act;
- (d) the total percentage written off by the PSBs under Insolvency and Bankruptcy Act;
- (e) the number of people prosecuted as willful defaulters;
- (f) the steps Government has initiated to reduce the increasing losses of PSBs; and
- (g) how many and which PSBs are on the brinks of collapse?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) As per inputs received from Public Sector Banks (PSBs), valuation reports are obtained from banks' empanelled valuers and banks do not follow a practice of obtaining valuation reports from practising member of the Institute of Chartered Accountants of India (ICAI).

(c) and (d) As per inputs received from PSBs, till 31.3.2019, resolution plans have been approved in 68 cases by the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IBC). The total resolution amount approved in these cases was ₹ 65,320 crore. Provision held by PSBs in these cases was ₹ 33,556 crore as on 31.3.2019. PSBs provided for an additional amount of ₹ 21,727 crore, which amounts to 18.02% of the principal outstanding in these accounts.

(e) As per inputs received from PSBs, as on 31.3.2019, FIRs have been filed against 3,154 wilful defaulters.

(f) and (g) To strengthen PSBs, Government has implemented a comprehensive 4R's strategy consisting of recognition of NPAs transparently, resolution and recovering value from stressed accounts, recapitalising PSBs, and reforms in PSBs and financial ecosystem to ensure a responsible and clean system. Steps taken under these strategies include, *inter alia*, the following:-

- (i) Change in credit culture was effected, with the IBC fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners and debarring wilful defaulters from the resolution process and debarring them from raising funds from the market.
- (ii) Over the last four financial years, PSBs were recapitalised to the extent of ₹ 3.12 lakh crore, with infusion of ₹ 2.46 lakh crore by the Government and mobilisation of over ₹ 0.66 lakh crore by PSBs themselves.

- (iii) Key reforms were instituted in PSBs as part of PSBs Reforms Agenda, which include, *inter alia*, the following:—
- (a) Board-approved Loan Policies of PSBs now mandate tying up necessary clearances/approvals and linkages before disbursement, scrutiny of group balance-sheet and ring-fencing of cash flows, non-fund and tail risk appraisal in project financing.
  - (b) Use of third-party data sources for comprehensive due diligence across data sources has been instituted, thus mitigating risk on account of misrepresentation and fraud.
  - (c) Monitoring has been strictly segregated from sanctioning roles in high-value loans, and specialised monitoring agencies combining financial and domain knowledge have been deployed for effective monitoring of loans above ₹ 250 crore.
  - (d) To ensure timely and better realisation in One-Time Settlements (OTSs), online end-to-end OTS platforms have been set up.

Gains to PSBs are amply visible in their growing financial strength. As per RBI data on global operations (including provisional data for March, 2019, as reported on 2.7.2019), gross NPAs of PSBs have reduced over the last financial year by ₹ 1,06,032 crore, record recovery of ₹ 3,09,568 crore has been effected over the last four financial years (excluding recovery in IDBI Bank Limited made during 2018-19), and domestic credit growth has risen to 10.20% during financial year 2018-19.

Growing strength of PSBs is also evident from the fact that all PSBs meet minimum regulatory capital requirement, 6 PSBs are now out of PCA restrictions, balance-sheets of PSBs have been cleaned up through transparent recognition of NPAs and their provision coverage ratio is at its highest level in seven years, and asset quality has improved sharply.

*Note: NPA Figures cited above for PSBs include those for IDBI Bank Limited, which was recategorised as a private sector bank by RBI with effect from 21.1.2019.*

#### **Jan Dhan Accounts in Private/Public Sector Banks**

1797. SHRI KUMAR KETKAR: Will the Minister of FINANCE be pleased to state:

- (a) the number of Jan Dhan Accounts opened since its inception;
- (b) how many of them are operative;