

- (b) To ensure that the terminals installed at the merchants for capturing card payments (including the double swipe terminals used) should be certified for PCI-DSS (Payment Card Industry-Data Security Standards) and PA-DSS (Payment Applications-Data Security Standards).
- (c) To ensure that all acquiring infrastructure that is currently operational on IP (Internet Protocol) based solutions, are mandatorily made to go through PCI-DSS and PA-DSS certification. This should include acquirers, processors/aggregators and large merchants.
- (iii) To convert all existing Magstripe cards issued by them to EM V Chip and PIN cards.
- (iv) To mandatorily put in place Additional Factor of Authentication (AFA) for all Card Not Present (CNP) transactions.

(c) to (e) As apprised by Reserve Bank of India (RBI), no specific studies have been conducted by RBI pertaining to existing practices in European Countries and other foreign nations. However, global best practices are also considered at the time of preparing any policy.

#### **Policy decision on disinvestment of PSUs**

2566. MS. DOLA SEN: Will the Minister of FINANCE be pleased to state whether Government is trying to justify the policy decision of disinvestment/privatisation of 42 PSUs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): The Government has given ‘in-principle’ approval for strategic disinvestment of 28 CPSEs including Subsidiaries, Units and Joint Ventures with sale of majority stake of Government of India and transfer of management control. NITI Aayog has been mandated to identify CPSEs for strategic disinvestment. For this purpose, NITI Aayog has classified CPSEs into “high priority” and “low priority”. The CPSEs falling under “low priority” are covered for strategic disinvestment. Strategic disinvestment of CPSEs is undertaken as per the extant disinvestment policy of the Government.

#### **Structural changes in system of corporate governance**

2567. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

- (a) the recorded cases of wilful defaulters in the past three years in various Public Sector Banks (PSBs);

(b) whether Government is planning any structural changes to the system of corporate governance to change the current *status quo* and if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) As per inputs received from Public Sector Banks (PSBs), details of wilful defaulters declared during the last three financial years are as under:—

Financial year	Total number of wilful defaulters declared by end of the financial year (including wilful defaulters declared in previous years)
2016-17	8,915
2017-18	9,331
2018-19	10,495

Wilful defaulters have been acted against comprehensively. As per data reported by PSBs, till 31.3.2019, suits for recovery have been filed in 10,022 cases. In cases involving secured assets, action under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been initiated in 8,067 cases. Further, in accordance with RBI instructions of initiation of criminal proceedings wherever necessary, FIRs have been registered in 3,154 cases.

Moreover, to deter wilful defaulters, as per RBI's instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, and their unit is debarred from floating new ventures for five years. Further, *vide* Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Second Amendment) Regulations, 2016, wilful defaulters and companies with wilful defaulters promoters/directors have been debarred from accessing capital markets to raise funds. In addition, the Insolvency and Bankruptcy Code, 2016 has debarred wilful defaulters from participating in the insolvency resolution process.

Additionally, for effective action against wilful defaulters fleeing Indian jurisdiction, the Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment and confiscation of property of fugitive offenders and has disentitled them from defending any civil claim. Further, Government has advised PSBs to decide on publishing

photographs of wilful defaulters, in terms of RBPs instructions and as per their Board-approved policy, and to obtain certified copy of the passport of the promoters/directors and other authorised signatories of companies availing loan facilities of more than Rs. 50 crore. Heads of PSBs have also been empowered to request for issue of Look Out Circulars.

(b) and (c) A number of structural changes have been effected by the Government to the system of corporate governance in PSBs in recent years. The position of Chairman and Managing Director in nationalised banks has been bifurcated into a non-executive Chairman and a Managing Director and Chief Executive Officer. An independent Banks Board Bureau has been set up for arm's length selection of non-executive Chairmen and whole-time directors (WTDs) in PSBs. The eligible talent pool for selection of WTDs in PSBs has been widened and performance-based extensions have been instituted for WTDs. Further, the Finance Bill, 2019 contains a proposal to amend the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1980 for raising the maximum number of WTDs that may be appointed on the Board of a nationalised bank from four to five.

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

#### **NPA's in educational sector**

2568. SHRI KANAKAMEDALA RAVINDRA KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of the fact that due to dwindling opportunity for students pursuing various courses regarding employment, they are unable to repay the education loan availed by them;

(b) if so, the details thereof;

(c) whether Government is also aware of the fact that NPAs in education sector have touched 9 per cent; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (d) The Reserve Bank of India has advised all Scheduled Commercial Banks to adopt Education Loan Scheme, formulated by Indian Banks' Association (IBA), *vide* circular RPCD.PLNFS. BC. NO.83/06.12.05/2000-01