

Amending secrecy clause to disclose the borrowers name

2604. SHRI RITABRATA BANERJEE:

SHRI RAVI PRAKASH VERMA:

Will the Minister of FINANCE be pleased to state:

- (a) whether 50 per cent of all NPAs of Public Sector Banks (PSBs) that is around ₹ 4.5 lakh crore are owed by top 100 borrowers;
- (b) if so, the details thereof, bank-wise;
- (c) whether Government would amend the secrecy clause which restricts disclosing the borrowers' name;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) As per Reserve Bank of India (RBI)'s data on global operations, aggregate gross advances of Public Sector Banks (PSBs) increased from Rs. 18,19,074 crore as on 31.3.2008 to ₹ 52,15,920 crore as on 31.3.2014. As per RBI inputs, the primary reasons for the spurt in stressed assets have been observed to be, *inter alia*, aggressive lending practices, wilful default/loan frauds/corruption in some cases, and economic slowdown. Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non-Performing Assets (NPAs). As a result of AQR and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of PSBs, as per RBI data on global operations, rose from ₹ 2,79,016 crore as on 31.3.2015, to ₹ 8,95,601 crore as on 31.3.2018, and as a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, have since declined by ₹ 1,56,060 crore to ₹ 7,39,541 crore as on 31.3.2019 (provisional data on global operations for 31.3.2019 as reported by RBI on 2.7.2019).

Government has implemented a comprehensive 4R's strategy, consisting of recognition of NPAs transparently, resolution and recovery of value from stressed accounts, recapitalising of PSBs, and reforms in PSBs and the wider financial ecosystem for a

responsible and clean system. Comprehensive steps have been taken under the 4R's strategy to reduce NPAs of PSBs, including, *inter alia*, the following:—

- (i) Change in credit culture has been effected, with the Insolvency and Bankruptcy Code (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 have been 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 enabling PSBs to pursue timely resolution of NPAs.
- (iii) Key reforms have been instituted in PSBs as part of the PSBs Reforms Agenda, including 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.

Enabled by the above steps, as per RBI data on global operations, the NPAs of PSBs, after reaching a peak of ₹ 8,95,601 crore as on 31.3.2018, have declined by ₹ 1,56,060 crore to ₹ 7,39,541 crore as on 31.3.2019 (provisional data), and PSBs have effected record recovery of ₹ 3,09,568 crore over the last four financial years, including record recovery of ₹ 1,21,076 crore during 2018-19 (provisional data).

As per RBI data on global operations as on 31.3.2019 (provisional data), the total funded amount outstanding of the top 100 NPA borrowers of PSBs was ₹ 3,22,108 crore, amounting to 43.6% of gross NPAs of PSBs.

(c) to (e) As per inputs from RBI, lists of suit-filed wilful defaulters of ₹ 25 lakh and above and of suit-filed defaulters of ₹ 1 crore and above stand disclosed in public domain on the websites of Credit Information Companies (CICs) while the list of non-suit filed wilful defaulters is confidential in nature and is exempt from disclosure under section 45E of the Reserve Bank of India Act, 1934. No legislation to amend legal disclosability as above has been introduced by the Government. In this connection, RBI has apprised that confidentiality of information related to bank customers is a universally accepted phenomenon.

Note: Figures for PSBs for the financial year 2018-19 exclude those for IDBI Bank Limited, which was recategorised as a private sector bank by RBI with effect from 21.1.2019.

Granting educational loans for post graduate diploma courses

2605. SHRI RANJIB BISWAL:

SHRI NARAYAN LAL PANCHARIYA:

Will the Minister of FINANCE be pleased to state:

(a) the details of the instructions/guidelines issued by Government/Reserve Bank of India to the banks including State Bank of India for granting education loans for pursuing higher education;

(b) whether the SBI and a few other nationalised banks are not granting education loan for post-graduation diploma courses conducted by colleges and approved by AICTE;

(c) if so, the reasons therefor;

(d) whether the students particularly those belonging to poor families are being exploited by the private banks by charging higher interest rates as a result thereof; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) 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 dated April 28, 2001.

IBA has formulated and circulated to all member banks including State Bank of India