

during 2019 by the Reserve Bank of India and mandating of banks to link their lending rates with external benchmarks for reducing the cost of capital for investors. Government has also extended PM Kisan scheme to include all farmers, which will boost rural consumption.

(c) Monetary policy is under the domain of Reserve Bank of India (RBI). The RBI has cut the repo rate by 135 basis points during 2019 and has mandated the banks to link their lending rates with external benchmarks for reducing the cost of capital for investors.

#### **Infusion of extra funds into PSBs**

2429. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has infused extra funds into Public Sector Banks;

(b) if so, the details thereof for the last three years, year-wise and bank-wise; and

(c) the reasons behind these capital infusions when NPAs of these banks are on the rise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per RBI data on global operations, aggregate gross advances of Public Sector Banks (PSBs) increased from ₹ 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 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 Further, all such schemes for restructuring stressed loans were withdrawn.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. As part of the 4R's strategy,

Government has infused funds in PSBs, year-wise and bank-wise details of which for the current and two preceding financial years are given in the Statement (*See* below). As a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, their gross NPAs have declined from ₹ 8,95,601 crore as on 31.3.2018 to ₹ 7,79,347 crore as on 30.9.2019 as per declared results of PSBs.

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.

**Statement**

*Details of year-wise capital infusion by Government during the current and preceding two financial years*

(₹ in crore)

Financial year	Capital infused
2017-18	90,000
2018-19	1,06,000
2019-20 (up to 30.9.2019)	60,314

*Details of bank-wise capital infusion by Government during the current and preceding two financial years*

(₹ in crore)

Bank	Capital infused
Allahabad Bank	13,240
Andhra Bank	7,165
Bank of Baroda	17,417
Bank of India	23,956
Bank of Maharashtra	7,876
Canara Bank	11,436
Central Bank of India	15,103

Bank	Capital infused
Corporation Bank	13,828
Dena Bank	3,045
IDBI Bank Limited*	17,028
Indian Bank	2,534
Indian Overseas Bank	14,514
Oriental Bank of Commerce	10,257
Punjab National Bank	35,719
Punjab and Sind Bank	1,572
Syndicate Bank	6,802
State Bank of India	8,800
UCO Bank	15,043
Union Bank of India	20,404
United Bank of India	9,298
Vijaya Bank	1,277

\* In the reply, the figures for PSBs include those for IDBI Bank Limited, which has been recategorised by RBI as a private sector bank with effect from 21.1.2019.

#### **Slowdown in economy**

2430. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that most of the international agencies have lowered India's growth projections due to steep slow down in the economy;
- (b) if so, the details thereof and the reaction of Government thereto; and
- (c) the remedial measures Government proposes to take in this regard and effectively deal with slowdown in economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) International Monetary Fund (IMF) and other international organizations have reduced the growth forecast of global economy and