1	2	3	4
3.32	RRB Tamil Nadu GB	17	3.05
3.33	RRBTripura Gramin Bank	10	2.43
3.34	RRB Uttar Banga KGB	1	0.25
3.35	RRB Uttar Bihar GB	31	3.49
3.36	RRB Uttarakhand GB	33	9.9
3.37	RRB Vidharbha Konkan GB	33	6.15
	TOTAL	2136	395.27
	GRAND TOTAL	80126	17964.45

Source: As reported by Scheduled Commercial Banks on Stand Up Mitra portal *(www.standupmitra.in)*

*IDBI Bank Limited was recategorised as a private sector bank by RBI with effect from 21.01.2019

Investment of investors' money in share market by LIC

†2461. SHRIMATI SAMPATIYA UIKEY:
SHRIMATI CHHAYA VERMA:
CH. SUKHRAM SINGH YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the money deposited by the investors in Life Insurance Corporation of India and other financial institutions is being invested in the companies running in losses;

(b) names of sectors of share market where the money of investors under savings schemes has been invested by LIC Housing Finance Limited;

(c) the number of the companies out of them are running under loss;

(d) whether there has been a laxity on part of regulatory institutions responsible for safety of savings of investors deposited in financial institutions; and

(e) the steps taken by the Ministry to ensure guaranteed refund of the money of investors deposited in banks and financial institutions?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) LIC's investments are governed by the provisions of Insurance Act, 1938, Life Insurance Act, 1956 and IRDAI (Investment) Regulations, 2016. As per LIC, investment decisions are taken as per advice of Investment Committee constituted by the Board of LIC under Section 19(2) of Life Insurance Corporation Act, 1956. The Investment Committee takes guidance from Board approved investment policy and extant legal provisions. The investment operating procedures and internal norms are reviewed by LIC as per the need and revisions and changes are incorporated after seeking approval from their Investment Committee.

LIC, while examining investment opportunities, looks at the fundamentals and future prospects of the companies coupled with companies' performance with a long term horizon.

Further, investments of financial institutions are made as per applicable extant statutory provisions, regulatory guidelines, and board approved investment policies framed in line with existing legal provisions and regulatory guidelines in diversified and commercially viable companies with long term view.

(b) and (c) As per LIC Housing Finance Limited, it has no investments in the share market.

(d) and (e) The various statutes under which regulators are set up mandate the protection of interest of investors which is ensured through periodic monitoring and regulatory supervision of financial institutions. In case of any violation of statutory provisions or regulatory guidelines supervisory action is taken against such an institution including levying of penalty, cancellation of registration etc. by the regulator.

Banks are subject to prudent regulation and supervision under the provisions of the Banking Regulation Act, 1949, which provides, *inter-alia,* for regulatory directions for the purposes of preventing being conducted in a manner detrimental to the interest of the depositors and to secure proper management of the bank. As the regulator and supervisor, RBI has taken a number of measures for these purposes, including issuance of the prompt corrective action framework, capital adequacy norms superior to the Basel-III international framework and prudent lending norms. In addition, deposits are insured as per existing scheme.

A Revised Regulatory Framework was issued by RBI in November, 2014 mandating that only investment grade rated NBFCs-D (deposit taking NBFCs) shall accept and maintain public deposits. If any NBFCs-D are found violating guidelines applicable to them, then supervisory action is taken including issuance of Prohibitory Order under Section 45 MB of the RBI Act, 1934 and cancellation of Certificate of Registration (CoR), if necessary.

To help customers recover loss sustained on account of fraudulent transactions, RBI has issued instructions providing zero liability of a customer if she or he informs the bank regarding an unauthorized electronic transaction within three working days of receiving information in respect of the transaction from the bank and the bank shall credit the amount involved in such transaction to the customer's account within 10 working days from the date of information by the customer.

In order to safeguard bank deposits, provisions for deposit insurance are provided in the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961. DICGC, which is a wholly owned subsidiary of RBI, insures bank deposits, such as savings, fixed, current, recurring etc. of all commercial banks, including private banks, public sector banks, branches of foreign banks in India, Local Area Banks, Regional Rural Banks, Cooperative Banks, Small Finance Banks, and Payment Banks.

Government has taken comprehensive measures to protect the interest of depositors, *inter-alia,* including:

i. Issuance of "Framework for timely detection, reporting, investigation etc. relating to large value bank frauds" to Public Sector Banks (PSBs), for systemic and comprehensive checking of legacy stock of their non-performing assets (NPAs).

ii. Enactment of Fugitive Economic Offenders Act, 2018 to deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts.

iii. Advising PSBs to obtain certified copy of the passport of the promoters/ directors and other authorized signatories of companies availing loan facilities of more than ₹ 50 crore.

iv. Establishing National Financial Reporting Authority as an independent regulator.

v. Issuing instructions/advisories to PSBs to decide on publishing photographs of willful defaulters, in terms of RBI's instructions and as per their Board-approved policy.

vi. Freezing of bank accounts 3.38 lakhs inoperative companies over the last two financial years.

Adverse impact of NPAs on economy

†2462. SHRIMATI SAMPATIYA UIKEY:
SHRI VISHAMBHAR PRASAD NISHAD:
CH. SUKHRAM SINGH YADAV:
SHRIMATI CHHAYA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) the NPAs amount of various banks in the country that has been written off during the last five years, the details thereof, bank-wise;

(b) whether any assessment has been made about its adverse effects on economy to find out that as to what extent the economy was adversely hit by banks' NPAs which led to an economic slowdown; and

(c) the details of the loans taken by farmers and traders which turned into NPAs out of the total NPAs of banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per data of the Reserve Bank of India (RBI), aggregate gross advances of Scheduled Commercial Banks (SCBs) in their global operations increased from ₹ 25,03,431 crore as on 31.3.2008 to ₹ 68,75,748 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

†Original notice of the question was received in Hindi.