

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 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 Further, all such schemes for restructuring stressed loans were withdrawn.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 SCBs, as per RBI data on global operations, rose from ₹ 3,23,464 crore as on 31.3.2015, to ₹ 10,36,187 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 ₹ 97,996 crore to ₹ 9,38,191 crore as on 30.6.2019.

(c) and (d) As per inputs received from RBI, the details of the number of incidents of fraud where the amount involved is ₹ 1 lakh and above, and total amount involved, during the last three financial years are given in *Statement*.

Statement

Frauds (amount involved ₹ 1 lakh and above) reported by Scheduled Commercial Banks, based on the date of occurrence

Financial year	Number of frauds	Amount involved (in crore ₹)
2016-17	3,927	25,884
2017-18	4,228	9,866
2018-19	2,836	6,735

Source : RBI

Bringing down NPAs

202. SHRI K. J. ALPHONS: Will the Minister of FINANCE be pleased to state:

- (a) the total amount of NPAs of all the Public Sector Banks in the last financial year;
- (b) how does this compare with the figures of the previous year; and
- (c) the steps taken to bring down NPAs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) As per Reserve Bank of India (RBI)'s 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, and as a result of Government's 4R's strategy of recognition, resolution, recapitalisation and reforms, have since declined by ₹ 1,05,876 crore to ₹ 7,89,725 crore as on 30.6.2019.

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 five financial years including the current financial year till date, PSBs have been recapitalised to the extent of ₹ 3.89 lakh crore, with infusion of ₹ 3.13 lakh crore by the Government and mobilisation of over ₹ 0.76 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 ₹ 1,05,876 crore to ₹ 7,89,725 crore as on 30.6.2019, and PSBs have effected record recovery of ₹ 3,35,770 crore over the last four financial years and the first quarter of the current financial year, including record recovery of ₹ 1,27,987 crore during the financial year 2018-19.

Note: 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.

Rate of corporate tax

203. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that India's Corporate Tax is the lowest among the South East Asian countries;
- (b) if so, the reasons therefor;
- (c) whether Government has any plans to increase the Corporate Tax: and
- (d) if so, the details thereof, if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) The corporate tax rate of ASEAN countries are as under: