

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 SCBs, after reaching a peak of ₹ 10,36,187 crore as on 31.3.2018, have declined by Rs. 97,996 crore to ₹ 9,38,191 crore as on 30.6.2019, and SCBs have effected record recovery of ₹ 4,27,115 crore over the last four financial years and the first quarter of the current financial year, including record recovery of ₹ 1,56,702 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.

Storing banks payment data in foreign country servers

228. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the banks and Government financial institutions are processing and storing the data relating to payments in foreign country servers;
- (b) if so, the details thereof; and
- (c) whether Government has any guidelines or instructions for data-localisation to ensure safety of customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) In order to have unfettered supervisory access to data

stored with system providers as also with their service providers / intermediaries / third party vendors and other entities in the payment ecosystem, the Reserve Bank of India (RBI) had, *vide* their Notification No. DPSS.CO.OD No. 2785/06.08.005/2017-18 dated 06.04.2018, advised all system providers to ensure that the entire data relating to payment systems operated by them are stored in a system only in India. This data includes the full end-to-end transaction details / information collected / carried / processed as part of the message / payment instruction. Further, RBI advised all system providers that the System Audit for certifying the above compliance should be conducted by the Indian Computer Emergency Response Team (CERT-IN) empanelled auditors. In response to requests for clarifications on various issues from Payment System Operators (PSOs) on the above Notification and for expeditious compliance by all PSOs, RBI also issued Frequently Asked Questions (FAQs) on the subject on 26.06.2019.

Development financial institution for infrastructure financing

229. SHRI S. MUTHUKARUPPAN: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government is considering to set up a development financial institution to solve the infrastructure financing needs of the country;
- (b) whether it is also a fact that the banks do not have the long term funds to finance such projects;
- (c) whether the Government's said proposal is aimed at improving access to long term finance for projects; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) Yes, Sir. The Government is deliberating on the need for a Development Financial Institution (DFI) for long term infrastructure finance.

(b) to (d) Infrastructure requires long term financing given long gestation period of projects and returns that are spread over a number of years. Debt financing to infrastructure projects is mainly provided by banks. However, they are not the most appropriate institutions for providing long term infrastructure finance as their liabilities (deposits) are relatively short-term, while infrastructure assets are long-term. Therefore, there is a need for supplementing infrastructure financing from non - bank sources.