

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 620
TO BE ANSWERED ON THE 20TH JULY 2018/ ASHADHA 29, 1940 (SAKA)
Bad Debt

620. SHRI ADHALRAOPATILSHIVAJIRAO:
SHRI ANANDRAOADSUL;
SHRI G.HARI:
DR. SHRIKANTEKNATH SHINDE:
SHRI VINAYAKBHURAORAUT:
SHRI SHRIRANGAPPABARNE:
SHRI DHARMENDRAYADAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether depositors are worried about the safety of their money after Punjab National Bank was hit by a \$ 2 billion fraud, if so, the details thereof;
- (b) whether the entire Public Sector Banks are grappling with a record pile of bad debt and if so, the details thereof;
- (c) whether the Government has given its guarantee to the depositors for the safety of their deposit;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the extent to which the deposits of public are safe in the Public Sector Banks?

ANSWER

Minister of State in the Ministry of Finance
(SHRI SHIV PRATAPSHUKLA)

- (a) Punjab National Bank (PNB) has apprised that the bank's domestic deposits have increased by Rs. 34,814 crore during the financial year (FY) 2017-18, and that more than 1 lakh new accounts have been added during the year. This suggests that depositors continue to have confidence about safety of their deposits with the bank.
- (b) As per Reserve Bank of India (RBI) data, Public Sector Banks had aggregate gross NPAs of Rs. 8,95,601 crore, as of March 2018.
- (c) to (e): *Vide* press release dated 7.12.2017, Government has reiterated Government's implicit guarantee for Public Sector Banks. Indian banks have adequate capital and are also under prudent regulation to ensure safety and soundness, as well as systemic stability. A sound legal framework is in place to ensure the integrity, security and safety of the banking system and all possible steps and policy measures are taken to prevent bank failure and protect interests of depositors, which include issuance of directions, measures under Reserve Bank of India's Prompt Corrective Action, capital adequacy norms superior to the Basel-III international framework, prudential norms, and the existing deposit insurance as per the scheme.
