

>

Title: Regarding monitoring the business of private banks.

PROF. SOUGATA RAY (DUM DUM): YES Bank has happened after collapse of the NBEC, ILFS and Punjab and Maharashtra Coop Banks. The YES Bank fiasco has exposed the inability of the Government to govern and regulate Financial Institutions. The RBI has superseded the board of YES bank and put a – Rs.50,000/- cap on withdrawal by depositors of YES Bank. The Government should explain how the loan book of YES Bank saw a massive jump between 2014 and 2019 and how the loan book went up to Rs. 2.42 lakh crores in March, 2019. Anil Ambani Group, ESSEL, ILIS, DHFL and Vodafone were among the stressed Corporates, YES Bank was exposed to. Now, the State Bank of India is going to invest in YES Bank, but this itself endangered the State Banks's stability. It is strange that a Government which speaks up for primacy of the private sector has to depend on a nationalized bank to rescue it in a crisis. Earlier also, LIC was asked to rescue the beleaguered IDBI Bank. The Government says that it will protect the employees' jobs and salaries for one year. It does explain the accusation that it had failed to monitor the bank's troubles. The arrest of Rana Kapoor, detention of his daughter and search on his premises has come too late in the day. The depositors must be ensured about the safety of their deposits even after SBI has promised to pick up 49% of the shares. I would request the Government to take immediate steps to monitor the business of private banks of the country to ensure the safety

of investors of such banks and inform Parliament of the steps taken in the matter.