

Sixteenth Lok Sabha

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Title: Discussion on the Supplementary Demands for Grant No. 31 in respect of Supplementary Demands for Grants for 2017-18 (motion adopted)

HON. DEPUTY SPEAKER: Motion moved:

“That the respective supplementary sum not exceeding the amount on Capital Account shown in the third column of the Order Paper be granted to the President of India, out of the Consolidated Fund of India, to defray the charges that will come in course of payment during the year ending the 31st day of March, 2018, in respect of the head of Demand entered in the second column thereof against Demand No.31.”

Demand for Supplementary Grant- Third Batch for 2017-18 submitted to Vote of the Lok Sabha

No. and Title of Demand	Amount of Demand for Grant submitted to the Vote of the House		
	Revenue (Rs.)	Capital (Rs.)	Total (Rs.)
31 Department of Financial Services	----	80000,00,00,000	80000,00,00,000
Total	----	80000,00,00,000	80000,00,00,000

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): Sir, we are all aware of the fact that a lot of money and resources have to be infused in the public sector banks. पब्लिक सेक्टर के जो सरकारी बैंक्स हैं, उनमें पैसा इन्फ्यूज करने की आवश्यकता है, जिससे उनको ताकत मिले ताकि वे लोगों को ऋण दे पाएं। एनपीए के कारण बैंक्स की यह क्षमता कमजोर हुई है। सरकार ने रिकैपिटलाइजेशन के लिए 2,12,000 करोड़ रुपये का एक पूरा रिकैपिटलाइजेशन प्लान ऑलरेडी अनाउंस किया है। 2,12,000 करोड़ रुपये में से 1,35,000 हजार करोड़ रुपये के रिकैपिटलाइजेशन बॉण्ड्स इन बैंकों को देने हैं। इस वित्तीय वरेण में उस 1,35,000 हजार करोड़ रुपये के रिकैपिटलाइजेशन बॉण्ड्स के आधार पर बैंक्स बाजार से पैसे ले लेंगे

और सरकार को वह डेट सर्विस करना पड़ेगा। The bonds worth Rs.80,000 crore are to be given to the public sector banks by way of capital in this financial year. This is a technical supplementary demand.

That is the only item in this Supplementary Grant. I am sure everyone wants that the Public Sector Banks to be strengthened so that their capacity to lend increases. Today, after demonetisation particularly, banks have a lot of money but their lending capacity is taken away because of capital inadequacy. This will bring capital into a number of them so that their lending capacity will itself increase. It is a limited entry. We have already discussed the issue of NPAs at the time when we discussed General Supplementary Grants. This is only a technical Supplementary which has come thereafter.

DR. SHASHI THAROOR (THIRUVANANTHAPURAM): Mr. Deputy-Speaker, Sir, as the hon. Finance Minister has said we understand Government's motives in what they are trying to do here. Since the Government came into office we have been hearing about balance sheet problems, difficulties facing the Public Sector Banks and the balance sheets of corporate houses. We know that the companies borrowed a lot of money from the banks to invest in infrastructure and various businesses which had then slumped and as a result corporate profits hit lows; they could not repay their loans; their debts are rising and therefore they are cutting back on investment. So, the whole economy is affected. We understand the motivation behind all this. It is affecting not only the profitability and the balance sheets of the banks but also credit availability in the corporate sector. This naturally has led to a decline in private investment.

Mr. Deputy-Speaker, Sir, at the same time, the gross NPAs, the Non-Performing Assets in India, are at Rs. 7.33 lakh crore as on June, 2017 -- 10.2 per cent of the total loans are run by the Public Sector Banks and the stressed assets are another further 11 or 12 per cent of this. I must say this because I have heard the hon. Minister and his colleagues say that all their problems began with the UPA Government. If I can take two debts from their Government -- in March 2015, NPAs were at Rs. 2.75 lakh crore and today they are at Rs. 7.33 lakh crore within their own tenure. This is, in fact, so disappointing because the bank credit growth in the last fiscal year was 5.1 per cent which is the lowest since 1951. It is actually a 66 year old loan and I think, for the Government to put the blame on the UPA is completely unreasonable. The fact shows that the worsening of these numbers is clearly taking place in the last three and a half years. We accept that re-capitalisation is necessary for these reasons. We just do not wish to be blamed for it.

The joke in this House is that the Indian economy grows at night when the Government is asleep because when the Government is awake it does not do anything. But right now we are in a position where the Government cannot afford to sleep. There is simply no question that re-capitalisation is necessary. We have international examples to show that it works. The US, for example, in 2008 had the TAR programme, the Troubled Asset Relief Programme, which basically involved a lot of re-capitalisation of banks. I am sure that we can gain similarly from this as well.

This is a government that recently celebrated a finding of Moody's. It seems that Modi's intentions require Moody's approval. So, this Moody's study on this says that what Shri Jaitley has been proposing for the last couple years to re-capitalise will narrow the gap between the capital profiles of Indian Public and private sector banks and as a result there are a number of positives that they are talking about. With this re-capitalisation package, Moody's report says that the Government is going to allocate this to the 21 Public Sector Banks and so they will all have Common Equity Tier-1 (CET -1) ratios which will be above the minimum BASEL 3 requirement, which is 8 per cent, by March, 2019. It will strengthen the capital base of the banks; it will help the banks to write off their bad loans; it will strengthen and increase our banks' lending capacity; the CAPEX cycle will recover. Then to move away from Moody's to Goldman Sachs, they say that this could increase credit growth in our country by 10 per cent. This is what all the positive news about the Government proposal for what market expects; what Moody's expects and what we also expect.

But I have a few questions, Mr. Chairman, Sir, to ask the hon. Finance Minister. As we know, he had announced Rs. 2.12 lakh crores to the roadmap to strengthen the PSBs. Earlier, in 2015, he introduced Indradhanush Road Map which involves infusion of Rs. 70,000 crores in State-owned banks over four years ending in March, 2019. Now he is talking of raising a further Rs. 1.1 lakh crore in the market to meet the capital requirements.

My first question is, has the Indradhanush worked at all? It is because, presumably, if it had worked as Shri Jaitley has said in 2015, then this new infusion would not be necessary.

Secondly, on the equity shares by banks, the banks were supposed to raise Rs. 1.1 lakh crore from the market through the issue of equity shares under the Indradhanush Scheme. But banks have only raised Rs. 21,000 crore until now. They are supposed to raise much more money. Can the banks raise funds from the market given the fact that they have raised only a fraction of the amount that was expected under the Indradhanush Scheme?

A related question to the Finance Minister is, some of the money that he is asking for today is to be used to reduce the amounts to be raised from the market because clearly, the banks are not able to raise money from the market that they are supposed to do. Against Rs. 58,000 crores, they have only Rs. 21,000 crores.

My third question relates to the question of credit growth expectation. I mentioned about Goldman Sachs talking at ten per cent. Of course, there has to be a demand for credit because before there can be an increase in credit growth, that means, we have to stimulate the economy to seek that credit. So, there will be more investment in the domestic economy. On the other hand, this will also increase the banks' appetite for risk. The hon. Finance Minister must note that with the banks record over the last few years, the need for adult supervision has never been greater. I think, the last three and a half years record has not been encouraging in this respect. Can the Government take the necessary measures to control the public sector banks excessively healthy appetite for risk taking?

Then, of course, cleaning up of the balance sheet is all very well but we have to ensure that the cycle of accumulating NPAs is not repeated yet again. After all, the banks will have a higher share prices with the money that you are giving them. Will your infusion enable the public sector banks to directly raise more money from the capital markets? If so, can the Government ensure that the experience of the last three and a half years is not repeated?

Fifthly, recapitalisation that the hon. Finance Minister is asking money for is only a first step to address the rot in the banking sector. The fact is, it will ensure stability but we must now focus on performance. The Government has to follow it up with structural reforms to reduce its role in public sector banks to bring in more efficiency and accountability. There are a number of things that need to be done.

You have to improve the quality of the management of the public sector banks. You have to strengthen the Boards of the public sector banks. Corporate governance has been a serious concern, and reforms in corporate governance are necessary. There is a clear need for banking industry consolidation which you yourself have acknowledged.

So, is there a roadmap which you can lay out for serious reforms of the public sector banking system?

My sixth question is of course like this. The Government's debt liability will be increased undoubtedly by giving more money. Shri Jaitley is taking Rs. 80,000 crore from us

today. My understanding is, this is going to contribute to an increase in 0.8 per cent of the GDP in terms of the Government's debt liability this fiscal year. Will this impact our Government's or India's sovereign credit rating or is the Finance Minister expecting that the credit rating will benefit from the better growth prospects that will follow from recapitalising the banks?

Then there is the question of moral hazard. Are we rewarding banks for their irresponsible behaviour? Are we expecting the honest tax payers of India to bail out decisions made on wrong calculations, perhaps, with corrupt motives and giving money to people who never had an intention to repay? How do we ensure that the moral hazard aspect is taken into account particularly in future?

The final question, Mr. Chairman, is, are we just keeping the wall down the road? Can we ensure that a few years from now, a future Finance Minister does not come back with the same problem again? What concrete steps can the Government take to ensure that it does not happen?

Even during the last time when the Finance Minister came with the Supplementary Demands for Grants, many of us pointed out a number of vital areas that were missing from his request. He has come back with the new demands, but these are still missing.

I want to just mention two examples. One is, the Mahatma Gandhi National Rural Employment Guarantee Scheme which, according to the States, requires Rs. 80,000 crore. But he has only got Rs. 48,000 crore in the Budget. We will urge him to ask for more money for that. The second is, the cyclone Ockhi, Mr. Chairman, as you know, your own State, Tamil Nadu has asked for Rs. 9,000 crore. We, in Kerala, have asked for Rs. 7,348 crore, but the Government has given each State only Rs. 133 crore.

So, I would say that there is a real need for this. If he is going to give us the Supplementary Demands for Grants, it must reflect the real needs of the people of this country. Thank you.

डॉ. किरीट सोमैया (मुम्बई उत्तर पूर्व) : माननीय उपाध्यक्ष महोदय, मेरे सहयोगी डॉ. शशि थरुर कुछ अच्छे आंकड़े बता रहे थे। हर एक का अपना नसीब होता है। थरुर साहब की कांग्रेस पार्टी जब सत्ता में

आयी तब क्या फाइनेंशियल पोजिशन थी और अरुण जेटली जी वित्त मंत्री बने, तब क्या था। अपने यहां कहते हैं कि किसी के बाप, किसी के दादा इतना धन छोड़ जाते हैं कि सात पीढ़ी तक उसको चिंता नहीं करनी पड़ती है। जब मोदी सरकार आयी तो पिछली सरकार भी काफी कुछ छोड़कर गई थी, लेकिन क्या छोड़ा, उधारी छोड़ी, बैंड लोन छोड़े और जेटली जी के नसीब में विलफुल डिफॉल्टर छोड़े। थरुर साहब ने एक आंकड़ा बताया, मैं उन्हें वही फिगर पढ़कर सुनाना चाहता हूँ कि हां थरुर साहब आपने एन.पी.ए. की बात की। जब कांग्रेस यू.पी.ए. सरकार गई, तब मार्च 2014 में एन.पी.ए. 2 लाख प्लस था। आज वह साढ़े सात लाख करोड़ हो गया। थरुर साहब इसको अंडर रिपोर्टिंग कहते हैं। यह एन.पी.ए. की फिगर साढ़े सात लाख करोड़ कैसे हुई, क्योंकि रिजर्व बैंक कई सालों से कहता था कि जो बैंक्स हैं, वे बैंक्स अंडर रिपोर्टिंग ऑफ एन.पी.ए. हैं। इसलिए जब वरेण 2014-15 में मोदी सरकार बनी, तभी वित्त मंत्रालय ने निर्णय लिया, रिजर्व बैंक ने सलाह दी कि यहां पर लोन पर लोन दिया गया, कर्ज पर कर्जा दिया गया और उसका जो इन्टरेस्ट है, उस इन्टरेस्ट के पेमेंट के लिए वापस कर्जा दिया गया है। फिर जब रिजर्व बैंक ने री-विजिट किया तो उनको पता चला कि लगभग 5 लाख करोड़ रुपये के एन.पी.ए. मार्च-अप्रैल, 2014 में एडिशनल थे, वे छिपाए गए थे। It were under reported. आज जो साढ़े सात लाख करोड़ रुपये, एन.पी.ए. है, वह सब यू.पी.ए. काँग्रेस सरकार की देन थी। मैं आपको वरेण 2008 का अरुण जेटली जी का आर्टिकल, राज्य सभा और लोक सभा का उत्तर दे रहा हूँ। वरेण 2008 में बैंक ने कितना ऋण दिया था, 18 लाख करोड़ रुपये, और मार्च 2014 में यह 54 लाख करोड़ रुपये था। 6 साल में आपने पैसा ऐसे बहा दिया, बैंकों का पैसा लुटा दिया। यह पैसा किसको दिया, कैसे दिया, क्या सिक्योरिटी थी? मैं अपने क्षेत्र मुम्बई का एकजाम्पल देता हूँ। मैं जहा रहता हूँ उस क्षेत्र का उदाहरण देता हूँ। वहां पर एक बिल्डर ने प्रॉपर्टी ली थी और उसमें मिडिल इनकम प्रूफ लोअर इनकम हाउसिंग स्कीम बनायी। बैंकों ने उसको वरेण 2012 में सौ करोड़ रुपये कर्जा दिया।

आज वह पैसा 163 करोड़ रुपये हो गया है, क्योंकि ब्याज वगैरह कुछ नहीं दिया गया है। वह पैसा जो पीएसयू बैंक ने दिया, जमीन प्लेज की, लेकिन वहां बोर्ड नहीं लगाया। वहां 2500 घर बने, लेकिन वे सामान्य आदमियों को बेच दिये गये और बिल्डर ने वह पैसा लेकर दूसरे बैंक एकाउंट में रख दिया और आज बिल्डर ने अपने हाथ ऊपर कर दिये। अब जिन ढाई हजार लोगों ने घर खरीदे, बैंक ने उनके ऊपर ताला लगा दिया। इस टाइप के काम करके आप लोगों ने 18.34 लाख करोड़ रुपये छः साल में बहा दिये। मोदी सरकार आई, उन्होंने कहा कि हम यह कितने दिन चालू रखेंगे। इसके लिए रीविजिट किया गया और एनपीए का प्रोविजन 7 लाख 33 हजार करोड़ रुपये दिया गया है।

महोदय, मैं आज इस विषय पर ज्यादा बोलना नहीं चाहता हूँ। मैं वित्त मंत्री जी को धन्यवाद देता हूँ और हमारे प्रधान मंत्री जी का अभिनंदन करता हूँ। उन्होंने हिम्मत के साथ यह किया कि हम बुक्स ऑफ एकाउंट्स करेक्ट करेंगे, आने वाली पीढ़ी को जो पिछली सरकार ने किया, वह मोदी सरकार समाप्त करेगी। जो आपने पैसा लुटा दिया, उसका हिसाब हम जनता को देंगे और इसके लिए टू करेक्ट दि फिगर यह 80 हजार करोड़ रुपये का प्रोविजन चाहते हैं। मैं अरुण जेटली जी को धन्यवाद देता हूँ कि इन्होंने भले ही बैंकों को लुटा दिया, लेकिन अब जनता के प्रति जो अपनी जिम्मेदारी है, उसे निभा रहे हैं। धन्यवाद।

DR. MAMTAZ SANGHAMITA (BARDHMAN DURGAPUR): Hon. Deputy Speaker, Sir, I thank you for allowing me to speak on the Third Batch of Supplementary Demands for Grants for 2017-18.

Sir, apparently whatever the hon. Finance Minister Shri Arun Jaitley said is that we have to revive the ailing, sick banks and for that the Government is asking for special Supplementary Grants from this House and he is taking sanction of Parliament to the tune of Rs. 80,000 crore for this purpose. We need this money because then they can give loans to the people and they can lend to different sectors for our national growth. We are giving this money. But my question is this. What is the guarantee that this money will come back to banks so that they can become solvent? They have given loans to a lot of people who have not repaid them and that is why they are in such a bad position now. I do not know whether I am correct or not. But I feel that the demonetization was also a process which was done to save these banks. But still that has not worked. What is the guarantee that big business people and corporate houses would repay their loans now? There is no guarantee at all and we have no idea as to how we can recover such loans from these people.

Now, the Government is asking this Parliament to sanction Rs. 80,000 crore to solve the problem of public sector banks. But we are not demanding for more grants for the development of social sectors and for the development of the common people. Rather, in most cases the Government has now given major share to the States for expanding these sectors, but still their share of allocation has decreased and one of them is MGNREGA.

Even in the Mid-Day Meal Scheme, which is for the growth and development of our children which are two-thirds of our society, we are cutting the money.

My colleague Dr. Ratna De, in the 'Zero Hour' today, narrated about the widows pension and all that. There also, funds have been decreased. Similarly, for disabled persons also, funds have been decreased. Even for the development of SCSTs and minorities, funds have been decreased. The PMGSY, which was on 60:40 basis by the Centre and the States has been reduced to 50:50 basis. Some States are not solvent like Gujarat and all. Where do they get the money from to repay the amount?

As the hon. Minister said, this money is required for recapitalisation of our PSU Banks, I support these Supplementary Demands for Grants. Thank you.

SHRI BHARTRUHARI MAHTAB (CUTTACK): Hon. Deputy-Speaker, Sir, I stand here to participate in the discussion relating to the 3rd Supplementary Demand for Grants that is before us for consideration.

Things have changed during the last three and half years. Very rightly, as my colleague, Dr. Kirit Somaiya has mentioned, things have changed. One bigger change that we find today is this. The amount of Union Budget was far more than the total amount of the respective States Budgets taken together. That was the position four to five years ago. Today, that is not the position. It is because of the number of steps taken by our Governments – both the Union Government and respective State Governments. The respective States Governments' collective Budget is today much more than what is there of the Union Budget. This is a healthy sign. It is a participative economic growth through which our country is progressing, and this needs to be told to the outside world and also to the financial market that this is the position. In regard to the amount of investment on development plans, we are going ahead. That is the main strength of our economy.

As I have said, during the 2nd Supplementary Demands for Grants that was being considered in the earlier part of this Session, yes, one may debate relating to the fiscal capacity and responsibility that we are dealing with and whether we are adhering to that law or not. That is why my question was: Are you going to reconsider the Report given by the N.K. Singh Committee and bring in a new Bill for consideration of this House? That is another important matter to which the hon. Minister may also reply.

What I find here is that the 1st Supplementary Demand for Grants that was placed before this House during the Monsoon Session amounted to Rs. 11,166 crore. The 2nd Supplementary Demand for Grants that was placed before this House some days ago was of Rs. 66,113 crore. This 3rd Supplementary Demand for Grants is of around Rs. 80,000 crore. This 3rd Supplementary Demand for Grants has come for a specific purpose, which is recapitalization of public sector banks through issuance of Government Securities. I have no quarrel with that. My only concern here is: Why do you need Supplementary Demands for Grants to be cleared and what is the urgency when in a few weeks time, the new Budget is going to be placed before this House, perhaps on the 1st day of February? Is it just appropriation or something else? Today, when you are talking about bad loans or about NPAs, it is a problem which is related to the health of public sector banks. I just want to understand from the Finance Minister one thing.

The Banks Board Bureau Chairman, Mr. Vinod Rai has written a strongly worded letter to the Finance Ministry and PMO highlighting the lack of action by banks on bad loans. Stressed assets in PSBs need to be addressed and strong measures need to be firmed up for quicker resolution. We have already framed specific law for quicker resolution. Some are also under consideration. My only question is this. Is there dearth of legal measures? Is this the reason why we are unable to tackle bad loans?

Another issue that I would like to mention here is this. The strong rupee's dividends are waning and costs are rising. In Indian currency, there was a stellar run in 2017. That is the reason why, our import may be increasing and may be very alluring. At the same time, our strong rupee may be appealing for everyone but it is time to focus more on what is costing the economy.

Lastly, Sir, the Government spending is necessary to keep our economy grow. A report has been published and it is mentioned that the Government spending is likely to go up by Rs. 26 lakh crore in financial year 2020 and CAPEX is to rise up to 25 per cent that is Rs. 3.9 lakh crore. The Defence outlay for necessity also may jump up to 22 per cent alone while petroleum subsidy is likely to drop to Rs. 18,000 crore in financial year 2019 and Rs. 10,000 crore in financial year 2020.

All this is so far so good. The basic structure that is before us and for recapitalisation of PSBs, we have to adhere to BASEL norms. I have a very simple question. Why should we be forced to adhere to BASEL norms? Which are those countries who are not adhering to BASEL norms, yet they are quite prosperous in the world economy? Why should we have to tie up ourselves to BASEL norms and always recapitalise our PSBs? Why is it necessary? This needs to be told to the general public and also to this House. I would like to put before you this much and support the recapitalisation of PSBs that is before us for consideration.

SHRI JAYADEV GALLA (GUNTUR): Thank you, Sir. I have heard that in first few decades of Indian Parliament, the quality of debates used to be exemplary. Public perception is that the quality of debate has been coming down day-by-day. It is becoming very difficult to prepare properly if the agenda keeps changing and subjects are added without any notice. If the Members have to do proper research and prepare for a debate, at least, some advance notice or, at least, one day notice would be required. The credibility of Parliament is also at stake. I sincerely request the Government to please take this into cognizance and give

members sufficient advance notice in time to prepare so that we can elevate the quality of debates and win the confidence of the people of India whom we represent.

During the debate on raising the salary of Judges, much was spoken about the accountability of the Judiciary as well as the accountability of the public representatives and of Government officials. What about the accountability of bankers? Some of them would have colluded with wilful defaulters and are responsible for the rise of NPAs.

After the global financial meltdown, different countries responded differently. The US bailed out its banks. Iceland put its bankers in jail. Will India keep using Indian people's money to provide these types of corporate subsidies without holding bankers accountable? We need a different approach. I would request the Government and the Finance Minister to consider how we can keep the bankers also accountable.

While I support the Government's Supplementary Demands for Grants, there are a lot of pending financial commitments that the Government has made to my State of Andhra Pradesh which need regular support. I would request the Finance Minister to keep this in mind and to keep giving us the money that we need to meet the commitments made by the Government to the State of Andhra Pradesh.

Thank you very much for giving me this opportunity.

SHRIMATI V. SATHYABAMA (TIRUPPUR): Thank you, Deputy Speaker, Sir. I express my gratitude to our immortal leader Puratchi Thalaivi Amma before I speak in this august House.

Agriculture is the lifeline of our country where more than 70 crores of people are solely dependent on agriculture or agro-based industries for their life and livelihood. This is a huge population and no wonder that the farmers' population in our country is more than the total population of most of the countries in the world. Therefore, the emphasis on agriculture and enhancing farmers' income are most important. The Government has to address the problems arising out of the acute drought situation which has affected agriculture in Tamil Nadu. A special package for drought affected farmers would have been the apt decision on the part of the Union Government.

In a vast country like India, due to varied climatic conditions prevailing at different parts of the country, while some places are severely affected by scarcity of rainfall and drought,

some places are affected by excess rainfall and subsequently flooding. In both the cases, farmers and agriculture are affected the most. Due to natural calamities and failure of monsoon rains, most parts of the country are affected either by drought or by severe flood. There are many reasons for this. But, in my opinion, the foremost reason is Government's prolonged delay and reluctance in nationalisation of all the rivers in the country and also the interlinking of major rivers in the country.

Water is indispensable for agriculture. Irrigation is the blood circulation of agriculture. Without water, nothing could be done. Even if we spend crores of rupees, without adequate water, farmers have no choice to flourish.

The Tamil Nadu Government had also sought the assistance of the Union Government for implementation of the several important proposals like linking the Rivers Cauvery-Vaigai-Gundar at a cost of Rs. 5,166 crore, the Athikadavu Avinashi Flood Canal Scheme at an estimated cost of Rs.1,862 crore. This may be sanctioned on a priority basis. Likewise, the Pennaiyar (Sathanur Dam)-Palar Link Scheme and Pennaiyar-Nedungal Anicut-Palar Link at an estimated cost of Rs.500 crore may kindly be expedited.

The Union Government has to allocate more funds for proper maintenance and use of existing dams and water reservoirs in the country. The deepening and de-silting of local water bodies and lakes is crucial for growth of agriculture. The Union Government has to allocate more funds for the river restoration projects in the country and also has to increase and enhance the water catchment capacity in the country. The development of social forestry and increase of green cover in the country is also a part of agro development activity only.

Thank you, Sir.

श्री मोहम्मद सलीम (रायगंज) : सर, पहला तो सवाल यह है कि यह एक प्रोजेक्टिव गवर्नमेंट है, ऐसा दावा किया जाता है और इतने कम समय के इस विंटर सेशन में 10 दिन के अन्दर दोबारा थर्ड बैच ऑफ सप्लीमेंट्री ग्रांट्स, वह भी एक सेकेंड सप्लीमेंट्री लिस्ट ऑफ बिजनेस में आ रहा है। मैं बचपन से सुनता आ रहा हूँ कि सप्लीमेंट्री वाला मामला जो होता है, जब परीक्षा में कोई पाता है तो बहुत ही शिकायत हो जाती है। प्रोजेक्टिव गवर्नमेंट का मतलब है, हम एनपीए के बारे में तो बात कर रहे थे, बैंक का कैपिटल एडीक्वेसी नार्म है और इन्फ्यूज करना है और आपको उसमें पैसा डालना है, इसमें कोई इन्कार नहीं है। यह बात भी चर्चा में थी। जब हम सेकेंड बैच सप्लीमेंट्री ला रहे थे, क्या उस समय हमें 80 हजार करोड़ रुपए की जरूरत थी? यह आंकड़ा तो जून महीने का है कि एनपीए इतना हो रहा है। ये कहते थकते नहीं हैं, अभी किरीट सोमैया जी भी बोल रहे थे। मैं पिछली गवर्नमेंट का डिफेंडर नहीं हूँ, लेकिन यह कहा कि वह एनपीए पहले हो गया। हमारा सवाल है कि बीजेपी के नेतृत्व

वाली यह सरकार आने के बाद से एनपीए क्यों बढ़ रहा है और अदायगी, जो स्ट्रेस एसेट्स हैं और एनपीए की जो अदायगी है पब्लिक सैक्टर बैंक में, जो 38 बैंक्स की आप बात कर रहे हैं, उसमें क्यों घटी? There is a sharp fall in the recovery. When the Parliament is saying and when the economists are saying that the Government should take adequate steps and strong and stringent actions for the recovery. मैं ट्रेजरी बेंच के मेंबर्स से यह कह रहा हूँ कि पिछले तीन साल में यह ग्राफ कह रहा है, हर ग्राफ, हर स्टडी, इंटरनेशनल, नेशनल और मीडिया की रिपोर्ट भी है कि there is a sharp fall in the recovery.

दूसरी बात, सरकार यह कह रही है कि हेल्थ ऑफ इकोनॉमी बहुत अच्छी है। कारपोरेट प्राफिटेबिलिटी रिपोर्ट जो आ रही है, वह बढ़ रही है, शेयर मार्केट में भी उछाल हो रहा है। Business is doing well. कंपनीज के प्राफिट्स बढ़ रहे हैं। ये एनपीएज मेनली कारपोरेट सैक्टर के हैं, तो वह अदायगी क्यों नहीं हो रही है? यह तो आसान तरीका है कि हम उसको रीकैपिटलाइज कर देंगे, बेल आउट। अभी 2008 के बारे में कहा, लेकिन उससे भी स्थिति अच्छी नहीं हुई। आप खुद पूरे विश्व की मंदी के बारे में कह रहे हैं। लेकिन हमें यह करना पड़ेगा, बैंकों को बचाना पड़ेगा।

आप अगर इसी साढ़े तीन साल की फिगर लेंगे, तो प्राइवेट सैक्टर बैंक का रिकवरी रेट उतना फॉल नहीं कर रहा है। यह ओवर ऑल फॉल किया है, लेकिन यह पब्लिक सैक्टर बैंक में फॉल कर रहा है। अगर आप यही कह रहे हैं कि इनके जमाने में हुआ, तो आपको हुकूमत दी गई थी। आप इनको पकड़ो। अगर पिछले दौर में कारपोरेट्स लोन लिए और जो सही नहीं हुए या गलती हुई, तो आपको सजा देने के लिए किसने मना किया, अदायगी के लिए किसने मना किया?

आप जब सरफेसी कानून लेकर आए थे, उस समय यहां यह तकरीर की थी कि यह अदायगी के लिए बहुत अच्छी मदद करेगा। अगर हम एनालाइज करें, हमारे पास समय नहीं है। वेरियस स्कीम्स के अंडर जो रिकवरीज हो रही हैं, इवेन सरफेसी के तरीके से भी, आज उसमें फॉल है, वह रिकवरी नहीं हो रही है। आपको एकाउंटिबिलिटी तो तय करनी पड़ेगी और उस एकाउंटिबिलिटी के लिए ही तो संविधान ने यह अधिकार लोक सभा को दिया है कि हर एक पैसा जो कंसोलिडेटेड फंड ऑफ इंडिया से निकाला जाएगा, उसके लिए यहां चर्चा होनी चाहिए। हम कैसे चर्चा कर रहे हैं? बहुत से सदस्य बोले, इसलिए मैं नहीं बोल रहा हूँ। आप आफ्टर नून में सेकेंड सप्लीमेंट्री लिस्ट ऑफ बिजनेस लेकर आए। बीएसी का मतलब नहीं। संसदीय मंत्री यहां आकर बोलते हैं कि अगले सप्ताह का यह कार्यक्रम है, तो क्या सरकार को नहीं मालूम था? कल ही उन्होंने कहा कि अगले सप्ताह का हमारे लिए यह कार्यक्रम है, तो उसमें सप्लीमेंट्री ग्रांट्स नहीं है। सरकार के एक डिपार्टमेंट को दूसरे डिपार्टमेंट के बारे में नहीं मालूम है। पार्लियामेंट को नहीं मालूम है, लेकिन पार्लियामेंट्री अफेयर्स मिनिस्टर को तो मालूम होना चाहिए कि हमारा सप्लीमेंट्री ग्रांट्स सेकेंड बैच आना है। उसमें वह मामला नहीं है। अभी मैं मूल मुद्दे पर आया ही नहीं। हमारे जो अधिकार क्षेत्र में हस्तक्षेप किया, मैंने उस बारे में कहा।

बैंक के बारे में कहना चाहूंगा। प्रोएक्टिव के बारे में मैंने कहा, जेटली जी की मैं तवज्जो चाहूंगा। फर्स्ट जनवरी को पब्लिक सैक्टर बैंक्स के चेयरमैन एक के बाद एक रिटायर हो चुके हैं, लेकिन सरकार एप्वाइंटमेंट नहीं कर रही है। हेडलेस बैंक, आप उसे कैसे एकाउंटेबल करेंगे? सरकार को मालूम नहीं है

कि रिटायरमेंट प्लान क्या है और कब ये जा रहे हैं? तीन-चार महीने पहले से वह प्रोसेस ऑन होना चाहिए और एप्वाइंटमेंट होना चाहिए। समय कम है, इसलिए मैं बैंक का नाम नहीं ले रहा हूँ। 1 जनवरी को चेयरमैन रिटायर हो गए, सभी कार्यवाहक चेयरमैन हैं, अभी एक्टिंग जज के बारे में बात हुई थी We want performing Government and not acting Government. बैंक का हेल्थ इकोनॉमी का इंडिकेटर है, इसे आपको मानना पड़ेगा। सब कुछ मूडी के मुड से नहीं हो रहा है। आप सरकारी खर्च से बैंक को रिकैपिटलाइज कर रहे हैं, यह इनडायरेक्ट सब्सिडी है, आपने कॉरपोरेट लोन को माफ किया, आप कहेंगे माफ नहीं किया, यह खाते का मामला है। आप अदायगी नहीं कर रहे हैं, जो आम नागरिक हैं उनके इंटेस्ट रेट को घटा रहे हैं, उनका मिनिमम बैलेंस नहीं है तो चार्ज ले रहे हैं। अभी खबर आई कि स्टेट बैंक ने 1700 करोड़ रुपये छह महीने में ले लिए क्योंकि मिनिमम बैलेंस नहीं रखा गया था। किसका गुनाह और आप किसे सजा दे रहे हैं। जो गुनाहगार है उसे पकड़िए लेकिन आप आम लोगों को सजा दे रहे हैं। यह पैसा सरकार की है, यह बजट का मामला है, the Finance Minister is stressed. Asset is not stressed. We have a stressed Finance Minister.

चूंकि उन्हें कहीं से पैसा निकालना पड़ेगा और कहीं डालना पड़ेगा इसलिए सोशल सेक्टर में हम बकाया रख रहे हैं। 100 दिनों की मजदूरी कर रहे हैं उनका पैसा बकाया है। कोई दूसरा बकाया लेकर भाग रहा है, उसे नहीं पकड़ रहे हैं। सरकार कह रही है कि कारपोरेट फाइनेंस करेगी और हम इलेक्ट्रोल बांड ट्रंसपेरेंसी के लिए लाए हैं। आप किसी का नाम नहीं बताएंगे, विदेश में जिनका काला धन उसका नाम नहीं बताएंगे चूंकि फारेन मुल्क से एग्रीमेंट है। हमारे देश के बैंक जिनका एनपीए है, कॉरपोरेट सेक्टर के लार्जस्ट 10-12 फैमिलीज के एकाउंट ऐसे हैं जो टोटल एनपीए का 25 परसेंट है।

उनके नाम क्यों नहीं बताएंगे, यह कौन सा फारेन कंट्री का मामला है, कौन सा सिक्युरिटी का मामला है।

HON. DEPUTY SPEAKER: Please wind up.

श्री मोहम्मद सलीम: मैं समझता हूँ कि एकाउन्टेबल करने का मतलब है संसद के पास आकर बोलना चाहिए कि इस कारण से एनपीए हुआ। अगर उनके दौर में हुआ या आपके दौर में हुआ, इस कारण से नहीं हो रहा है, These are the corporates. मैं आपको एनपीए के बारे में एक फिगर बता रहा हूँ, Of all, the IDBI has the highest among the Public Sector Banks. 24.11 एनपीए है, यह जून महीने का आंकड़ा है, स्टेट बैंक का 22.7 परसेंट, इंडियन ओवरसीज बैंक का 23.6 परसेंट, जो पांच पीएसबी हैं, Five PSBs account for 47.4 per cent of the NPAs. जो 38 बैंक हैं, उसमें एसबीआई, पंजाब नेशनल बैंक, बैंक ऑफ इंडिया, आईडीबीआई, बैंक ऑफ बड़ौदा, it is not doing well. बैंकवार्ड एरियाज हैं वहां के बैंक के कारण हो रहा है, ऐसा नहीं है, इसका एनपीए बढ़ रहा है। मेरा सवाल राज्य सभा में कांग्रेस के जमाने से 1990 से पेन्डिंग है, जो बैड लोन है, उनके लोनीज के नाम बताओ। सरकार कहती है कि आंकड़े इकट्ठा करके बताएंगे, लेकिन आज तक नहीं बताया। सरकारें बदलती रहीं लेकिन एनपीए जिसका है उसका नाम जनता को नहीं बताया।

HON. DEPUTY SPEAKER: Shri Varaprasad Rao, you please take one minute time.

SHRI VARAPRASAD RAO VELAGAPALLI (TIRUPATI): Sir, the hon. Finance Minister has no other choice except to infuse some funds. We appreciate that. But so far, the Reserve Bank could identify the corporates who have debts only to the tune of Rs.5000 crore and above. What about the rest? Kindly come out quickly so that the Government could really act on that. I do not see any perceptible action being taken by the Government with regard to the wilful defaulters and the officers who are responsible for that. But unless this is done, as the earlier speaker said, there is every possibility that such kind of things could be repeated again. Since you are so kind to recapitalize for the NPAs of the corporates, kindly do something for the NPAs of the farmers as well. It is extremely important because this present recapitalization will, perhaps, help only a few corporates who are, perhaps, 50 in number. But if you could be really helpful to recapitalize, that is, to waive the farmers' loan and the DWCRAs loans, really, 15-20 lakh people would be benefited, and all the States would be ever grateful to the Finance Minister.

With regard to NREGA, repeatedly I have been telling this. I have a very genuine problem because I visited more than 1300 villages after I became the MP. In fact, nowhere the wage component policy is being implemented. It is a very genuine problem.

As a result, the poor people in villages, particularly the marginalized sections are asking for 150 days of work under MGNREGA.

HON. DEPUTY SPEAKER: Please conclude.

SHRI VARAPRASAD RAO VELAGAPALLI: Sir, I am just concluding. ... (*Interruptions*)

So, the Government of India should insist on the wage component of it. No machinery should be employed and whoever is asking for it, as per the policy, he should be given employment for 150 days.

Lastly, I would like you to consider the repeated request raised by the Andhra Pradesh Government for grant of special status. ... (*Interruptions*) Kindly consider that.

Similarly, adequate funds should be released for the Polavaram project. Thank you, Sir.

श्री विनायक भाऊराव राऊत (रत्नागिरी-सिंधुदुर्ग): माननीय उपाध्यक्ष जी, मैं अनुदानों की अनुपूरक मांगों का समर्थन करते हुए मंत्री जी का ध्यान एक महत्वपूर्ण विषय की ओर आकर्षित करना चाहता हूँ। केंद्र सरकार की कई योजनाएं ग्रामीण और शहरी इलाकों में अमल में आ रही थीं। इससे लोगों को

बहुत फायदा हो रहा था। प्रधान मंत्री ग्राम सड़क योजना पूर्व प्रधान मंत्री माननीय अटल बिहारी वाजपेयी जी के कार्यकाल में शुरू हुई थी। इसका ग्रामीण इलाके में लोगों को बहुत फायदा हो रहा था और पहाड़ी इलाकों में सड़कें बन रही थीं। दुर्भाग्य से पिछले दो साल से इस योजना में केंद्र सरकार द्वारा निधि की उपलब्धता नहीं हो रही है।

वित्त मंत्री जी ने पिछले भाषण में बताया था कि जीएसटी के अमल के बाद 80 प्रतिशत बजट राज्य सरकार को जा रहा है। मेरी माननीय मंत्री जी से विनती है कि केंद्र सरकार द्वारा प्रधान मंत्री ग्राम सड़क योजना का अमल फिर से शुरू करें और इस योजना के लिए निधि का प्रावधान करें।

HON. DEPUTY SPEAKER: Shri B.B. Patil.

Please try to speak only on the banking system. Otherwise, for other issues to be raised, the next Session is coming in February itself.

SHRI BHEEMRAO B. PATIL (ZAHEERABAD): Deputy-Speaker, Sir, thank you very much for giving me this opportunity. The Government has sought the approval of Parliament for an additional grant of Rs.66,113 crore. The Government aims to utilize the additional funds to roll out schemes in terms of providing electricity connections to the poor and payment of urea subsidies.

The best part about this grant is that a good portion of it will go to provide electricity connections to the poor which will empower the rural masses. Payments of urea subsidies will again support the farmers in a big way.

A part of this fund will be utilized in constructing national highways, which, of course, is the basic need and is a sign of a progressive nation. Some part of this fund is also earmarked for National Rural Employment Guarantee Programme, which helps the unemployed finding solace with employment.

One more major usage of this fund will be for empowering the Regional Rural Banks so that farmers get more loans. A major chunk of this additional grant has also gone to implement the recommendations of the 7th Pay Commission.

With this, we hope the level of protection and safety of deposits made by the common people will be much higher in the banking sector.

We also hope this decision would not hamper the growth of Indian economy which is doing fairly well at this point of time. Thank you, Sir.

SHRI N.K. PREMACHANDRAN (KOLLAM): Sir, I rise to support the Demands for Grants. But, I oppose the way in which this Supplementary Demands for Grants is brought before this House.

Sir, this is the third batch of Supplementary Demands for Grants. Immediately after the first financial quarter, Rs.11000 crore worth of Supplementary Demands for Grants were passed by this House. Then, in this same Session, the Winter Session, we have passed Rs.66,000 crore worth of Supplementary Demands for Grants in the second Batch.

Now, the Government has come up with Rs.80,000 crore worth of Supplementary Demands for Grants for recapitalization of Public Sector Banks. I am fully supporting it because the intention of the Government is good.

HON. DEPUTY SPEAKER: Please conclude.

SHRI N.K. PREMACHANDRAN: Sir, the only one point that I want to raise is about the merger of five Public Sector Banks, which have been merged with the State Bank of India. I would like to know from the hon. Finance Minister about the impact of merger of these banks with the State Bank of India and what the result of this merger is.

The second stage of merger of these banks is not taking place. It is being delayed. Why is it being delayed? As per my information and knowledge, the merger of the State Bank of Travancore and the State Bank of Hyderabad with the State Bank of India is not giving good results. The financial health of the State Bank of India is not good as expected after the merger of these five banks. Is it the reason for not merging other banks with the State Bank of India? I would also like to know about the second stage of reforms in terms of merger of these banks.

With these words, I conclude my speech.

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): Sir, I am extremely grateful to all the Members who have participated in the discussion initiated by Dr. Shashi Tharoor.

First of all, let me clarify that a strong banking system is essential for a strong economy. Banks give credit from agriculture to housing to industry to all sectors. Therefore, the ability of the banks to lend has to be maintained. When banks are able to lend, it is only then that they are able to support growth. Now, the lending capacity of the banks also depends on capital adequacy. That capital adequacy has been impacted on account of the NPAs. We have had that discussion on several occasions on the origin of these NPAs. So, I am not getting into the political aspect of the discussion.

There is one factor which was raised by Dr. Shashi Tharoor to which Dr. Kirit Somaiya did substantially answer. I also had an opportunity last week to reflect on that point in this House. From 2014 and thereafter, why did the NPAs increase? They did not increase because fresh loans were given; they increased for a simple reason. An asset quality review was undertaken by the Reserve Bank of India in 2015 to determine whether the NPAs as stated are the real NPAs or they are really more. They found, by a process of standardization or ever-greening, accounts which were NPAs but were not being shown as NPAs. Therefore, rather than keeping the dirt below the carpet, the RBI decided, after this asset quality review, that these NPAs must be stated. This was an ethical exercise which was carried out. It was a prudent and proper exercise and had not anything to do with UPA *versus* NDA, as Dr. Shashi Tharoor tried to make it out. That is why, bringing to surface the hidden NPAs itself truly reflects the real picture. This real picture existed even in early 2014 except the fact that it was not being declared. Now, the question is this. Do we just go on with the blame game or do we correct the situation? Now, in order to correct the situation, in August, 2015, I had announced the Indradhanush Scheme in which Rs. 70,000 crore spread over three years, from the Union Budget, were pumped into the public sector banks and that is an exercise which we are completing now. Obviously, that seems to be inadequate because after provisioning, the amounts have really increased and you need to put in more money as far as the banking system is concerned.

I think, Dr. Shashi Tharoor raised one question and it was also raised by Shri Mohammad Salim using different words. He asked whether this is a subsidy to the banks. I think, this is a question to be considered that when Government owns these institutions, such bail-outs then become the responsibility of the Government at times. They may not be an ideal option. The other options are the ones which are criticized more. That is how, internationally after Lehman Brothers crisis, once G-20 went into the whole situation with regard to private financial institutions, the idea of bail-in began. In India, it has become a custom, particularly

every time friends like you suggest that the Government must pump in more money. If passengers are flying in a public sector airline which is running in a loss, should the tax-payers of India subsidise them? If banks have given loans to industrialists, and some of them are sitting in London and some of them have not paid back the money, should the tax-payers in India subsidise those loans? This is the whole concept with a moral hazard and I am glad that Dr. Shashi Tharoor today used this phrase and this is for this House to consider how long can these bail-outs really continue. After all, it is the tax-payers money which should be spent on public welfare, as Members have raised the issue of water problem, Members have raised the issue of fertilizers for farmers. Should this money ideally be spent on them or should it be used to supplement what some people are refusing to return to the banks?

But we have no option as we have to keep the bank systems strengthened. Therefore, this is the moral hazard with the bailouts, and that is why this bailout really is taking place as far as the banking system is concerned.

I think that Mr. Mahtab raised the issue of Basel-III norms, but having international norms casts a certain amount of confidence in our banking system. I want to assure this House that with this kind of infusion and with the support of the Government we are committed to keeping the public sector banks in good health. This is a distinction between the private and the public sector banks, which Mr. Salim made.

Private sector banks have been substantially indulging in retail lending. In retail lending, you buy or build a house or you buy a car and inevitably there is a security there, but if an infrastructure project is to be supported or if a large industry is to be supported, then to be fair to the public sector banks who have historically performed a great role in those rather than only confine themselves to safe retail sector lending. Therefore, the risk element involved in the public sector banks inevitably has been more. This is one reason why it is important at this stage of the Indian economy to keep them in good health. So, I am glad that every Member agrees that there is no option, but to strengthen them.

This year, we issue bonds worth Rs. 80,000 crore and this has nothing to do -- I may clarify as Mr. Shashi Tharoor wanted to know -- with regard to the increased equity that the banks may issue. Now, if the banks have been slow in issuing equity, then one of the reasons is that you issue an equity at a time where you get the best price, and you get the best price when you are in good health yourself. Therefore, it is only prudent that we improve the health and then each bank decides at the appropriate time as to what is the best time that it can

issue its own additional equity so that they are able to raise the price from that equity itself. This is where the balance amount between Rs. 1,35,000 crore and Rs. 2,12,000 crore has to really come out of except in some cases where some sale, etc. may take place.

Once this money of Rs. 80,000 crore is introduced, I can tell you that the Department of Financial Services already has a detailed plan, which is ready with regard to which are the banks to be selected; with regard to which this capital adequacy is to be added; and norms with regard to their professional functioning. There will be a series of reforms, which are going to be announced at that stage along with the capital infusion so that the banks are able to function independently and autonomously as good Board-run institutions and are able to serve this country.

I am extremely grateful once again to the hon. Members who have supported this Bill.

HON. DEPUTY SPEAKER: I shall now put the Supplementary Demand for Grant – Third Batch for 2017-2018 to the vote of the House.

The question is:

“That the respective supplementary sums not exceeding the amount on Capital Account shown in the third column of the Order Paper be granted to the President of India, out of the Consolidated Fund of India, to defray the charges that will come in course of payment during the year ending the 31st day of March, 2018, in respect of the head of Demand entered in the second column thereof against Demand No. 31.”

The motion was adopted.