Chapter - V

Department of Financial Services

1. Work Allocation among Sections

1.1 Banking Operation-I (BO-I)

Appointment of Governor/Deputy Governor of RBI, Chairman & MDs of SBI, CMDs and EDs of Nationalised Banks, salary allowances and other terms and conditions of Whole Time Directors of PSBs. Constitution of Boards of Directors of RBI and PSBs: appointment of Workmen Employee Directors, appointment of Part Time Non-Official Directors and Officer Employee Directors of PSBs. Nomination of Directors on the Board of PSBs.

1.2 Banking Operation-II (BO-II)

Administration of all Acts/Regulations/Rules related to Financial Systems like the Negotiable Instruments Act, 1881, the Chit Funds Act, 1982 and the Price Chits and Money Circulation Schemes (Banning) Act, 1978, etc., Banning of Unregulated Deposit Scheme Act, 2019, Deposit Insurance and Credit Guarantee Corporation (DICGC), Act, 1961. Coordination of work on matters related to Disaster management and crisis management, Payment and Settlement System Act, 2007 and matters relating to Digilocker, wherein the proposal is to enable the updation of the address of the account-holder in banks. Disposal of appeals received under section 9 of the Payment and Settlement Systems Act, 2007. Factoring Regulation Act, 2011. State Legislations – Protection of Interest of Depositors Acts of State Governments.

Matters relating to Multi-Level Marketing and Ponzi Schemes. Setting up of IFSC – GIFT. International Relations (Banking) / Bilateral issues. International Cooperation in. WTO, RCEP, JCCII and CEPAs/CECAs/ FTAs of India with bilateral and multilateral partners. Matters relating to Financial Sector Development Council and its Sub-committees. Matters relating to Central Economic Intelligence Bureau (CEIB). Matters relating to office of Court Liquidator, Kolkata. Work relating to Government Agency Business. Financial Action Task Force (FATF). Setting up of Currency Chest by banks in border districts (within 80 KMs of International Border). Rationalization of Bank Holidays / declaration of bank holidays under section 25 of the Negotiable Instruments Act, 1881. Know Your Customer (KYC) all matters – AML and CFT matters.

1.3 Banking Operation-III (BO-III)

Customer Service in Banks/FI/Ins.All kinds of complaints/representations received from individual/ associations for redressal of their grievances in these institutions such as delay in clearance of cheques, non-payment/non-issue of drafts, non-issue/delay in issue of duplicate drafts, misbehaviour/rude behaviour/ harassment on the part of staff of the Institution, non-settlement/delay in settlement of deceased accounts, non-transfer/delay in transfer of accounts from one office to another, non-opening/delay in opening of new accounts, non-compliance with standing instructions of the customers, non-payment of term deposits before maturity, delay in payment to pensioners, including those related to credit cards, ATMs, etc. All kind of complaints received from DARPG/DPG relating to Public/ Private Sector/Foreign Banks/FI/Ins.

All kinds of complaints received from MPs/VIPs /PMO against Private Sector & Foreign Banks. Banking Customer Service. Banking Ombudsman. Coordination of PRAGATI meetings.

1.4 Banking Operation & Accounts-I (BOA-I)

Preparation of annual consolidated review on the working of Public Sector Banks (PSBs) and laying it on the Tables of both Houses of Parliament. Pattern of accounting and final accounts in Public Sector Banks. Study and analysis of the working results of PSU Banks. Taxation matters of PSBs/FIs. Dividend payable to Central Government by PSBs. Scrutiny of the annual financial reviews of PSBs conducted by RBI under Section 35 of the Banking Regulation Act, 1949 and follow up action. Capital restructuring of PSBs (including restructuring of weak PSBs) and Government's contribution to share capital, public issue of banks. Release of externally aided grants to ICICI Bank under USAID. Disputes and arbitration between PSBs and between PSBs and other Govt. Departments/PSEs. Appointment of advocates in PSBs. Residuary matters of Portuguese Banks in Goa. Opening and shifting of administrative offices of banks.

All Policy matters related to Banking Operation such as Licensing, amalgamation, reconstruction, moratorium funds, and acquisition of private sector banks. Functioning of PSBs. Notification regarding exemption from various sections of the Banking Regulation Act, 1949 and appointment of appellate authority to hear appeals under BR Act and Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 and 1980. Administration of all Acts/ Regulations/ Rules related to Public Sector Banks, RBI and State Level Banks. Laying of annual reports and audit reports etc., of PSBs in Parliament.

1.5 Banking Operation & Accounts-II (BOA-II)

Credit Information Companies (CICs). Works relating to monitoring of NPAs and Recovery including compromises and OTS of all PSBs. Parliament matters, VIP/PMO references, complaints and other matters relating to above works. All matters related to NPA/ Stressed Assets (other than Sectoral Stress), including relief measures by banks in area affected by natural calamities. Stressed Assets Stabilization Fund (SASF). Audit of banks, appointment and fixation of remuneration of auditors of PSBs/FIs. Bank guarantees, Letters of Credit and Letters of Undertaking / Comfort by PSBs and related complaints. Citizen's Charter of PSBs/RBI. Acquisition/Leasing/Renting/Vacation of premises, Estate Officers under Public Premises Act, 1971. Operation of foreign banks in India (including IDC and FDI Policy matters). Banking Sector Reforms (including EASE Index and PSB Reforms Agenda). NBFCs and Appellate Authority on NBFCs. Operational risk management (other than cyber-security and digital payments security), including frauds and fugitive offenders. Administration of all Acts/Regulations/Rules related to NBFCs and CICs. Statement of Intent / Key Performance Indicators / Performance evaluation of whole-time Directors. Insolvency Bankruptcy Code (IBC). Overseas branches of Indian banks.

1.6 Agriculture Credit (AC)

Credit flow to Agriculture and allied sectors. Agricultural Debt Waiver and Debt Relief Scheme, 2008. Matters relating to NABARD (except pension matters), Agriculture Finance Corporation (except Service matters), State Legislations on the subject, Co-operative Banks (including Urban Co-operative Banks), external aided projects relating to rural/agriculture credit, appeals made by co-operative banks, financial assistance to persons affected by natural calamities, riots disturbances, etc. Bank credit to KVIC, handloom and handicraft sector. Citizen Charter of NABARD. Appointment of CMDs & Directors of NABARD. Kisan Credit Card (KCC) Scheme. Secretarial assistance to the designated appellate authority in regard to appeal by Urban Cooperative banks against cancellation of license by RBI.

1.7 Regional Rural Banks (RRB)

Legislative matters with regard to RRB Act, 1976 and framing of rules there under. Nomination of non-official directors on the Board of RRB, appointment of Chairman, Recommendation of RRBs, review of performance of RRBs, wage revision, manpower planning. Laying of Annual Reports of all RRBs along with review thereof. Formation of Staff Service Regulation and Promotion Rules for employees and officers of RRBs, IR matters of RRBs. Citizen's Charter of RRBs. Priority Sector Lending, Micro Finance and other related matters which includes lending to weaker sections including SC/ ST, PM's New 15 Point Programme for the Welfare of Minorities, Credit to minorities, follow up action of Select Parameters recommended by Sachar Committee, DRI Scheme.

1.8 Financial Inclusion (FI)

Work relating to financial inclusion, coordination with other sections, offices, institutions etc on Financial inclusion. Branch expansion of banks. Lead Bank Scheme and Service Area Approach. District and State Level Bankers' Committee (SLBC). Regional imbalances of banking network, matters related to Business Correspondents/Business Facilitators, Mobile Banking etc., matters relating to e-Governance in all FIs and e-Payments in banking system and computerisation of PSBs. Matters relating to Payment Regulatory Board (PRB) constitution and matters related to PRB. Matters relating to Minimum deposit balance, cash handling & digital payment charges; On-boarding of merchants on digital payment platforms other than cards. Banking matters relating to digital payment platforms; Pradhan Mantri Jan Dhan Yojana (PMJDY), Mission Office. All matters related to Stand Up India (SUI).

1.9 Industrial Relations (IR)

Service matters of PSBs including IDBI/ RBI, Pension matters of NABARD. Industrial Disputes Act matters, HR matters relating to PSBs and RBI Unions and Associations in the Banking Industry, Bipartite settlements of policy of transfer, promotion, and HRD in banks. IB reports about political activities of bank employees. Pay and Allowances of bank employees in overseas branches. HR Reforms.

1.10 Coordination (Coord.)

Organisation of FM's meetings with CEOs of PSBs and regional consultative committee meetings. Staff Meeting of Secretary (FS)/ Senior Officers Meeting (SOM). Monitoring & Review of disposal of VIP references, PMO references, coordination of RBI pending matters. Parliament Questions related to VIP references. Monthly DO letter to Cabinet Secretary from Secretary (FS). Appointment of CPIOs, ACPIOs, AA and Nodal Section for RTI matters of DFS and to deal with CIC for Annual Report etc. Updation of Induction Material for DFS; Co-ordination of VIP, PMO, President-Sectt.etc., references involving more than two Divisions of DFS.

1.11 Establishment (Estt.)

Matters pertaining to the Officers and Staff of DFS including RRs, appointment, ACRs, deputation (including abroad), training, IWSU, SIU, welfare, review of officers under FR 56(J), internal vigilance, staff grievances, pension, etc. Grant of various advances to officers and staff, payment of fees to advocates, settlement of medical claims and CGHS matters, family welfare programme.

1.12 General Administration (GA)

Housekeeping/Security matters, cleanliness, stores, canteen, R&I, library. Staff Car Drivers, vehicles to the officers of DFS. Purchase of Computer Hardware and maintenance of Computers, Printers and other equipment's. Maintenance of furniture and electricity items. Logistic support for arranging farewell of staff of DFS. Providing of Identity Cards to the Staff of DFS and CMDs/EDs/PROs of Public Sector Banks/Financial Institutions/Insurance companies, etc.

1.13 Parliament

Collection, identification and marking of Parliament Questions, Notices, admitted Questions, and getting the files approved from the Minister. Preparation of facts and replies for pads of Ministers. Keeping track and record of pending Assurances, Special Mentions and References under 377 and other matters as mentioned in the Induction Material. Presidential address to the Joint Session of Parliament. Compilation and submission of material for Parliament Questions to other Ministries/ Departments. Parliamentary Committee Matters, etc.

1.14 Hindi

Implementation of Official Language Policy of the Government.Translation work relating to Parliament Questions. Standing Committees, Minutes of the Meetings. Hindi Teaching Scheme and other miscellaneous work as mentioned in induction material of DFS.

1.15 Welfare Section (SCT)

Matters relating to recruitment, promotion and welfare measures of SC/ST/OBC/PH and Ex-servicemen in Public Sector Banks/Financial Institutions and Public Sector Insurance Companies (PSBs/FIs/PSICs). Matter of policy regarding reservation for these categories in PSBs/FIs/PSICs, reservation matters in RRBs etc. Inspection/examination of Reservation Roster for SCs/ STs/OBCs in PSBs/FIs/PSICs.

1.16 Reservation Cell

Assistance to the Liaison Officer for smooth functioning and discharging of his duties and responsibilities as Liaison Officer for SC/ST/OBC/EWS/ PwD, preparation / maintenance of reservation roster of SC/ST/OBC/EWS/PwD for the proper secretariat of this Department, reply to Parliament Questions/National Commission for SC/ST/OBC/PwD in respect of SC/ST/ OBC/EWS/PwD staff of the Department, maintenance of data of SC/ST/OBC/EWS/PwD staff of the Department, submission of all reports/ information to other Ministries/ Departments/Parliamentary Committees, etc. in the related matters.

1.17 Data Analysis (DA)

Reserve Bank of India Credit Policy - Busy Season - Slack Season and selective credit control. Financial sector assessment and sectoral credit analysis. Banking Statistics regarding bank deposits and advances. Deposits and advances of banks. Rates of interest on bank deposits and advances. Dissemination of results and important information relating to RBI, IBA, studies on banking reforms. Analysis of other international reports relevant to banking sector in India. Analysis of Reports of committees on Financial Sector Reforms etc. Management Information System - collection, collation of data relating to Banking Industry. Result Framework Document (RFD), Speeches of FM/MOS on different occasions. Audit Paras. UN e-Government Index & Digital Services. Work related to committee of Financial Sector Statistics. Coordination of budget proposals of DFS. Matters related to Budget Announcements, Output-outcome Monitoring Framework. Sustainable Development Goals – Indicators pertaining to DFS.

1.18 Industrial Finance-I(IF-I)

Administration of the Export-Import Bank Act-1981 and Scheme for financing Viable Infrastructure Projects (SIFTI) of IIFCL, Operational/Policy/Budgetary matters relating to Exim Bank, IIFCL, IWRFC and IIBI Ltd. Matters related to IFCI Ltd, IDFC Ltd, winding up matter related of IIBI Ltd, and other related matters. Board level Appointments-Whole Time Directors- IIFCL, EXIM, IFCI Ltd and their personnel matters. Government Nominee Directors-EXIM Bank, IIFCL, IFCI Ltd. and IDFC Ltd. Non-Official Directors/Independent Director in -EXIM Bank, IIFCL and IFCI Ltd. Sector-specific matters like infrastructure, power, textiles, exports; steel, telecom, road, shipping (added) etc. matters related to sectoral issues. Laying of annual reports of IIFCL, EXIM Bank, IFCI Ltd and Liquidator's report of IIBI Ltd. Before the Parliament.

Matters related to Ratnagiri Gas and Power Pvt. Ltd (RGPPL). Citizen's Charter of EXIM Bank and IIFCL. All matters related to resolution and registration issues of Asset Reconstruction Company (ARC) and to track the activities of the ARCs. All matters related National Investment and Infrastructure Fund. Appointment of Statutory Auditor in EXIM Bank. Media and Publicity related matters of DFS. Project Monitoring Group (PMG) Meeting. Partial Credit Guarantee Scheme (PCGS). Legislative work related to NaBFID act and EXIM Act. Matter related to establishment and operation of NaBFID. Matters related to office of Custodian.

1.19 Industrial Finance-II (IF-II)

Administration of National Housing Bank Act, 1987. Administration of Small Industries Development Bank of India Act. Administration of National Housing Bank Act Administration of State Financial Corporation Act. Operational, Policy and Budgetary matter relating to SIDBI and NHB. Matters relating to NHB and Housing Policy. Post winding up of BIFR & AAIFR matters. Matters related to Micro, Small and Medium Enterprises (MSMEs), TReDS. SIDBI, SFCs, Credit Guarantee Fund for Micro and Small Enterprises, CGFMU, CGFSI, CGTMSE, CGFF, MLIs, Credit Guarantee Scheme and other related matters on the subject. Citizens Charter of NHB and SIDBI.

All matters related to Educational Loans including Vidyalakshmi Portal, Govt. Sponsored Schemes-PMEGP, Education, employment generation scheme of SJSRY, SGSY and other poverty alleviation programmes and other related matters, VIP references, Audit Paras, CPGRAM, RTI, Parliament Questions, Assurances, Grievances, Budget Announcements, Coordination with RBI and State Govts. Appointment and all personnel matters of Whole Time Director in SIDBI and NHB.

Appointment of Non-Official/Independent Directors and Government Nominee Directors in SIDBI and NHB. Laying of annual reports of SIDBI and NHB before the Parliament.

All matters related to Pradhan Mantri Mudra Yojana (PMMY).

Micro Finance - Matters related to Micro Finance Institutions and Legislation thereon, Self Help Groups as well as NABARD's Micro Finance, etc. Matter related to psbloansin59minutes portal.

1.20 Vigilance

Consultation with CVC/CTE. Nomination of CVOs for PSBs/FIs/PSICs. Correspondence with CBI. Annual Action Plan on Anti-Corruption measures. Investigation of cases of frauds by CBI & RBI. Matters under Prevention of Corruption Act. Preventive vigilance. Vigilance systems and procedures in RBI/PSBs/FIs and Insurance Companies PFRDA and IRADI/RBI. Inquiry into complaints against GMs/EDs and CMDs of PSBs/FIs/PSICs/PFRDA and IRADI/RBI and Vigilance Surveillance over them. Major frauds in PSBs (in India and abroad). PMO references on anti-corruption measures. Bank security, robberies & loss prevention in banks.

Sanction of prosecution in case of ED/CMDs. War Book Matters. Annual Reports of CVC. Conduct Regulation in PSBs/FIs, employment after retirement regulations in PSBs. CVC/CBI references relating to DRTs/DRATs. Vigilance clearance, sanction of prosecution and any other matter of Board level appointees of PSBs, FIs, PSICs, PFRDA, IRDA and RBI. Vigilance matters of Officials in DFS, Officers of Office of Custodian and Government Officials in DRTs/DRATs.

1.21 Debts Recovery Tribunals (DRT)

Establishment of DRTs/DRATs under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Administration of Recovery of Debts and Bankruptcy (RDB) Act, framing or amending rules for implementing of the provisions of the Act.

Filling up of the posts of Chairpersons, Presiding Officers, Registrars, Assistant Registrars, Recovery officers, and other posts in DRTs/DRATs. Issuing clarifications/ guidelines etc. on administrative matters/review. Progress and disposal of cases by DRT/DRATs. Budget provisions, monitoring, etc relating to DRTs/DRATs.

Administration of SARFAESI Act, appointment of Registrar/MD & CEO, CERSAI, ease of doing business agenda- flowing from recent amendments. CKYC matters under Prevention of Money Laundering Act, 2002. Policy matters relating to Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI), a PSU, including the Central Registry under the SARFAESI Act, 2002.

1.22 Insurance-I (Ins.-I)

Corporate governance, appointment and service matters pertaining to public sector insurers and AICIL, Insurance Regulatory and Development Authority of India, Council of the Institute of Actuaries of India, Insurance Ombudsmen, Council of Insurance Ombudsmen, recruitment and the terms and conditions of agents of the Life Insurance Corporation of India, and insurance appointment related matters pertaining to Banks Board Bureau Administration of the Actuaries Act, 2006 and related matters. Matters of public entities relating to the Public Premises (Eviction of Unauthorized Occupants) Act, 1971. Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.23 Insurance-II (Ins.-II)

Administration of the Insurance Act, 1938; Life Insurance Corporation Act, 1956; General Insurance Business (Nationalisation) Act, 1972; Insurance Regulatory and Development Authority Act, 1999 and related matters, other than those related to corporate governance, appointment and service matters or those relating to recruitment and the terms and conditions of agents of the Life Insurance Corporation of India. Policy matters relating to insurance, and to this end, analysis of the trends and development in and the performance of the insurance sector and various bodies established by or under the said Acts. Administrative matters pertaining to public sector insures and Agriculture Insurance Corporation of India Limited (AICIL), other than governance, appointment and service matters. Assessment of capital requirements, divided payouts and performance of public sector insurance and AICIL.

Social security schemes for insurance protection and other insurance schemes sponsored/ supported by the Government. Insurance Ombudsmen Rules and administration thereof, other than corporate governance, appointment and service related matters pertaining to Insurance Ombudsmen and the Council of Insurance Ombudsmen. Foreign investment in insurance sector. Reforms in the sector and public sector insurers, including adoption of technology in insurance (except matters allocated to the Cybersecurity and FinTech Section). Supporting the section in charge of international cooperation matters on insurance related aspects of international cooperation. Taxation matters relating to insurance sector. Matters relating to the industry, including those raised by industry bodies/associations. Implementation of Law Commission Reports. All residual matters relating to insurance which are not enumerated specifically as an item of work allocated to either Insurance-I Section or Insurance-II Section. Parliamentary, audit, right to information, court, arbitration, VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.24 Pension Reforms (PR)

Reforms in the Pension Sector. Policy matters with respect to NPS, Atal Pension Yojana and Swavalmban Scheme. Administration of PFRDA Act, 2013. Framing of rules under PFRDA Act, 2013. Appointments of Chairperson and Board member of PFRDA, CVO in PFRDA, Budget and Funds of PFRDA and Legislative and policy prescriptions to PFRDA.

1.25 Cybersecurity and FinTech (IT)

Matters relating to overall cybersecurity for the financial services sector and in the Department. Coordination of FinTech and Deep Tech (artificial intelligence, big data, block chain, etc.) matters related to the financial services sector and the Department (other than matters related to e-payments in the banking system). Management of the Department's website and web services. Coordination with NIC for the Department. Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.26 GST Cell

Overseas preparedness of all institutions under DFS to implement GST, to provide inputs to the " Banking, Financial and Insurance" Sectoral Group with reference to GST.Other matters related to coordination, rollout and implementation of GST w.r.t institutions under administrative control of DFS etc.

1.27 Surplus Cell

All service matters and day to day administrative matters related to surplus staff of AAIFR & BIFR including their redeployment. Consultation with DoPT, handling of court cases of surplus staff. RTI and personal matters of surplus staff such as leave, retrial benefits, perks & allowances etc.

1.28 Office of the Custodian and Special Court

Joint Parliamentary Committee (JPC) (which enquired into irregularities in securities transactions). Disciplinary action against bank employees/executives involved in irregularities in securities transactions. Establishment matters relating to Special Courts/Office of the Custodian. All issues pertaining to continuation of posts, budget matters of the O/o Custodian and Special Court including extension of the O/o Custodian and appointment of Custodian.

2. Developments in Banking Sector

Overall condition of banking sector

As a result of implementation of reforms in the financial system, and particularly in PSBs by the Government, performance of banking sector has significantly improved, as indicated below:

(a) Asset quality has improved significantly with-

- Gross NPA ratio of SCBs declining from the Mar-18 peak of 11.18% (Rs. 10.36 lakh crore) to 5.82% (Rs. 7.42 lakh crore) in Mar-22, and to 5.61% (Rs 7.34 lakh crore) in June-22.
- Gross NPA ratio of PSBs declining from the Mar-18 peak of 14.58% (Rs. 8.96 lakh crore) to 7.28% (Rs. 5.41 lakh crore) in Mar-22, and 6.09% (Rs. 4.87 lakh crore) in Sep-22.
- Net NPAs ratio of SCBs declining from 5.94% in Mar-18 to 1.67% in Mar-22.
- Net NPAs ratio of PSBs declining from 7.97% in Mar-18 to 2.19% in Mar-22, and 1.69% in Sep-22.

(b) Resilience has increased with-

- Provision coverage ratio of SCBs rising to 86.85% in Mar-22, from 49.31% in Mar-15.
- Provision coverage ratio of PSBs rising to 86.65% in Mar-22 (88.91% in Sep-22), from 46.04% in Mar-15.

(c) Capital adequacy has improved significantly, with—

- CRAR of SCBs improving by 386 bps to reach 16.80% (all time high level) in Mar-22 from 12.94% in Mar-15.
- CRAR of PSBs improved by 317 bps to reach 14.62% in Mar-22 (14.53% in Sep-22) from 11.45% in Mar-15.

(d) In FY 2021-22, SCBs earned record profit of Rs. 1.82 lakh crore. All PSBs are in profit with aggregate profit being Rs. 66,543 crore in FY 2021-22 (Profit continued with Rs. 40,992 crore in first half of FY 23).

(e) Banks, earlier placed under Prompt Corrective Action (PCA) framework by RBI, have made significant improvement resulting in removal of each one of them from the PCA restrictions.

2.1 Steps Taken to Reduce Stressed Assets

Government and RBI regularly issue guidelines and have taken several initiatives aimed at resolution of long-standing stressed assets on the books of banks as well as timely identification and recognition of stress immediately upon default and take corrective actions for mitigation of the same. These measures complement the statutory provisions already available to lenders for recovery and resolution, including, inter alia, Recovery of Debts and Bankruptcy Act, 1993, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and Insolvency & Bankruptcy Code, 2016 (IBC). As a result of these comprehensive steps SCBs recovered an aggregate amount of Rs. 8,57,002 crore from NPAs over the last eight financial years. The steps taken include, inter alia, the following –

- IBC has led to behavioural change in the debtor-creditor relationship by shifting the focus from the 'Debtor in Possession' to a 'Creditor in Control' regime, wherein the creditors of the Corporate Debtor (CD), through their appointed Interim Resolution Professional/ Resolution Professional (IRP/RP), remain in control of the assets of the CD from the time the application is admitted by the AA. This fear of losing control of the firm on initiation of Corporate Insolvency Resolution Process (CIRP), is nudging debtors to settle their dues with the creditors as soon as possible. Till 30.9.2022, 23,417 applications for initiation of CIRPs, having underlying default of Rs. 7.31 lakh crore were resolved before their admission itself. This may be attributed to the behavioural change effectuated by IBC.
- Since CIRP coming into force on 1.12.2016, a total of 5,893 CIRPs have commenced by the end of September, 2022, out of which, 3,946 have been closed. Of the CIRPs closed, the CD was rescued in 2,139 cases, of which 846 have been closed on appeal or review or settled; 740 have been withdrawn; and 553 cases have ended in approval of resolution plans; while 1,807 have ended in orders for liquidation. Further, the creditors, in cases wherein the resolution plans were approved, have realised Rs. 2.43 lakh crore against the aggregate claims of Rs. 7.91 lakh crore and aggregate liquidation value of Rs. 1.37 lakh crore. Though the creditors could realise only approx. 31% of their admitted claims in these cases, yet the realised amount was more than 177% of the liquidation value of these CDs.
- The SARFAESI Act, 2002 has been amended to make it more effective, with provision for three months' imprisonment in case the borrower does not provide asset details, and for the lender to get possession of mortgaged property within 30 days.
- Jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakh to Rs. 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions. Six new DRTs have also been established to expedite recovery.

Enabled by the above, PSBs have also recovered an aggregate amount of Rs. 89,560 crore for FY21-22 from NPAs, which includes Rs. 20,201 crore through IBC, Rs. 20,248 crore through SARFAESI, Rs. 9,417 crore through DRT and Rs 2,442 crore through Lok Adalat etc. for the FY21-22.

2.2 Position of Bank frauds

RBI has issued Master Directions on Frauds in 2016, and Government has instituted wide-ranging structural and procedural reforms to check frauds in banks. Such systemic and comprehensive checking for frauds, including of the legacy stock of NPAs, led to unearthing of frauds perpetuated over the years. The improved detection and reporting accompanied with the comprehensive steps taken to check frauds have resulted in sharp decline in the occurrence of such frauds, with fraud occurrence as a percentage of gross advances, having declined sharply from a peak of 1.12% in FY2013-14 to 0.05% in FY2021-22 in SCBs, and from a peak of 1.16% in FY2013-14 to 0.06% in PSBs in FY2021-22.

2.3 National Asset Reconstruction company Limited (NARCL)

The Board composition has been completed for both National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company Limited (IDRCL). Regular MD & CEOs and most of the key executives of NARCL and IDRCL have joined their respective organisations. NARCL is intended to resolve both fully and partially provided legacy stressed assets amounting to about Rs. 2 lakh crore in the Indian banking system. Acquisition of assets would be under the extant guidelines whereby through the 15:85 structure, 15 per cent of the net value of assets will be paid upfront to lenders and security receipts will be issued to the lenders for the remaining 85 per cent.

A total of 66 accounts of Rs. 2.28 lakh crore have been identified for transfer to NARCL in a phased manner. Due diligence (DD) in 41 accounts has been initiated by NARCL with DD completed in 16 accounts. Binding offers in 12 accounts of about Rs. 67,090 crore have been given to lenders. Swiss challenge initiated by lenders has been completed in four accounts with binding offers worth Rs. 3,931 crore. Letter of acceptance has been issued in favour of NARCL in one account with consideration amount of Rs. 3,570 crore.

2.4 Regional Rural Banks (RRBs)

The RRBs were established under the provisions of the ordinance promulgated on 26th September, 1975 and RRBs Act, 1976. The first 5 Regional Rural Banks (RRBs) were established on 2 October 1975 to commemorate the birth anniversary of Mahatma Gandhi with the objective to create an alternative channel to cooperative credit structure with a view to ensure sufficient institutional credit for rural and agriculture sector. The RRBs, with focus on serving the rural areas, are an integral segment of the Indian banking system. Sponsored by the Commercial Banks, the equity of RRBs are held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35. These banks are envisaged to be State-sponsored, regionally based and rural-oriented. The purpose of establishment of the RRBs is to develop the rural economy by providing credit and other facilities to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. As on 31 March 2022, 43 RRBs are operating through a network of 21,892 branches covering 702 districts of the country. All branches of RRBs are on CBS Platform.

2.4.1 Role of RRBs

RRBs have a mandate to ensure rural development and foster financial inclusion. Over the years, the RRBs have traversed a long journey. The contributions being made by RRBs as a whole at present, are briefly as under:

(i) Of the total loans extended by the RRBs, about 46% goes to agriculture. About 90% of loans are extended to the priority sector. Of the total loans, about 79% is extended to weaker sections.

(ii) RRBs play a significant role in extending micro credit. They account for 30% of the SHG accounts and 26% of the loan amount. 19% of total KCCs have been issued by the RRBs.

(iii) Share of RRBs in total accounts/enrolments under Government Sponsored Schemes like PMJDY, PMJJBY, PMSBY, APY, etc varies from 12% to 19%.

(iv) 92% of the branches of RRBs are in rural and semi urban areas. Though RRBs have 14% of total bank branches in the country, their share in total number of rural branches is about 29%. In the rural areas of aspirational districts, RRBs have about 40% of the rural branches. Moreover, many RRBs have branches in remote areas and they are providing financial services to vulnerable sections.

(v) In rural areas, the share of deposit accounts of RRBs is about 26% and RRBs have the highest average balance in PMJDY accounts amongst all categories of banks. In North-eastern region, RRBs cater to the banking needs of about 38% of the rural people. As against the overall Rural CD Ratio of 64% for all the banks, RRBs have Rural CD Ratio of 75%.

2.4.2 Unprecedented Capital Support for RRBs

FY 2021-22 was a watershed year in the context of RRBs as Government of India decided to infuse Rs. 10,890 crore (GoI share (50%)- Rs.5,445 crore) of capital in RRBs during FY 2021-22 and FY 2022-23.

The total recapitalisation assistance budgeted for RRBs during FY 2021-22 and FY 2022-23 amounts to Rs.10,890 crore including the proportionate share capital contribution by State Governments (15%) and Sponsor Banks (35%). The total capital infusion from 1975 to FY 2020-21 was Rs.8,393 crore by all stakeholders.

Rs.8,168 crore (GoI Share: Rs. 4,084 crore) was sanctioned as recapitalisation assistance to 22 RRBs for FY 2021-22. DFS, GoI vide their sanction letter dated 28 March 2022 accorded approval for placing GoI's share of Rs.4,084 crore towards recapitalization of 22 RRBs at the disposal of NABARD, with the advice to release the GoI's share to RRBs on pro-rata basis, depending upon the proportionate prior release of the funds by the Sponsor Banks and the State Governments.

As on 20 December 2022, NABARD has released GoI's share (in portion/ full) amounting to Rs. 4,007.80 crore to 22 RRBs after confirming proportionalprior release of the funds by the Sponsor Banks and the State Governments.

2.4.3 Objectives of the Recapitalisation scheme

RRBs have been regularly infused with capital in the past to help them meet the regulatory requirement of 9% CRAR (Capital to Risk Weighted Assets Ratio).

However, this latest scheme aims to rejuvenate and revitalise the RRBs with sufficient growth capital to facilitate reinventing themselves as sustainably viable and self-sufficient financial institutions and for leading the growth process and the change in rural areas. The capital infusion will help RRBs in technology adoption and to efficiently cater to the financial inclusion needs of the rural populace.

Further, the recapitalisation scheme will be accompanied by operational and governance reforms under the broad ambit of Sustainable Viability Plan with a well-defined implementation mechanism aimed at credit expansion, business diversification, NPA reduction, cost rationalisation, technology adoption, improvement in corporate governance etc.

2.4.4 Important Developments in the context of RRBs in FY 2022-23

a) In order to ensure optimal utilisation of recapitalisation assistance sanctioned to RRBs, Hon'ble Finance Minister addressed the Chairmen of all RRBs on 7 July 2022 during a discussion meeting held on 'Operational and Governance Reforms in RRBs' on 7 July 2022.

b) A Workshop on 'Operational and Governance Reforms in RRBs' was held on 3 September 2022 at Reserve Bank of India's College of Agricultural Banking (RBI CAB), Pune under the Chairmanship of Secretary, DFS, GoI with participation of MD&CEOs & EDs of Sponsor Banks, Chairmen of RRBs and officials of DFS and NABARD. All RRBs were advised to prepare a board approved Viability Plan with SMART (Specific, Measurable, Achievable, Relevant, Time-bound) indicators. The metrics which were to be adopted under the Viability Plan were finalised during the workshop and all the RRBs rolled out their Board approved Viability Plans in the first week of October.

c) In order to facilitate comprehensive monitoring of the performance of RRBs including performance under their Viability Plans, DFS, in association with NABARD, has developed a dashboard called RRB दर्पण (RRB Darpan). Data in respect of more than 120 quantitative and qualitative metrics are collected from RRBs on a monthly basis. The Dashboard presents the data submitted by the RRBs in the form of ingenious charts and reports.

d) Department of Financial Services, Government of India vide notification dated 14 September 2022 has issued 'Guidelines for Raising Resources from Capital Market' for RRBs. RRBs meeting certain indicative criteria have been permitted to approach capital market for raising resources after approval of all concerned regulators and GoI. Sponsor Banks of RRBs have been advised to identify such RRBs and provide handholding support.

e) Keeping in view the need to promote the spread of digital banking in rural areas, RBI, vide their notification dated 1 November 2022, has relaxed the criteria for RRBs to be eligible to provide internet banking.

2.4.5 Key Financial Parameters

(Amount in Rs. crore)

Particulars	2019-20	2020-21	2021-22
No. of RRBs (No.)	45	43	43
Branch Network (No.)	21,847	21,856	21,892
Share Capital	7,849	8,393	14,880
Reserves	26,814	30,348	34,359
Deposits	4,78,737	5,25,226	5,62,538
Borrowings	54,393	67,864	73,881
Investments	2,50,859	2,75,658	2,95,665
Gross Loans & Advances O/s	2,98,214	3,34,171	3,62,838
No. of RRBs earning Profit	26	30	34
Amount of Profit (A)	2,203	3,550	4,116
No. of RRBs incurring Losses	19	13	9
Amount of Losses (B)	4,411	1,867	897
Net Profit of RRBs (A – B)	-2,208	1,682	3,219
GNPA (Amount)	31,106	31,381	33,190
GNPA (%)	10.4	9.4	9.1

2.5 National Portal for Credit Linked Government Schemes – Jan Samarth Portal:

The Hon'ble Prime Minister launched the National Portal for Credit-linked Government Schemes 'Jan Samarth' on 06.06.2022. The purpose of 'Jan Samarth' is to enable greater ease and convenience to all beneficiaries of credit-linked Government sponsored schemes.

The Government runs various credit-linked schemes to meet the needs of citizens, especially the underprivileged for livelihood, education and housing etc. Such credit requirement of beneficiaries is met through multiple Ministries/Department and Banks etc. To improve ease of living and convenience, a need was felt for a single platform, where a beneficiary can avail benefits under multiple Government programmes. 'Jan Samarth' portal enables loan application under multiple Government schemes to be processed at a single place. An applicant desirous of obtaining credit under Government schemes can visit 'Jan Samarth' portal. Under different schemes he can check his eligibility for loan, potential lending institution and loan conditions etc. and apply. The application made by the beneficiary on the 'Jan Samarth' portal would be transmitted to lending institution along with details necessary for assessing credit worthiness of the borrower. After assessment by the lender, sanction of loan and disbursement will be conveyed electronically and the beneficiary can track the status of the application on the portal

The Portal brings together various stakeholders in the credit appraisal and disbursal process, including Banks and other lending institutions and other stakeholders on a common platform which is designed to streamline the credit delivery process. The most important player in the process of credit appraisal and disbursal – banks and other lending institutions – have been onboarded. 'Jan Samarth' facilitates data exchange from other stakeholders for purposes of appraisal of loan application and ease of disbursement also, including **Unique Identification Authority of India (UIDAI)** for Aadhaar validation and fetching of customer details, **National E-Governance Services Ltd (NeSL)** for digital documentation, **Goods and Service Tax (GST) data** for digital access to access GST returns of applicant, **Protean eGov Technologies Limited** for PAN verification, **Central Board of Direct Taxes (CBDT**) for Income verification, **Local Government Directory (LGD)** for geographical location mapping etc. for locating nearest lending institution; and **UDYAM** integration for UDYAM Aadhaar registration details. Data sharing by these entities with banks is done through 'Jan Samarth' Portal which enables validation of data provided by the beneficiary and facilitate faster processing by the lenders.

13 Credit-Linked Government Schemes have already been onboarded on 'Jan Samarth', including Stand Up India, Weavers Credit Card; MUDRA Loans; Agriculture Marketing Infrastructure Scheme (AMI); Agriculture Infrastructure Fund (AIF); Agri clinics and Agribusiness Centers Scheme (ACABC); Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM); Central Scheme for Interest Subsidy on Education Loans for Economically Weaker Sections (CSIS); PadhoPardesh Scheme; Dr. Ambedkar Central Sector Scheme of Interest Subsidy on Education Loan for Overseas Studies for OBCs & EBCs; PM Employment Generation Programme (PMEGP); PM Street Vendor's AtmaNirbhar Nidhi (PM-SVANidhi); and Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS). The Portal has feature of on-boarding more Central Government schemes and also State Government Schemes in future.

The Portal's benefits are that beneficiaries can track loan application and sanction and disbursement under multiple Government programmes on a single portal. Assessment of creditworthiness of borrowers by banks becomes more efficient as necessary information provided by 'Jan Samarth'. As far as Government Ministries/ Departments are concerned, faster loan disbursement leads to improved programme efficiency and MIS reports are available on 'Jan Samarth' to improve monitoring of schemes.

2.6 Account Aggregator

Union Budget 2020-21 announcement: - "An app-based invoicing financing loans product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSME".

2.6.1 Developments

A Committee constituted by Department of Economic Affairs (DEA) on 12.1.2022 with members from DFS and Department of Revenue (DoR) to discuss next steps to scale up Cash Flow based Lending to MSMEs through SAHAY app using the Account Aggregator (AA) Framework, recommended DoR to facilitate GSTN integration with AAs and DFS to monitor and encourage adoption of AA by PSBs. SIDBI developed a product "GST Sahay", which, is an application for invoice-based financing for small business that is real time, cash flow based and end to end digital. RBI has approved on 6.6.2022 SIDBI's application for testing GST Sahay. Pending integration of GSTN with AA, the GST Sahay App used GSPs (GST Suvidha Providers) to access GST data.

2.6.2 Account Aggregator Framework

- Account Aggregator is a Non-Bank Finance Company (NBFC) engaged in the business of providing the service of retrieving or collecting financial information pertaining to the customer. No financial information of the customer is retrieved, shared or transferred by AA without the explicit consent of the customer. AA transfers data from one financial institution to another based on an individual's instruction and consent. In this direction, RBI has issued the Master Direction viz Non-Banking Financial Company (NBFC) – Account Aggregator (Reserve Bank) Directions, dated September 02, 2016.

- Entities may enrol themselves on AA framework as Financial Information Provider (FIP) viz. banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc. and as Financial Information User (FIU) which is an entity registered with and regulated by any financial sector regulator. At present, RBI has granted Certificate of Registration to six companies as AA

- The RBI Circular broadly provides guidelines on Process of Registration, Consent Architecture, Data Security, Technical Specifications, Sharing of Financial Information by Financial information Providers and Use of information by Account Aggregator and Financial Information User.

2.6.3 Initiatives

DFS has conducted series of meetings to review the progress of app for invoice-based lending and status of Account Aggregator with all PSBs, all Public Sector Insurance Companies (PSICs), NABARD, DoR, DEA, GSTN, SIDBI, IRDAI, RBI, PFRDA, major Private sector Life Insurance companies, CDSL, NSDL & Sahmati Foundation. Latest meeting was held on 12.12.2022, wherein Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) were requested to accelerate scale-up of the AA ecosystem. GST SAHAY app which is based on GST invoices will be made operational after GSTN integration. Regular reviews at DFS conducted with latest progress on AA as below:

- RBI vide circular dated November 23, 2022 has included Goods and Service Tax Network (GSTN) as a FIP under AA framework.
- 26 Financial Institutions have gone live as FIPs, including all 12 PSBs, 10 Private Sector Banks, 1 Small Finance Bank, 3 Life Insurance Companies
- 96 Financial Institutions have gone live as FIUs, 75 RBI Regulated, 10 SEBI Regulated, 9 IRDA regulated entities, 2 PFRDA regulated entities.
- More than 1.1 billion bank accounts are eligible to share data on AA
- 2.74 million users have linked their Accounts on the AA framework.
- 2.62 million users successfully share data via AA.

Source: sahamati.org.in

2.7. International Trade Settlement in Indian Rupees (INR)

The Reserve Bank of India (RBI) has allowed invoicing and payments for international trade in Indian Rupees vide A.P (DIR Series) Circular No. 10 RBI/2022-2023/90 dated 11.07.2022 on "International Trade Settlement in Indian Rupees (INR)".

The broad framework for cross-border trade transactions in INR under the Foreign Exchange Management Act, 1999 (FEMA) has been delineated by RBI in the said Circular dated 11.07.2022. The Circular lays down that all exports and imports under the arrangement may be denominated and invoiced in Rupee (INR), the exchange rate between the currencies of the two trading partner countries may be market determined, and the settlement of trade transactions under the arrangement shall take place in INR in accordance with the procedure laid down in the Circular. RBI has put in place the arrangement for invoicing, payment, and settlement of exports / imports in INR in order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR.

The framework put in place by RBI for allowing invoicing and payments for international trade in INR is applicable for any partner country seeking to undertake trade with India in INR in terms of RBI's Circular dated 11.07.2022. In terms of Para 10 of RBI's Circular, the approval process is that for opening of Special INR Vostro accounts, banks of partner countries may approach Authorized Dealer (AD) banks in India which may seek approval from RBI with details of the arrangement

3. Financial Inclusion

3.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI) known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on

15[th]August, 2014. The Scheme was formally launched on 28[th] August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14[th] August, 2018 in 2 phases as under:

a) Phase I (15[th] August, 2014 - 14[th] August, 2015)

Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programme.

b) Phase II (15[th] August, 2015 - 14[th] August, 2018)

Overdraft (OD) facility up to Rs. 5,000 after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganised sector pension schemes like Swavlamban.

c) Extension of PMJDY

PMJDY has been extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" and making the scheme more attractive with upward revision in: -

- OD limit from Rs.5,000 to Rs.10,000;
- accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh;
- age limit for availing OD facility revised from 18-60 years to 18-65 years and
- no conditions attached for OD up to Rs. 2000.

Performance of PMJDY

Major achievements of PMJDY are as under:

(Numbers in Crore)

As on	PMJDY Accounts (in crore)	Breakup by Gender		Breakup by Geography		Deposits in PMJDY Accounts (in Rs. crores)
		No of PMJDY Accounts (Male)	No of PMJDY Accounts (Female)	No of PMJDY Accounts (Rural/Semi Urban)	No of PMJDY Accounts (Urban/Metro)	
March'15	14.72	7.15	7.39	8.68	5.86	14,641
March'16	21.43	10.37	11.05	13.17	8.26	35,672
March'17	28.17	13.67	14.49	16.87	11.3	62,972
March'18	31.44	14.85	16.60	18.52	12.92	78,494
March'19	35.27	16.53	18.74	20.90	14.37	96,107
March'20	38.33	17.85	20.48	22.63	15.70	1,18,434
March'21	42.20	18.82	23.38	27.85	14.35	1,45,551
March'22	45.06	19.98	25.08	30.07	14.99	1,66,459
As on 30.11.2022	**47.57**	**21.17**	**26.40**	**31.74**	**15.83**	**1,76,912**

- A total of 47.57 crore Jan-Dhan accounts have been opened till **30.11.2022** under PMJDY, with a deposit balance of Rs.1,76,912 crores. The average deposit balance is approx. Rs.**3719** per PMJDY account.
- There are **26.40 crore (55.5%)** women Jan-Dhan account holders, with about **31.74 crore (66.7%)** accounts opened in rural and semi-urban areas.
- Approximately **32.43** crore RuPay cards with an inbuilt accidental insurance of Rs.2 lakh (Rs.1 lakh for accounts opened before 28.08.2018) coverage has also been provided to PMJDY account holders.
- Out of total operative accounts opened under PMJDY, **85.1**% have been seeded with Aadhaar number of the account holder on user consent basis, which has enabled interoperable and immediate Aadhaar based transactions, including for Direct Benefit transfer (DBT) through Aadhaar Payment Bridge.

3.2 Banking Touch Points:

3.2.1 The strength of bank branches and ATMs has been augmented over the years as indicated below:

Table 1: Number of bank branches of Scheduled Commercial Banks:

	RURAL	SEMI-URBAN	URBAN	METROPOLITAN	TOTAL
31.03.2017	49,860	38,931	25,103	26,530	1,40,424
31.03.2018	50,860	39,616	25,458	26,536	1,42,470
31.03.2019	51,609	41,031	26,399	27,157	1,46,196
31.03.2020	52,382	42,213	27,318	28,133	1,50,046
31.03.2021	52,651	42,441	27,446	28,055	1,50,593
31.03.2022	53,204	42,443	27,433	28,181	1,51,261
30.06.2022	53,292	42,514	27,455	28,132	1,51,393
30.09.2022	53,372	42,685	27,565	28,275	1,51,897

Source: RBI

Table 2: Number of ATMs of Scheduled Commercial Banks (SCBs), Small finance Banks (SFBs), Payment Banks (PBs) and White Label ATM Operators.

As on	Off-site ATMs*	On-site ATMs	Total ATMs*
31.03.2016	110111	101950	212061
31.03.2017	112666	109809	222475
31.03.2018	115471	106776	222247
31.03.2019	115323	106380	221703
31.03.2020	121086	113271	234357
31.03.2021	122983	115605	238588
30.09.2021	125220	115762	240982
31.03.2022	129766	116794	246560
30.09.2022	131713	120236	251949

Source: RBI

* includes ATMs deployed by White Label ATM Operators

- The number of card acceptance devices of Point of Sale (POS) has increased from10.7 lakh in March 2014 to 73.51 lakh in November 2022.

3.3 Jan DhanDarshak App

A mobile application, has been launched to provide a citizen centric platform for locating banking touch points such as bank branches, ATMs, Bank Mitras, Post Offices, etc. in the country. The web version of this application could be accessed at the link http://findmybank.gov.in. Banks/ IPPB have been provided login credentials to upload the GIS location of their branches, Business Correspondents and ATMs on the app.

As per JDD app, as on Nov'22, there are **1.68 lakh** branches, **6.92** lakh BCs (including IPPB-BCs) and **2.17** lakhs ATMs mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 5.54 lakh (5,53,804) mapped villages on the app, 5.54 lakh (5,53,572) (99.96%) villages are having branch or BC within a distance of 5 kilometres.

3.4 Jan-Dhan Aadhaar Mobile (JAM)

A Jan Dhan Aadhar Mobile (JAM) pipeline has been laid for linking of Jan-Dhan account with mobile number and Aadhaar. This infrastructure pipeline is providing the necessary backbone for DBT flows, adoption of social security/ pension schemes, facilitating credit flows, promoting digital payments, etc. It has provided the much-needed support for accelerating the pace towards achieving a digitalised, financially inclusive and an insured society. The instant transfer of Direct Benefits under various Government Schemes has been made possible through the JAM pipeline.

3.5 Digital Banking Units

The Hon'ble Prime Minister dedicated 75 Digital Banking Units (DBUs) in 75 districts of the country to commemorate the 75 years of independence of our country(Azadi ka Amrit Mahotsav) on 16.10.2022. These DBUs set-up by 24 banks including Public, Private Sector and Small Finance Bank, cover all the States and Union Territories of the country. The DBUs are to assist those who are not tech savvy to adopt digitalbanking and wherein the products and services will be offered to customers in 2 modes: Self Service Mode and Digital Assistance Mode.

Services being offered through DBU include banking facilities like opening of savings account, balance-check, print passbook, transfer of funds, investment in fixed deposits, loan applications, stop-payment instructions for cheques issued, application for credit/debit cards, view statement of account, paytaxes, paybills,make nominations,etc. The DBUs will also facilitate on boarding to Government credit link Schemes through the Jan Samarth portal and end-to-end digital processing of a small ticket MSME/retail loans. Total interventions in 75 DBUs during the period 16th October'2022 to 15th November 2022 have been more than 2.18lakh and further increased to more than 7.77 lakh, till December, 2022. As on December, 2022, 83 DBUs have now been operationalised.

4 Key Schemes

4.1 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) — The Scheme is available to people in the age group of 18 to 50 years having a bank / Post office account who give their consent to join / enable auto-debit. Risk coverage under this Scheme is for Rs. 2 lakhs in case of death of the insured, due to any reason at an annual premium of Rs. 436/- which is to be auto-debited from the subscriber's bank / Post office account.

4.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY) — The Scheme is available to people inthe age group of 18 to 70 years with a bank / Post office account who give their consent to join / enable auto-debit facility. The risk coverage under the Scheme is for Rs. 2 lakhs in case of accidental death or total permanent disability and Rs. 1 lakh for partial permanent disability due to accident at a premium of Rs. 20/- per annum which is to be deducted from the account holder's bank / Post office account through 'auto-debit' facility.

Key reforms in the implementation of schemes PMJJBY and PMSBY:

- Enrolment and claim forms for PMJJBY and PMSBY have been modified with a view to minimise pendency and ensure benefits to rightful claimants at the earliest
- Mobile number, email id and age of the nominee (or the appointee of a minor nominee) are now captured and in the event of an unfortunate incident, nominees are proactively informed of the benefit available and the claim process in English and regional language.
- Waiting period under PMJJBY has been reduced from 45 days to 30 days with effect from 1st June 2021
- Banks have been requested to identify from their core banking solution (CBS), the existing subscribers who did not have sufficient balance in their accounts as on 31.5.2022 to enable auto debit of their premium and to inform them by SMS / email about the revision in premium rates.
- The documents have been prescribed for claim settlement procedure on an ongoing basis.In view of the pandemic, in addition to Death Certificate as proof of death or cause of death, several other documents were made as valid proof (up to 30.11.2021 or till further revision, whichever was earlier). Banks forward the claim documents electronically to their partner Insurer (s) through designated app to enable expeditious claim settlement within 14 days
- Banks/ post office to forward claim documents electronically to their partner insurer's designated app / email id within seven days of submission of the claim and insurers to settle claims within 7days of receipt of claim documents.

Progress as on 30.11.2022 is as under:

Scheme	Eligibility (Yrs)	Premium (p.a)	Cumulative Enrollments (crore)	Claims Paid	Claims amount (crore)	Settlement Ratio(%)
PMJJBY	18 to 50	Rs 436	14.43	6,27,817	Rs.12,556.34	98.32%
PMSBY	18 to 70	Rs 20	31.31	1,07,062	Rs.2125.56	99.93%

- In view of adverse claim experience of the PMJJBY and PMSBY, following changes have been made in the rules:
  - **Premium rates have been revised as follows**:

Schemes	Premium per annum per subscriber	
	Existing	Revised
PMJJBY	Rs.330	Rs.436
PMSBY	Rs.12	Rs.20

  - A grace period of thirty days from the due date of renewal of PMJJBY and PMSBY i.e. up to 30th June, 2022, has been allowed for debit of enhanced premium from the accounts of subscribers.

4.3 Pradhan Mantri Mudra Yojana (PMMY)

The Scheme was launched on 8th April 2015 for financing income-generating small business enterprises in manufacturing, trading and service sectors, including activities allied to agriculture such as poultry, dairy, beekeeping, etc. Under PMMY, both Term loan and Working Capital requirements can be met. Loans under PMMY are extended through MLIs viz; Banks, Non-Banking Financial Companies (NBFCs) & Micro Finance Institutions (MFIs).

a) Categories: Shishu — upto Rs. 50,000/-, Kishore — above Rs. 50,000/- and up to Rs.5.00 lakh, Tarun —above Rs.5.00 lakh and up to Rs.10.00 lakh;

b) No insistence on collateral(s);

c) A Credit Guarantee Fund for Micro Units (CGFMU) was set up for guaranteeing loans extended to eligible micro units under Pradhan Mantri Mudra Yojana (PMMY) by Member Lending Institutions (MLIs) and Overdraft loan amount sanctioned under Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. From FY 2020-21 onwards, loans sanctioned to Self Help Groups (SHGs) between Rs.10 lakh to Rs. 20 lakh would also be eligible for coverage under CGFMU. The National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly-owned company of Government of India, constituted under the Companies Act, 1956 (2013) is the trustee of the Fund.

d) As on 31.10.2022 the sanction amount covered under live guarantee is Rs.1.80 lakh crore.

As on **25.11.2022**, more than **37.76** crore loan accounts amounting to Rs. **21.02** lakh crore have been sanctioned since the launch of Scheme. Out of this, about 68% loans have been sanctioned to Women Entrepreneurs and 51% loans have been sanctioned to SC/ST/OBC category of borrowers.

Category-wise break-up is as under:

Category	Percentage as per No .of Loans	Percentage as per Amount Sanctioned
Shishu	85%	41%
Kishore	13%	35%
Tarun	2%	24%
Total	100%	100%

4.4 Stand Up India Scheme(SUPI)

The Stand Up India Scheme launched on 5th April, 2016 aims to promote entrepreneurship among the Scheduled Caste/ Scheduled Tribe and Women by facilitating bank loans of value between Rs.10 lakh and Rs.1 crore to at least one SC/ ST borrower and one woman borrower per bank branch of Scheduled Commercial Banks for setting up greenfield enterprises in trading, manufacturing and services sector. In 2019-20, the Stand Up India Scheme was extended for the entire period coinciding with the 15th Finance Commission period of 2020-25. Pursuant to an announcement made by the Union Finance Minister in the Budget speech of FY 2021-22, the following changes have been made in the Stand Up India Scheme: -

a) The extent of margin money to be brought by the borrower has been reduced from 'upto 25%' to 'upto 15%' of the project cost. However, the borrower will continue to contribute at least 10% of the project cost as own contribution. The Scheme envisages 'upto 15%' margin money which can be provided in convergence with eligible Central/State schemes;

b) Loans for enterprises in 'Activities allied to agriculture' e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, dairy, fishery, agriclinic and agribusiness centres, food & agro- processing, etc. (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, shall be eligible for coverage under the Scheme.

As on 28.11.2022, a total number of SCs/STs and Women borrowers benefited under the Stand-Up India Scheme are as under.

(Amt. in Rs. crore)

SC		ST		Women (General)		Total	
No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.
23,554	4928.03	7718	1661.22	127165	29297.69	158437	35886.94

4.5 Regional imbalances: Focused attention

Special focus is being given to 112 Aspirational Districts (ADs) wherein a Targeted Financial Inclusion Intervention Program (TFIIP) program has been launched to improvethe performance of these Districts under Financial Inclusion (FI) parameters. Departmentis also working on 'Mission Utkarsh' to improve the performance of 10 selected Districts which are lagging behind on FI parameters.

4.6 PM Street Vendor's Atmanirbhar Nidhi Scheme (PMSVANidhi)

The scheme is a Central Sector Scheme implemented by Ministry of Housing and Urban Affairs (MoHUA), with the objective of providing relief to street vendors affected by Covid-19 lockdown. The Scheme, launched on 01 June, 2020 and valid till 31.03.2022, has now been extended till 31.12.2024. DFS is facilitating MoHUA in smooth implementation of the scheme which envisages empowering street vendors by not only extending loans to them but also for their holistic economic development.

The Scheme has provision for collateral free working capital loan up to Rs. 10,000 for 12 months under 1st tranche, up to Rs. 20,000 for 18 months under 2nd tranche and upto Rs.50,000 for 36 months under the 3rd tranche. On timely/early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No penalty is payable on early repayment of the loan. The Scheme facilitates free on boarding of beneficiaries on the Digital Payment Platforms and to promote transactions by the beneficiaries, cash back up to Rs. 1,200 per annum is available under the Scheme. Interest subsidy @ 7% per annum is to be paid on quarterly basis on timely or regular repayment of all loans (1st, 2nd and 3rd tranche) disbursed till December, 2024.

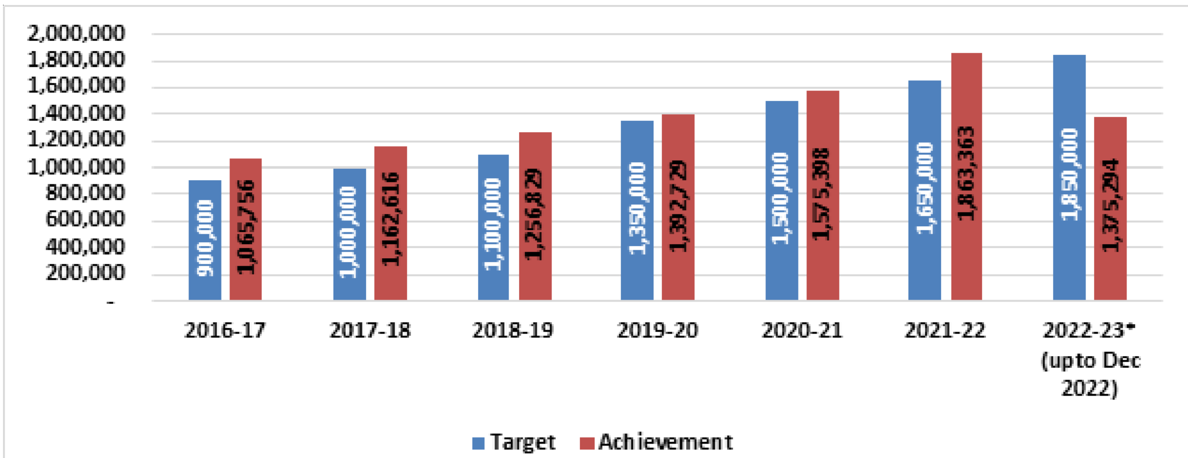
As on 27.11.2022, a total of 42.92 lakh loan applications have been sanctioned in all tranches together, out of which 37.47 lakh applications have been disbursed.

5. Agriculture Credit

In order to boost the agriculture sector with the help of effective and hassle-free agriculture credit, the Government has been fixing annual targets for ground level agriculture credit by Scheduled Commercial Banks, Regional Rural Banks (RRBs) and Cooperative Banks.

Year wise position of target and achievement under agricultural credit flow for the last seven years and current year given below indicates the sustained trend of actual disbursement, surpassing the incremental annual targets year after year. As against the annual target of Rs.16.50 lakh crore for 2021-22, agriculture credit to the tune of Rs.18.63 lakh crore was disbursed, registering 113% achievement. Agriculture credit target for year 2022-23 has been set at Rs. 18.50 lakh crore with a sub-target of Rs. 1.26 lakh crore for Animal Husbandry, Dairying and Fisheries farmer. As on 31st December 2022, Rs. 13.75 lakh crore was disbursed (Provisional) against target of 18.50 lakh crore registering 74 % achievement.

The Agriculture targets and achievements



Source: ENSURE Portal of NABARD (Rs.crore)

5.1 Kisan Credit Card

The Kisan Credit Card (KCC) scheme was introduced in 1998-99, as an innovative credit delivery mechanism that aims at adequate and timely credit support from the banking system to the farmers for their cultivation needs including the purchase of inputs in a flexible, convenient, and cost-effective manner. Banks have been advised to issue Kisan Credit Cards (KCC) to all eligible farmers. The KCC Scheme has since been simplified with facilities like one-time documentation, built-in cost escalation in the limit and facility of ATM enabled debit card etc. Under the present guidelines of KCC, the limit is sanctioned for 05 years and the beneficiaries have ease and flexibility in withdrawl and repayment.

GoI has approved interest subvention @ 1.5% on short term loans for agriculture and allied activities which is available on an overall limit of Rs. 3 lakh per annum and subject to a maximum sub-limit of Rs. 2 lakh per farmer involved in allied activities related to Animal Husbandry, Dairy, Fisheries, Bee Keeping etc. within the prescribed limit of Rs. 3.00 lakh availed through Kisan Credit Card (KCC) for the F.Y. 2022-23 and 2023-24. An additional interest subvention of 3% is provided to farmers on prompt repayment of loans, which effectively reduces the rate of interest to 4%.

As announced in PM Atmanirbhar Bharat package, over 3.86 crore farmers have been covered under the ongoing KCC saturation drive effective from February, 2020 with sanctioned credit limit of about Rs. 4.47 lakh crore as on 16.12.2022. At present, there are 7.13 crore operative KCC accounts with a total outstanding loan of Rs.9.38 lakh crore.

While ensuring convenient and cost-effective credit delivery to farmers, the ongoing campaign will be instrumental in driving the rural economy and further accelerating agricultural production and allied activities, besides enhancing the income level of farmers.

The facility of KCC has been extended to animal husbandry and fisheries farmers in year 2019 to help them meet their working capital needs. Further, in order to cover animal husbandry and fisheries farmers, under KCC, special saturation drive in the form of weekly "District-level Camp" was launched w.e.f. 15th November, 2021 for ensuring convenient and cost-effective credit delivery to the farmers and accelerating agriculture output. The campaign has been extended up to 15th March, 2023.

5.2 Rural Infrastructure Development Fund (RIDF)

In the backdrop of declining public investment in agriculture and rural infrastructure, RIDF was instituted in NABARD during 1995-96 with an initial corpus of Rs.2,000 crore with the main objective of providing loans to State Governments for completing ongoing rural infrastructure projects. Resources to the fund are contributed by Commercial Banks, Foreign Banks, Regional Rural Banks and Small Finance Banks in a proportion indicated by RBI, with respect to banks' shortfall in priority sector lending. The fund which started as a "last mile approach" to facilitate completion of ongoing irrigation, flood protection and watershed management projects during 1995-96, today covers as many as 39 activities, broadly classified under three categories, viz., (i) Agriculture and related sector (ii) Social Sector and (iii) Rural Connectivity. The annual allocation of funds towards RIDF has gradually increased from Rs. 2,000 crore in 1995-96 to Rs. 40,000 crore in 2022-23.

The cumulative funding commitment, as on 30.11.2022 to 31 States/UTs stood at Rs. 4.72 lakh crore (including Bharat Nirman) against which Rs. 3.67 lakh crore have been disbursed as of 30.11.2022. Over the years, RIDF has emerged as a dependable source of public funding of impactful rural projects. Of the total RIDF loans sanctioned to State Governments under various tranches since 1995-96, 27% accounted for rural roads, 31% for irrigation, 20% for social sector, 12% for agriculture sector (other than irrigation) and 10% for rural bridges.

5.3 Short Term Cooperative Rural Credit (Refinance) Fund

The Short Term Cooperative Rural Credit-STCRC (Refinance) Fund was set up in NABARD in 2008-09 with an initial corpus of Rs.5,000 crores to provide Short Term refinance to Cooperative Banks so as to ensure increased and uninterrupted credit flow to farmers at concessional rate of interest. NABARD provides refinance to Cooperative bank at an interest rate of 4.5 % per annum for crop loans up to Rs.3.00 lakh disbursed by cooperative banks at an interest rate of 7% per annum to ultimate borrowers. An allocation of Rs.50,000 crores (Rs.50,002.23 crores, including residual allocation of earlier years) has been made for the STCRC (Refinance) Fund during 2022-23. As on 30.11.2022, Rs. 24,833.17 crores have been utilised out of STCRC (Refinance) Fund during 2022-23.

5.4 Short Term Regional Rural Bank (Refinance) Fund

The Short Term Regional Rural Bank (Refinance) (STRRB) Fund was set up with an allocation of Rs.10,000 crores in 2012-13, so as to enable NABARD to provide Short Term refinance to RRBs to meet their crop loan lending obligations. NABARD provides refinance to RRBs at an interest rate of 4.5 % per annum for crop loans up to Rs.3.00 lakh disbursed by RRBs at an interest rate of 7% per annum to ultimate borrowers. The allocation under STRRB Fund was at Rs.15,000 crores (Rs.15,000.49 crores, including residual allocation of earlier years) during 2022-23. As on 30.11.2022, Rs.7,341.02 crores have been utilised out of STRRB (Refinance) Fund during 2022-23.

5.5 Long Term Rural Credit Fund (LTRCF):

This fund has been set up for the purpose of providing long term refinance support to Cooperative Banks and Regional Rural Banks for their lending towards investment activities in agriculture with a view to provide a fillip to capital formation in the sector. Government has allocated Rs.15,000.75 crores to this fund (including residual allocation of earlier years) during 2022-23. As on 30.11.2022, Rs.7,496.69 crores has been utilised out of LTRCF during 2022-23.

5.6 Strengthening the Capital Base of NABARD

NABARD Amendment Act, 2018 has been notified on 19th January, 2018 which empowers the Government to increase the authorised capital of NABARD from Rs.5,000 crores to Rs.30,000 crores and to increase it beyond Rs.30,000 crores in consultation with RBI as deemed necessary from time to time. This will enable NABARD to potentially increase its borrowing in future for funding the large investments being made in rural infrastructure in sectors like irrigation, housing, universal sanitation, dairy, fisheries, etc.

Government of India provides equity support to NABARD to enable it to fulfil its lending commitment under various Government initiatives including the flagship programmes i.e. PMAY-G, LTIF, MIF and Swacch Bharat Mission. Total paid up capital as on **30.11.2022** in respect of NABARD is Rs.17,080 crores.

5.7 Role of NABARD in Government of India Initiatives

5.7.1 Long Term Irrigation Fund (LTIF)

The Government of India, through the Dept. of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti (earlier Ministry of Water Resources) has taken a major initiative to complete various stalled major/medium irrigation projects in the country, for which a Long-Term Irrigation Fund (LTIF) was set up in NABARD. As on 30 November 2022, against the total estimated amount of Rs.77,595 crores for the 99 identified projects, sanctions have been accorded by NABARD under LTIF to the tune of Rs.71,219.54 crores. Further, loan amount of Rs.11,217.71 crores has been sanctioned for the Polavaram Irrigation project, Rs.1,378.61 crores for North Koel Reservoir Project, Rs.485.35 crores for Shahpurkandi Dam and Rs.826.17 crores for Relining of Sirhind and Rajasthan Feeder under LTIF. The cumulative amount released against sanction of 99 identified projects stood at Rs.44,800.36 crores. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpurkandi Dam Project, cumulative releases stood at Rs.10,650.15 crores, Rs.721.22 crores and Rs.207.45 crores, respectively.

5.7.2 Pradhan Mantri Awaas Yojana- Gramin (PMAY-G)

The Government of India through the Ministry of Rural Development launched 'Pradhan Mantri Awaas Yojana- Gramin' (PMAY-G) on 1st April, 2016, with an objective to ensure "Housing for All" by 2022. A total of 2.95 crore houses are to be constructed under PMAY-G. During 2017-18 to 2020-21, NABARD has extended loans to National Rural Infrastructure Development Agency (NRIDA), a SPV of GoI, towards part funding of Central share under the Scheme. The cumulative sanction and release under PMAY - G as on as on 30th November 2022 stood at Rs.61,975 crores and Rs.48,819.03 crores, respectively.

5.7.3 Swachh Bharat Mission – Gramin (SBM-G)

The Government of India through the Ministry of Jal Shakti (earlier Ministry of Drinking Water & Sanitation), launched SBM-G on 2nd October, 2014 with the goal to achieve universal sanitation coverage in rural areas by 2nd October, 2019. For the construction of around 3 crore Individual House Hold Toilets, 1500 Community Sanitary Complexes and Solid & Liquid Resources Management works during 2018-19, the total fund requirement towards Central Share was estimated at Rs.30,343 crores, out of which Rs.15,000 crores were to be raised through borrowing from NABARD. During 2018-19 & 2019-20, NABARD has extended loans to National Centre for Drinking Water, Sanitation & Quality (NCDWS&Q), a SPV of GoI, towards part funding of central share under the scheme. As on 30th November, 2022, the cumulative sanction and release by NABARD under SBM -G stood at Rs.15,000 crores and Rs.12,298.20 crores respectively.

5.7.4 Micro Irrigation Fund (MIF)

Micro Irrigation Fund with a corpus of Rs.5,000 crore has been operationalized from 2019-20 in NABARD with an objective to facilitate State Govts. Efforts in mobilizing additional resources for expanding coverage under micro irrigation and incentivizing its adoption beyond provisions of PMKSY-PDMC. The cumulative sanction and release under MIF as on 30th November 2022 stood at Rs.4710.96 crores and Rs.2198.62 crores respectively. This will facilitate in expanding micro irrigation to an area of 17.12 lakh ha. involving 13.06 lakh farmers.

6. Priority Sector Lending (PSL)

PSL guidelines are issued by the Reserve Bank of India for compliance by all Commercial Banks, RRBs, SFBs, UCBs and LABs.The objective of priority sector lending (PSL) has been, inter-alia, to ensure access to credit to vulnerable sections of society and have adequate flow of resources to those segments of the economy which have higher employment generation potential and help in making an impact on poverty alleviation. Thus, the sectors that impact large sections of the population, the weaker sections and the sectors which are employment-intensive such as agriculture and micro and small enterprises are part of the priority sector.

6.1 With the objective of making the Priority Sector Lending norms more broad-based, the guidelines are reviewed from time to time to align them with the emerging national priorities. As a part of this process, the PSL guidelines have been revised in 2020. The revised guidelines also aim to encourage and support environment friendly lending policies/schemes and help to achieve Sustainable Development Goals (SDGs).

6.2 Some of the salient features of the revised PSL guidelines are:

a) To address regional disparities in the flow of priority sector credit, higher weightage has been assigned to incremental priority sector credit in 'identified 184 credit deficit districts' where priority sector credit flow is comparatively low, and vice versa.

b) The targets prescribed for "small and marginal farmers" and "weaker sections" are being increased from 8% to 10% & 10% to 12% respectively in a phased manner from 2021-22 to 2023-24.

c) Credit to new sector like Compressed Bio Gas (CBG), Solar projects, credit for start-ups (up to Rs.50 crore) engaged in Agriculture & allied activities and MSME have been made eligible under PSL.

d) Higher credit limit has been specified for Farmers Producers Organisations (FPOs)/Farmers Producers Companies (FPCs) undertaking farming with assured marketing of their produce at a pre-determined price.

e) Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.

f) In order to ensure greater flow of credit to the farmers against pledge/hypothecation of agricultural produce, and to encourage use of NWR/eNWR issued by warehouses registered and regulated by Warehouse Development and Regulatory Authority, the PSL limit for loans against NWRs/eNWR has been increased from Rs.50 lakh to Rs.75 lakh per borrower.

g) Target for lending to Non-Corporate Farmers for FY 2022-23 - All Domestic banks (other than UCBs) and foreign banks with more than 20 branches are required to ensure that their share of lending to non-corporate farmers does not fall below the system wide average of the last three years achievement which is separately notified every year. The applicable target for lending to the non-corporate farmers for FY 2022-23 is 13.78% of ANBC or CEOBE whichever is higher.

6.3 The outstanding priority sector advances of Public Sector Banks was Rs. 25,38,507 crore as on March 31, 2021 and Rs. 27,74,746 crore as on March 31, 2022. Outstanding advances to agriculture by PSBs amounted to Rs. 12,16,707 crore as on March 31, 2022 constituting 19.10 percent of ANBC of PSBs (Annex-I). For the quarter ended September 2022* total outstanding priority sector advances of public sector banks is Rs. 27,80,646 crore and outstanding towards agriculture under priority sector is Rs. 12,69,507 crore. (* Provisional figures as reported by banks to RBI.)

6.4 Education Loan

Every meritorious student should have access to bank credit to pursue higher education, if they so desire. Indian Banks' Association (IBA) had prepared the Model Educational Loan Scheme and circulated to banks in the year 2001. The Scheme is for all students including students belonging to the economically weaker sections and those below the poverty line. Indian Nationals who have secured admission to a higher education course in a recognised Institution in India or abroad through an entrance test/merit-based selection process are eligible for educational loans under the Scheme. The Scheme has been modified from time to time keeping in view the changing needs of the students. The latest revision to Model Educational Loan Scheme incorporating the changes suggested by the Department of Financial services (DFS) was approved by the IBA Managing Committee in its meeting held on January 15, 2021, for adoption and implementation by the member banks.

6.4.1 Service Area Norms for Education Loans- RBI guidelines

RBI has advised the Banks on 9th November, 2012 that Service Area Norms are to be followed only in the case of Government Sponsored Schemes, circulated vide their circular dated December 8, 2004 and are not applicable to sanction of educational loans. Hence, banks do not reject any educational loan application for reasons that the residence of the borrower does not fall under the bank's service area.

6.4.2 Performance of Education Loans

The details of total outstanding education loans of Public Sector Banks (PSBs) for FY 2020-21, FY 2021-22 and FY 2022-23 (ason 30.09.2022) stood at Rs.84,751.93 crores in 19,09,164 accounts.

Education Loan Outstanding Amount

Sr. No.	Year	Loan Outstanding (Rs. In crore)
1	FY 2020-21	75,125/-
2	FY 2021-22	78,544/-
3	FY 2022-23 (01.04.22-30.09.22)	84,752/-

Source: PSBs

6.4.3 Vidya Lakshmi Portal

Vidya Lakshmi Portal is a first of its kind portal providing single window for students to access information and make application for Educational Loans provided by Banks. The Portal has the following features:

a) Information about Educational Loan Schemes of Banks;

b) Common Educational Loan Application Form for Students;

c) Facility to apply to multiple Banks for Education Loans;

d) Facility for Banks to download Students' Loan Applications;

e) Facility for Banks to upload loan processing status;

f) Facility for Students to email grievances/queries relating to Educational Loans to Banks;

g) Dashboard facility for Students to view status of their loan application

h) Linkage to National Scholarship Portal for information and application for Government Scholarships.

Banks have been requested to give wide publicity to this Portal so that students needing education loans can apply for it and indicate their bank of choice.

7. Insurance Sector

7.1 Overview

Insurance, being an integral part of the financial sector, plays a significant role in India's economy. Apart from protecting against mortality, property and casualty risks and providing a safety net for individuals and enterprises in urban and rural areas, the insurance sector encourages savings and provides long-term funds for infrastructure development and other long gestation projects of the Nation. The development of the insurance sector in India is necessary to support its continued economic transformation.

7.2 Public Sector Insurers

The Public Sector Insurance Companies operating in the sector are as follows:

(1) Life Insurance Corporation of India

(2) General Insurance Corporation of India – GIC Re (Re-Insurer)

(3) The New India Assurance Company Limited

(4) United India Insurance Company Limited

(5) National Insurance Company Limited

(6) The Oriental insurance Company Limited

(7) Agriculture Insurance Company of India Limited – Specialised Insurer (Company floated by Public Sector general insurance companies along with NABARD)

(8) ECGC Limited – Specialised Insurer (Government of India enterprise for export credit guarantee)

7.3 Legislative Framework governing the Insurance Sector

The Insurance Division is responsible for policy formulation and administration of the following Acts:

(1) The Insurance Act, 1938

(2) The Life Insurance Corporation Act, 1956

(3) The General Insurance Business (Nationalisation) Act, 1972

(4) The IRDA Act, 1999

(5) The Actuaries Act, 2006

The Government promulgated an Ordinance namely - the Insurance Laws (Amendment) Ordinance, 2014 on December 26, 2014 to make amendments to the Insurance Act, 1938, the General Insurance Business (Nationalization) Act, 1972 and the Insurance Regulatory and Development Authority Act, 1999 in accordance with the Insurance Laws (Amendment) Bill 2008 as reported by the Select Committee of the Rajya Sabha. The Ordinance was replaced by the Insurance Laws (Amendment) Act, 2015. With the coming into force of the Insurance Laws (Amendment) Act, 2015, the foreign investment cap in an Indian Insurance Company has gone up from 26 per cent to 49 per cent with the safeguard of Indian ownership and control.

Recently, further amendment in the Insurance Act 1938, was brought by promulgating the Insurance (Amendment) Act, 2021 enacted on March 25, 2021 by which the Government has further enhanced the FDI cap from 49 per cent to 74 per cent with certain conditions in the terms of Indian ownership and control.

New entrants in the insurance industry

Since the opening up this sector for private and foreign investment in the year 2000, the number of participants in the insurance industry has gone up from seven (7) insurers (including the Life Insurance Corporation of India, four public sector general insurers, one specialized insurer and General Insurance Corporation as the national re-insurer) to sixty-seven (67) insurers as on March 31, 2022 operating in the life, general, and reinsurance segments (including specialized insurers, namely Export Credit Guarantee Corporation Limited and Agricultural Insurance Company of India Limited). As on March 31, 2022, there are 24 Life insurers including one in Public Sector, 32 general insurers including four in public sector, two specialized insurers in Public Sector, five Stand-Alone Health Insurers (SAHI) and 12 reinsurers including one in Public Sector.

Registered Insurers and Reinsurers (As on 31.03.2022)

Type of Insurer	Public Sector	Private Sector	Total
Life	1	23	24
General	6	20	26
Standalone Health	-	5	5
Re-insurers	1	11	12
Total	**8**	**59**	**67**

7.4 Insurance related Social Security Schemes:

Apart from the two Social Security Schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) (*for details please refer Key Schemes at para-4*) the other scheme related to insurance sector is as under:

7.4.1 Pradhan Mantri Vaya Vandana Yojana:

- Pradhan Mantri Vaya Vandana Yojana (PMVVY) is offered by the Life Insurance Corporation of India (LIC) and supported by the Government of India, to provide senior citizens of age 60 years or more an assured minimum pension for a term of 10 years, linked to the price at which they purchase the pension policy.
- Government of India bears the differential return, i.e. the difference between return generated by LIC and the assured return committed under the scheme as interest-gap subsidy on an annual basis.
- Maximum Investment allowed is Rs 15,00,000.
- Under the scheme, a loan of up to 75% of the purchase price is allowed after completion of three policy years.
- As per LIC a total number of 8,61,255 subscribers (No. of Policies 11,88,571) are being benefited under the scheme as on 30.11.2022.
- The Scheme is valid up to 31st March 2023

7.5 Insurance Industry Statistics

Insurance Coverage

Insurance coverage refers to the number of lives covered under insurance for life, health and other insurance categories. The cumulative enrolments as on 28.12.2022 under PMJJBY is 14.82 crore and PMSBY is 31.88 crore. In addition, as per IRDAI report during 2021-22 the General & health insurance companies have covered 52.04 crore lives under 2.26 crore health insurance policies. Personal Accident Insurance covered a total of 115.66 crore number of lives (including PMSBY, PMJDY and IRCTC e-ticket passengers) and 19.09 lakh lives were covered under Travel Insurance policies.

Insurance Penetration and Insurance Density

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (measured in US$ for convenience of international comparison).

Globally insurance penetration and density in 2021-22 were 3.0 per cent and USD 382 for the life segment and 3.9 per cent and USD 492 for the non-life segment respectively.

	India (2001-02)	India (2021-22)	Malaysia (2021-22)	Thailand (2021-22)	China (2021-22)
Insurance Penetration (%)	2.7	4.2 (Life:3.20 % & Non-Life: 1%)	5.3	5.4	3.9
Insurance Density (US$)	11.5	91	600	387	482

Life insurance industry

Post liberalization period has witnessed sharp growth in the insurance industry, more particularly in the life segment. Life insurance industry recorded a premium income of Rs.6.93 lakh crore during 2021-22 as against Rs.6.29 lakh crore in the previous financial year, registering a growth of 10.16 per cent (9.74 per cent growth in previous year).

New business premium underwritten for Life Insurance Industry 2021-22

	Market Share	New Premium Underwritten	Total Premium	Growth
LIC	63.18%	1.99 lakh crore	3.15 lakh crore	12.98%
Private Insurers	36.82%	1.16 lakh crore		

(Data Source : IRDAI)

General insurance industry

The general insurance industry (including standalone health insurers) underwrote total direct premium of Rs. 2.21 lakh crore in India for the year 2021-22 as against Rs.1.99 lakh crore in 2020-21, registering a growth rate of 11.06 per cent as against 5.19 per cent growth rate recorded in the previous year.

	Premium	Growth	Market Share
PSU	0.90 lakh crore	1.50 %	40.72 %
Private Insurers	1.31 lakh crore	8.12 %	59.28 %

(Data Source : IRDAI)

One of the benefits of opening up of the insurance sector has been the extension of health cover to a wider cross-section of the society. Health premium accounted for 36 per cent (Rs.80,502.27 crore) of the gross direct premium of the general insurance industry within India (including standalone health insurance companies) in 2021-22 (Rs. 63,752.97 crore constituting 32.08 per cent in 2020-21).

7.6 Investments of the Insurance sector

As on March 31, 2022 the accumulated total investments held by the insurance sector was:

	Insurance Sector (2021-22)	Insurance Sector (2020-21)	Life Insurers (2021-22)	Public sector Insurers (2021-22)
Total investments	54.37 lakh crore	49.13 lakh crore	91.09 % of total investment	72.19 % of total investments

(Data Source : IRDAI)

7.7 Rural and Social Sector Business

All the life insurers* including LIC have fulfilled their rural sector obligations for the year 2021-22.

	Life Insurance Companies	Private Life Insurance Companies	LIC
Rural Sector Obligations	64.97 lakh policies (22.32 %)	26.98% of total policies	20.73 % of total policies
Total lives covered under Social sector.	4.03 crore (19.38%)	22.05 % of total policies	11.51 % of total policies

*(*M/s Sahara India Life Insurance Co. Ltd. is not considered for this obligation as it was directed by IRDAI not to underwrite new business as per the IRDAI order dated June 23, 2017)*

All the public and private sector general insurance companies including standalone health insurance companies (SAHI) have fulfilled their obligations in the rural and social sector for the year 2021-22. The General insurers underwrote a premium of Rs. 28,282 crores in the rural sector in the year 2021-22. Public Sector and private insurers underwrote 26.56 per cent and 73.44 per cent respectively of total gross premium procured in the rural sector.

7.8 Micro insurance

Micro insurance being a low price-high volume business, its success and sustainability depends mainly on keeping the transaction costs down. IRDAI (Obligations of insurers to Rural and Social sectors) 2015 promulgated under Section 32B and 32C of the Insurance Act, 1938 stipulate obligations of insurers in respect of rural and social sector, which has also contributed substantially to the development and promotion of micro insurance products in India.

IRDAI reviewed the Micro Insurance Regulations, 2005 and notified IRDAI (Micro Insurance) Regulations, 2015 permitting several more entities like RBI regulated NBFC-MFIs, District Cooperative Banks, Regional Rural Banks, Urban Co-operative Banks, Business Correspondents (BCs), Primary Agricultural Cooperative Societies (PACs) and other cooperative societies to be appointed as Micro Insurance agents facilitating better penetration of Micro Insurance business. The Regulations also included additional policy holder protection measures.

In micro-insurance-life, the individual new business premium for the year 2021-22 was Rs. 297.14 crore through 8.77 lakh new policies and the Group new business premium amounted to Rs. 6,048.88 crore covering 1,320.73 lakh lives. There were 99,961 micro insurance agents attached to life insurers at the end of FY 2021-22. Total number of general insurance policies issued by Micro Insurance Agents (excluding of Standalone health insurers) were 1,40,696 in the year 2021-22.

IRDAI has permitted Pradhan Mantri Fasal Bima Yojana (PMFBY) covering non-loanee farmers, to be solicited and marketed by Micro Insurance Agents under IRDAI (Micro Insurance) Regulations, 2015. Further, general insurance policies issued to Micro, Small and Medium Enterprises as classified in MSMED Act, 2006 under various lines of general insurance business will also qualify as general Micro Insurance business upto Rs.10,000 premium per annum per MSM enterprise.

8. Pension Sector

8.1 National Pension System (NPS)

The National Pension System (NPS) was introduced by the Government of India vide notification dated 22.12.2003 to replace the defined benefit pension system by defined contribution pension scheme in order to provide old age income security in a fiscally sustainable manner and to channelize small savings into productive sectors of the economy through prudential investments. It was made mandatory for all new recruits to the Government service (except armed forces) with effect from 01.01.2004, and has also been rolled out for all citizens with effect from 01.05.2009, on voluntary basis. NPS has been adopted by most State Governments and most of the Central and State autonomous bodies. Subsequently, with the passing of the PFRDA Act in 2013, the contributory pension system notified by the said notification dated 22.12.2003 has been deemed to be National Pension System (NPS) w.e.f. 01.01.2004, in accordance with Section 20(1) of the PFRDA Act, 2013. The Scheme offers two types of accounts, namely Tier-I and Tier-II. The Tier-I account is the Pension account, while the Tier-II account is a voluntary withdrawable account which is allowed only when there is an active Tier-I account in the name of the subscriber. Presently, a Government employee under NPS has to mandatorily contribute 10% of pay and Dearness Allowance (DA) and 14% of pay and DA is contributed by the Government to the employee's Tier-I account. At exit on superannuation, subscriber would be mandatorily required to invest at least 40% of the pension wealth in Tier-I to purchase an annuity from an Insurance Regulatory and Development Authority of India (IRDAI) regulated Insurance Company and a maximum of 60% of the accumulated corpus in the Tier –I account is given to the individual in lump-sum. If the subscriber exits before superannuation or 60 years of age, he/ she has to invest at least 80% of the accumulated balance to purchase an annuity and the remaining 20% can be withdrawn as lump sum. There are a number of benefits available to the employees under NPS. Some of the features are listed below:

a. Unbundled NPS Architecture:

NPS architecture consists of Point of Presence (PoP) and aggregators as collection and distribution arms, a Central Record keeping Agency (CRA) which maintains the data and records, Trustee Bank to manage the banking operations, Pension Fund Managers (PFMs) for generating and maximizing returns on investments of subscribers, Custodian to take care of the assets purchased by the Fund managers and NPS Trust which holds the assets of subscribers for their benefit and oversees the investment operations.

NPS has an unbundled architecture where each intermediary has its own expertise and domain knowledge. The Points of Presence (PoP), which are authorized to open NPS accounts, receive contributions from the subscribers and remit them to the Trustee Bank (for government subscribers this function is carried out by the nodal offices) to the credit of the NPS Trust account which holds the assets/ securities for the benefit of the subscribers.

The Pension Funds registered with PFRDA manage pension corpus through various schemes under National Pension System in accordance with the provisions of the PFRDA Act, Rules and Regulations made thereunder, agreements executed with the National Pension System Trust and other intermediaries under NPS architecture.

b. Provision for Partial withdrawal under NPS

Subscribers can withdraw up to 25% of their own contributions at any time before exit from NPS Tier-I for a maximum of three times during the entire tenure of subscription under NPS for certain specified purposes such as marriage of children, purchase of house, medical treatment etc, after minimum of 3 years from the date of joining.

Tax Benefits presently available under NPS:

(A) Tier I:

i. Subscriber is allowed an additional tax deduction of Rs. 50,000/- under section 80CCD 1(B) of the Income Tax Act, 1961, in addition to the deduction of Rs. 1.50 lakhs allowed under section 80 CCD (1).

ii. The mandatory contribution by the Central Government for its employees covered under NPS Tier-I has been enhanced from the existing 10% to 14% w.e.f 01.04.2019. Some State Governments have also enhanced its contribution to 14% for its employees. The additional 4% employer contribution from the Central Government and State Government will also be tax exempt under 80 CCD (2)

iii. To ensure parity of tax treatment between NPS and various retirement products such as General Provident Fund (GPF), Contributory Provident Fund (CPF), Employees Provident Fund (EPF) and Public Provident Fund (PPF), the limit of tax exemption under section 10(12A) of the Income Tax Act, 1961, in respect of the amount withdrawn as lump sum to the extent of 40% of the total accumulated balance has been enhanced to up to 60% of the total accumulated balance at the closure of account. With this, the entire withdrawal is now exempt from income tax.

iv. Interim/ Partial Withdrawal from NPS Tier I up to 25% of the contributions made by NPS subscriber is tax free.

v. Minimum 40% of the amount is to be mandatorily utilized for purchasing an annuity from the Annuity Service Provider registered and regulated by the Insurance Regulatory and Development Authority and empanelled by PFRDA. Amount utilized for purchase of annuity is not taxable. Further, amount utilised for purchase of annuity is exempted from GST.

(**B**) **Tier II:**

i. Contribution by the Central Government employees under Tier-II of NPS is now covered under Section 80 C of the Income Tax Act, 1961, for deduction up to Rs. 1.50 lakh for the purpose of income tax at par with the other schemes such as GPF, CPF, EPF, and PPF provided that there is a lock-in period of 3 years.

(I) Freedom of choice for selection of Pension Funds and pattern of investmentto Government employees

(a) **Choice of Pension Fund**: Vide Government Notification dated 31.01.2019, the Government subscribers are also allowed to choose any one of the pension funds including Private sector pension funds, as in the case of subscribers in the private sector. They can change their option once in a year. However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

(b) **Choice of Investment pattern**: The following options for investment choices are offered to Government employees: -

- Government employees who prefer a fixed return with minimum amount of risk have an option to invest 100% of the funds in Government securities (Scheme G).
- Government employees who prefer higher returns have the options of the following two Life Cycle based schemes.

(A) Conservative Life Cycle Fund with maximum exposure to equity capped at 25% at the age of 35 years and tapering off thereafter (LC-25).

(B) Moderate Life Cycle Fund with maximum exposure to equity capped at 50% at the age of 35 years and tapering off thereafter (LC-50).

The existing scheme in which funds are allocated by the PFRDA among the three Public Sector Undertaking fund managers based on their past performance in accordance with the guidelines of PFRDA for Government employees will continue as the default scheme for both existing and new subscribers.

The status of NPS as on 30th November, 2022, is as under:

Sector	No. of subscribers (in lakhs)	Assets Under Management(in Rs Crores)
Central Government	23.43	2,45,259
State Government	59.29	4,21,996
Corporate	16.10	1,08,473
All Citizen Model	25.80	38,233
NPS Lite *	41.81	4,851
Total	**166.43**	**8,18,812**

*(No fresh registration permitted w.e.f 01.04.2015)

(II) Recent developments under NPS in Government Sector

a) **Notification of Central Civil Services (Implementation of NPS) Rules, 2021**: The CCS (Implementation of NPS) Rules, 2021, have been notified by the Department of Pension and Pensioners' Welfare (DoPPW) on 30.03.2021 for Central Government employees. The said Rules, *inter alia*, stipulate the timelines for PRAN generation, contribution upload, deduction and remittance, including exits and withdrawals and also the provision for payment of interest on delayed deposits of NPS contributions and fixation of the responsibility in case of delays in subscriber registration and remitting of NPS contributions.

b) **Applicability of provisions of Gazette Notification of Department of Financial Services dated 31-01-2019 on employees of Central Autonomous Bodies (CABs)-** The provisions of the notification dated 31.01.2019, regarding enhancement of employer contribution to 14%, choice of the pension fund and investment pattern in the Tier I and payment of compensation in case of delayed or non-deposit of NPS contributions for any period during 2004-2012, have been extended to the employees of CABs (covered under NPS) vide OMs dated 26.08.2021 and 21.10.2021 issued by Department of Expenditure

8.2 Atal Pension Yojana (APY)

Atal Pension Yojana (APY) was launched by the Hon'ble Prime Minister on 9th May, 2015, and is being implemented with effect from 1st June, 2015. The Scheme aims to provide monthly pension to eligible subscribers not covered under any organized pension scheme. APY is open to all bank and post office account holders in the age group of 18 to 40 years. Under this Scheme any subscriber can opt for a guaranteed pension of Rs 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000 and Rs 5,000 receivable at the age of 60 years. The contributions to be made vary based on pension amount chosen and the age at time of enrolment.

APY is being administered by PFRDA under the overall administrative and institutional architecture of the NPS. Currently, the Scheme is being distributed through more than 269 active APY service providers including all banks and post offices.

8.2.1 The key features of APY are as under

a) APY is primarily focused on workers in the unorganised sector, however, all citizens of the country in the eligible category may join the scheme

b) Any Indian citizen between 18-40 years of age can join through their savings bank account or post office savings bank account.

c) Minimum pension of Rs. 1000 or Rs. 2000 or Rs. 3000 or Rs. 4000 or Rs. 5000 is guaranteed by the Government of India to the subscriber at the age of 60 years, with a minimum monthly contribution (for those joining at age 18) of Rs. 42 or Rs. 84 or Rs. 126 or Rs. 168 and Rs. 210, respectively.

d) After the subscriber's demise, the spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber until the death of the spouse.

e) After the demise of both the subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber.

f) If the actual returns during the accumulation phase are higher than the assumed returns for minimum guaranteed pension, such excess will be passed on to the subscriber.

g) The contributions can be made at monthly / quarterly / half yearly intervals through auto debit facility from savings bank account/ post office savings bank account of the subscriber. The monthly / quarterly / half yearly contribution depends upon the intended / desired monthly pension and the age of subscriber at entry.

8.2.2. Category wise number of enrolments under APY as on 30th November, 2022:

Category of Banks	Number of Enrolments
Public Sector Banks	3,35,92,201
Private Banks	32,28,182
Small Finance Bank	1,29,803
Payments Bank	14,51,069
Regional Rural Banks	92,19,257
District Co-op Banks	70,116
State Co-op Banks	6,439
Urban Co-op Banks	25,356
Department of Posts	3,75,845
Total	**4,80,98,268**

As on 30th November, 2022, the number of subscribers under APY is more than 4.80 crore with contribution of Rs. 22,437 crore and AUM of Rs. 24,829 crores.

8.3 Major measures/steps undertaken to increase coverage under the Schemes:

(i) National Pension System

(a) Expansion of NPS distribution channel: To expand the NPS distribution channels the following steps are being taken.

- **i.** Individual agents are being engaged for NPS distribution through Points of Presence (PoPs).
- **ii.** Fintech companies like Paytm Money, ET Money, Funds India & Fisdom are being engaged for NPS distribution.

(b) Steps for pension literacy

- **i.** Webinars/conference have been organized in association with various trade bodies, The Federation of Indian Chambers of Commerce & Industry (FICCI), The Confederation of Indian Industry (CII) PHD Chamber of Commerce and Industry (PHDCCI), Merchants' Chamber of Commerce & Industry (MCCI).
- **ii.** Financial literacy website has been hosted (www.pensionsanchay.org.in)

(c) Publicity and media campaign

- i. Media campaign is being run by PFRDA by engaging electronic media, print media and social media.

(ii). **Atal Pension Yojana**

a) Promotion and pension literacy

- **i.** Pension Fund Regulatory and Development Authority (PFRDA) is actively engaged with Banks, State Level Bankers' Committees (SLBCs) & LDMs for National, State and District level focused promotion of APY across the country.
- **ii.** APY Felicitation and Outreach programs at 20 locations have been held in which stake-holders from Banks at state/district-level have participates.
- **iii.** Training programs are being organized, town hall meetings, regular Strategy & Review Meetings are being conducted to increase pension literacy.
- **iv.** Several Central Ministries and State Governments have been approached to get their unorganized workforce like MNREGA workers, Self Help Groups, Asha workers, Aanganwadi workers covered under APY.
- **v.** Periodical advertisements in the print and electronic media being issued and updates posted in social media like YouTube, Twitter, Facebook to create awareness about the scheme.
- **vi.** Information about APY is being disseminated through APY KI PATHSHALA YouTube channel.
- **vii.** Subscriber Awareness Program through VC have been conducted for subscribers, field staff, business correspondents of APY-SPs, in coordination with an empanelled training agency.

b) Engaging Fintechs and Banking Correspondents (BCs) for widening the outreach

- i. PFRDA is engaging Payment banks like Airtel Payment Bank and Small Finance banks to achieve larger enrolment
- ii. Engagement of BCs with suitable incentivization is also helping in increasing outreach of the Scheme.

c) Updating of APY mobile App

- i. To enhance ease of availing various services, features such as account details, viewing contribution made, the APY mobile App have been updated.

8.4 Mechanism put in place to measure development outcomes of major schemes/ programmes implemented through the Department/ Division

Under NPS, continuous engagements/ guidance/ training to PoPs and periodic review meetings of PoPs are undertaken by the Authority.

Under APY, daily MIS Data highlighting total number of enrolments of each APY SP and each state and daily Average tracker highlighting performance with respect to allocated targets in terms of Average Account Per Branch (AAPB) is obtained from CRA-NSDL for analysis of performance and review of the progress of the scheme. Similarly, the grievances faced by the subscribers, difficulties faced by the intermediaries in implementing the scheme and other operational issues are taken up rigorously and reviewed at regular intervals.

PFRDA monitors and supervises compliance related parameters in respect of functioning of PoP-NPS, NPS-Lite and PoP-APY to ensure that subscribers' interest is served. Further, PFRDA periodically conducts quarterly review meetings with the Pension Funds to analyze their performance under NPS on various parameters.

8.5 Budget provisions earmarked under various schemes are as under:

Head	BE 2022-23	RE 2022-23 (Proposed)
Atal Pension Yojana Payment of incentive	Rs. 200.00 cr	Rs. 180.00 cr
Atal Pension Yojana Promotional Campaign	Rs. 0.01 cr	Rs. 3.00 cr
Atal Pension Yojana Gap Funding	0.00	Rs. 542.00 cr
Swavalamban Scheme- Govt.co-contribution	0.00	Rs. 1.31 cr

8.6 Initiative taken with reference to the development of North- Eastern Region and Sikkim including projects/ schemes in operation and actual expenditure thereon

Under NPS, the PoPs are advised to enroll subscribers in NPS across the country including the north east region. Several NPS webinars conducted for North East region in association with trade bodies and PoPs.

Under APY, Zone wise review meetings are conducted PAN India for review of performance of APY SPs, SLBCs/ UTLBCs with special emphasis on North-Eastern region by organizing regular meetings to popularize the scheme, handholding sessions etc. Further, trainings are imparted through webinars and offline mode to explain the features and benefits of APY scheme.

9. Financial Institutions

9.1 Export -Import Bank of India (Exim Bank)

Exim Bank has been established as a statutory, apex financial institution in 1982 under an Act of the Parliament of India, for financing, facilitating and promoting India's international trade, for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade, and to function as a key policy-input provider to the Government of India (GOI).

Exim Bank offers a comprehensive range of lending and service / advisory programmes, aimed at aiding the globalisation efforts of Indian companies. This enables the Bank to promote inclusion of a large cross-section of Indian exporters, in the opportunities being thrown up by globalisation. Exim Bank especially distinguishes itself in the areas of Project Exports, Lines of Credit (LOCs) and Overseas Investment Finance (OIF), which benefit a gamut of externally oriented Indian companies, including SMEs. The Bank has launched UbharteSitaare Programme (USP) aimed at offering future export champions, a combination of equity, debt and technical assistance, to qualitatively and quantitatively grow their exports under the programme.

As on November 30, 2022, the Bank has sanctioned an aggregate amount of USD 2.99 billion for 34 projects under Buyer's Credit under National Export Insurance Account (BC-NEIA). Two facilities aggregating to USD 385.83 million sanctioned by the Bank are awaiting approval of Committee of Direction. As on November 30, 2022, under BC-NEIA, Bank has already disbursed USD 102.28 million during current FY. The current outstanding amount under BC-NEIA stands at USD 1.52 billion, which will be utilised over the years. As regards Overseas Investment Finance (OIF), during FY 2021-22, the Bank sanctioned funded and non-funded assistance aggregating Rs.1,719 crore to 12 Indian corporates for part financing their overseas investments in 7 countries. From April to November 30, 2022, funded and non-funded assistance aggregated Rs.2,416 crore to 10 Indian corporates for part financing their overseas investments in 6 countries. As on November 30, 2022, the Bank's net loans and advances stood at Rs.1,27,671 crore, while the non-fund portfolio of the Bank was at Rs. 15,971.27 crore. The total business portfolio of the Bank, which stood at Rs. 2,81,345 crore as on November 30, 2022, is estimated at Rs. 2,90,000 crore as on March 31, 2023.

9.2 India Infrastructure Finance Company Limited (IIFCL)

IIFCL is a wholly-owned Government of India company set up in 2006 to provide long-term financial assistance to viable infrastructure projects. IIFCL has been registered with the Reserve Bank of India as Non-Banking Finance Company – Infrastructure Finance Company (NBFC-IFC) since September 2013. IIFCL has set up three wholly-owned subsidiaries as under.

a) IIFC(UK)

b) IIFCL Asset Management Company Limited (IAMCL)

c) IIFCL Projects Limited (IPL)

The organization gives overriding priority to Public-Private-Partnership (PPP) projects. IIFCL provides long term financing to viable infrastructure projects through a product mix of Direct Lending (SIFTI), Takeout Finance, Refinance and Credit Enhancement. Taking its developmental role further, IIFCL has, in FY2021-22, ventured into investment in Infrastructure Project Bonds and lending to Infrastructure Investment Trusts (InvITs).

On a standalone basis, till 30th November, 2022, IIFCL has made Cumulative Gross Sanctions of Rs.2,02,138 crore under Direct lending, Takeout Finance and Refinance scheme, InVITs and Investment in Bonds. This includes Cumulative Gross Sanctions of Rs.1,08,939 crore to 544 projects under Direct Lending. The Company has made Cumulative Disbursements of Rs. 95,928 crore till November 2022, which includes Rs.28,915 crore under Refinance and Rs.16,683 crore under Takeout Finance.

9.3 National Bank for Financing Infrastructure and Development (NaBFID)

National Bank for Financing Infrastructure and Development is infrastructure focused development financial institution (DFI) established in pursuance of announcement made in Union Budget 2021-22. The Institution was established to support the development of long-term infrastructure financing in India. Reserve Bank of India (RBI) has advised that NaBFID shall be regulated and supervised by RBI as an All India Financial Institution (AIFI).

NaBFID has both financial and developmental objectives:

a) The financial objective of the Institution shall be to lend or invest, directly or indirectly and seek to attract investment from private sector investors and institutional investors, in infrastructure projects with a view to foster sustainable economic development in India.

b) The developmental objective of the Institution shall be to co-ordinate with the Central and State Governments, regulators, financial institutions, institutional investors and such other relevant stakeholders. This co-ordination will be done to facilitate building and improving the relevant institutions to support the development of long-term non-recourse infrastructure financing in India including the domestic bonds and derivatives markets.

The Board of the Institution is functioning with Chairperson (Shri K V Kamath), Managing Director (Shri Rajkiran Rai G), Deputy Managing Director (Shri B S Ventakesha & Ms. Monika Kalia), two Govt. Nominee Directors (Shri Pankaj Jain, Secretary, M/o PNG & Ms. Sumita Dawra, Additional Secretary, DPIIT) and three Independent Directors.

The NaBFID was set up with an authorised share capital of Rs. 1 lakh crore as per Budget Announcement of FY 2021-22. Capital support of Rs. 20,000 crore has been released to the Institution to enable it to start its business operations. A grant of Rs. 5,000 crore has also been released on 31.03.2022. NaBFID has disbursed its first loan on 29.12.2022 amounting to 520 crore. The expected credit pipeline for FY 2022-23 is Rs. 63,000 crore.

9.4 National Housing Bank (NHB)

The National Housing Bank (NHB) is a development financial institution, established in 1988, under the National Housing Bank Act, 1987 (Central Act no. 53 of 1987). NHB operates as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. NHB's three broad functions are Supervision of Housing Finance Companies (HFCs), Financing and Promotion & Development. NHB provides finance to the housing sector through two windows namely Refinance and Project Finance. NHB's business includes refinancing individual housing loans of HFCs, SCBs, Regional Rural Banks and Small Finance Banks (SFBs) and financing public agencies and public private partnerships for their housing projects.

9.4.1 Refinancing

Till 30.11.2022, National Housing Bank has disbursed cumulative refinance of Rs. 3,27,491 crore, out of which Rs. 33,254.13 crore has been disbursed under Affordable Housing Fund. The details of refinance activities undertaken by NHB during FY 2021-22 and FY2022-23 (till 30.11.2022) are as below:

(Rs. in crore)

Business Groups	FY2021-22 (01.07.2021 – 30.06.2022)			FY2022-23 (01.07.2022 – till 30.11.2022)		
	Sanction	Disbursement	Outstanding as on 30-06-2022	Sanction	Disbursement	Outstanding as on 30-11-2022
Institutional Finance (Refinance) - Banks	2,088.00	1,685.60	10,187.94	6,450.00	472.00	9,463.80
Institutional Finance (Refinance) - NBFC (HFCs)	20,242.00	17,627.27	63,744.72	21,885.00	5,514.56	62,530.78
Total	**22,330.00**	**19,312.87**	**73,932.65**	**28,335.00**	**5,986.56**	**71,994.58**

9.4.2 Supervision

- A stronger supervisory framework was put in place with a dedicated Supervision Team.
- Off-site supervision was strengthened with introduction of Early Warning Signals (EWS) & Automated Data Flow (ADF) successfully implemented at Top 20 HFCs covering 94% business of HFCs.
- NHB actively engaged with RBI for a smooth and seamless transition of regulation of HFCs to RBI.

9.4.3 Promotion & Development

- During April 2022 to November 2022, NHB, as a Central Nodal Agency under PMAY-CLSS (U), disbursed subsidy amounting to Rs.2,290 crore to 0.91 lakh households under PMAY-CLSS for EWS/LIG.
- To track the movement in prices of residential properties in 50 select cities, NHB published NHB RESIDEX, on a quarterly basis till September, 2022.
- Bank has taken a step forward for creating a centralized repository of data on Housing finance which provides a seamless way to Primary Lending Institutions to share data on Housing finance with NHB, known as the Housing Finance Repository (HFR) portal.
- Under the aegis of "Azadi ka Amrit Mahotsav" (AKAM), NHB organized several Outreach Programmes.

9.4.4. Financial Highlights

- Bank posted a Net Profit of Rs.1920 crore for the year (July 2021-June 2022) with ROA of 2.33%, ROE of 19.35% and Capital Adequacy Ratio (CRAR) of 16.02%. Banks Gross NPA ratio stood at 2.07%.

9.4.5. Projections/estimates for the period from 01.12.2022 to 31.03.2023

- Bank has disbursed a cumulative amount of Rs.6,016.56 crore during the FY 2022-23 (July-June) as on 15-12-2022.
- Bank projects further tentative sanctions amounting to Rs.4,000 crores and tentative disbursements amounting to Rs.30,000 crores during the period December, 2022 to March, 2023.

9.5 Small Industries Development Bank of India (SIDBI)

Small Industries Development Bank of India has been established under an Act of the Parliament in April 02, 1990. SIDBI is mandated to serve as the Principal Financial Institution for executing the triple agenda of Promotion, Financing and Development of the Micro, Small and Medium Enterprises and coordination of the functions of the various Institutions engaged in similar activities.

9.5.1 Operational Highlights during FY 2021-22

Despite the challenges posed by the pandemic, the Bank has continued its growth trajectory during the fiscal. Key financial highlights are as below:

- Asset Base of the Bank stood at Rs.2,47,379 crore at the end of FY 2022, a Y-o-Y growth of 29%.
- Loans and Advances stood at Rs.2,02,252 crore at the end of FY 2022, a Y-o-Y growth of 29%.
- Net Interest Income for FY 2022 stood at Rs.3,012 crore, with Net Interest Margin at 1.5%.
- Bank registered Net Profit of Rs.1,958 crore during FY 2022.

9.5.2 Financing during FY 2021-22

SIDBI extends assistance to MSMEs directly and indirectly. Under indirect route, SIDBI extends Refinance assistance to banks, NBFCs, MFIs, etc. (Institutional Finance) against their lending to MSEs. This helps in creating multiplier effect and results increase in flow of credit to MSMEs. Under Direct Finance, SIDBI extends financial assistance by way of term loan, working capital, etc. directly to MSMEs. Brief of Financial assistance extended by SIDBI is given below:

(Rs in crore)

Business Groups	FY2021			FY2022			Outst. Growth %
	Sanction	Disb.	Outstanding	Sanction	Disb.	Outstanding	
Direct Credit	4746	4007	11581	6760	5673	14187	23%
Institutional Finance (Refinance) -Banks	81637	81637	131664	122781	122335	166832	27%
NBFC	7562	7802	11292	13178	12677	17935	59%
MFI	2717	2583	1672	4178	2893	3118	86%
Cluster Dev.	-	-	-	1038	180	180	-
Total	**96662**	**96029**	**156209**	**147935**	**143758**	**202252**	**29%**

Institutional Finance accounts for approximately 93% of loans & advances of the Bank. Outstanding under Institutional Finance was at Rs.1,87,885 crore at the end of FY 2022 which includes refinance to Banks & Small Finance Banks (SFBs), Assistance to Non-Banking Financial Companies (NBFCs) and Assistance to Microfinance Institutions (MFIs).

During FY 2022, in-principle commitment of Rs.5968.50 crore was made by SIDBI to 11 States and 1 UT, from RBI's allocation of Rs 7,000 crore under Cluster Development Fund (CDF) Scheme to extend concessional assistance to State Governments/ UTs to create infrastructure for development/growth of MSME/ clusters. As on March 31, 2022, financial assistance was sanctioned to 5 States against 37 projects (34 Greenfield and 3 Brownfield Projects) for an aggregate amount of Rs.1038 crore. Total disbursement of Rs.180.82 crore was made under SIDBI CDF, against 22 projects.

During the current FY, though the entire fund remains committed in-principally, formal sanctions to the tune of Rs.1,054 crore were accorded to 28 additional projects. As on 30th December, 2022, commutatively, 8 State Governments and 1 UT have been sanctioned Rs.2092 crore against 65 projects and total disbursement made is Rs.757 crore.

9.5.3 Promotion & Development

A slew of initiatives has been undertaken under promotion & development operations for kindling entrepreneurship in youth, and towards inclusive and innovative engagements for reaching out to micro-entrepreneurs and budding entrepreneurs in the underserved segment. Some of the key initiatives include Swavalamban Challenge Fund (SCF) & Swavalamban Connect Kendras (SCKs). Project Management Units (PMUs) have been set-up in total 16 states (including 11 which were set up in FY 2021), for closer engagement with states to strengthen MSME ecosystem along with transferring the good practices among the states, in line with the UK Sinha Committee recommendations.

9.5.4 Digital Enablers

The maturing, highly successful and user-friendly digital ecosystem like Aadhar, UPI payment system, GST, open API system, Regulatory Sandbox framework, Open Credit Enablement Network (OCEN), Account Aggregator (AA) framework, etc. have helped increasing the pace of digitization of financial services including credit delivery. SIDBI used digital solutions to power several MSME ecosystem solutions underlining its digital prowess. Various digital initiatives undertaken by the bank include Stand Up Mitra & Udyamimitra Portals (Twin Portals), "PSB Loans in 59 Minutes" Platform, Open Network for Digital Commerce, GST Sahay Project. MSME Formalisation project, Blockchain based wholesale lending security sharing and MSME FIT Rank.

9.6 Industrial Finance Corporation of India (IFCI)

IFCI Limited (IFCI) was set up as a Statutory Corporation ("The Industrial Finance Corporation of India") in 1948, as independent India's first Development Financial Institution, for providing medium and long term finance to industry. In 1993, after repeal of the IFCI Act, IFCI became a Public Limited Company, registered under the Companies Act, 1956. IFCI is also registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) and is also a notified Public Financial Institution under Section 2(72) of the Companies Act, 2013. IFCI became a Government Company in April 2015 and as on date, the shareholding of GoI stands at 66.35% of paid-up capital of IFCI.

10. Measures taken during COVID-19 pandemic

10.1 Emergency Credit Line Guarantee Scheme (ECLGS)

- Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their businesses in context of the disruption caused by the COVID-19 pandemic.
- This scheme covers all the sectors of the economy. Under ECLGS, 100% guarantee is provided to Member lending Institutions (MLIs) in respect to the credit facility extended by them to eligible borrowers. In view of the evolving situations in the light of Covid waves and its effect on the various sectors of the economy, scope of the scheme has been extended many times in the form of additional credit and expanded scope of eligible borrowers, by the introduction of ECLGS 2.0, 3.0 and 4.0 as well as changes from time to time.
- Post the Budget announcement of Union Budget 2022-23, validity of the scheme has been extended upto 31.3.2023 and limit of admissible guarantees has been increased from Rs. 4.5 lakh crore to Rs. 5 lakh crore, with the additional amount is specifically earmarked for enterprises in hospitality and related sectors.
- Recognising that an efficient and strong civil aviation sector is vital for the economic development of the country, ECLGS was modified in October, 2022 to enhance the maximum loan amount eligibility for airlines under ECLGS 3.0 to 100% of their fund based or non-fund-based loan outstanding as on the reference dates or Rs. 1,500 crore per borrower, whichever is lower; and of the above, Rs. 500

crore shall be considered, based on proportionate equity contribution by the owners.

- The validity of ECLGS has been extended upto 31.03.2023. As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 16.12.2022, loans amounting to Rs 3.71 lakh crore have been sanctioned under the scheme, benefitting about 1.19 crore borrowers.

10.2 Loan Guarantee Scheme for Covid affected Sectors (LGSCAS)

The Government of India has introduced Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) with a corpus of Rs. 2,000 crores for providing credit guarantee coverage to projects under healthcare sector. The brief of provisions under the Scheme are as under:

- Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) has been launched with a corpus of Rs.2,000 crores to provide financial (credit) guarantee cover for brownfield expansion and greenfield projects related to health/ medical infrastructure. The aforesaid credit guarantee would be provided by National Credit Guarantee Trustee Company Limited (NCGTC) to Scheduled Commercial Banks (SCBs). Important features of the Scheme are as under:

- The Scheme is applicable to all loans sanctioned up to 31.03.2023, or till an amount of Rs. 50,000 crores is sanctioned, whichever is earlier.

- Credit facilities will be sanctioned up to Rs. 100 crores per project in the form of fund based and non-fund-based facilities.

- The scheme shall provide credit guarantee of 50 per cent to all brownfield projects and of 75 per cent to all greenfield projects to be set up at the centres other than Metropolitan cities (8 in number). For aspirational districts, the guarantee cover for both brownfield expansion and greenfield projects shall be 75%.

- Interest rate under the Scheme is capped at 7.95% p.a.

- No Guarantee Fee shall be charged by NCGTC from SCBs under the Scheme.

As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 16.12.2022, the status of loan sanctioned/disbursed is as under:

Project Type	Number of Units	Sanctioned Amount (Rs. in Cr)	Disbursement Amount (Rs. in Cr)
Brownfield Project	507	1723.51	481.46
Greenfield Project	1182	6284.66	1091.92
Total	1689	8008.17	1573.38

10.3 Credit Guarantee Scheme for Micro Finance Institutions (CGSMFI)

The Credit Guarantee Scheme for MFIs (CGSMFI) was launched in June, 2021 as part of the Economic Relief Package announced to support Indian economy in fight against COVID-19 pandemic. The brief of provisions under the Scheme are as under.

- It is guarantee Scheme for loans by Scheduled Commercial banks (SCBs) or other Institutions (as decided from time to time) to NBFC-MFIs and Micro Financial Institutions (MFIs) in the country for onward lending to small borrowers.

- Guarantee upto 75% for a maximum period of 3 years.

- The Scheme operationalised w.e.f. 15.07.2021. It was valid till March 31, 2022 or till guarantees for an amount of Rs.7,500 crore are issued, whichever is earlier.

- The Scheme is expected to benefit around 25 lakh small borrowers.

- The Interest rate on loans from SCBs to NBFC-MFIs and MFIs for this purpose would be capped at 1-year Marginal Cost Based Lending Rate (MCLR) + 2% p.a.

- On lending is being provided by NBFC-MFIs and MFIs to small borrowers at an Interest rate which is at least 2% below the maximum rate prescribed by RBI on such loans.

- 80% of the assistance provided by NBFC-MFIs and MFIs under the Scheme would be for creation of fresh loan assets and not for repayment of earlier loans.

- All existing or new small borrowers (not in default for more than 90 days) within the regulatory definition of micro finance as prescribed by RBI are eligible to avail the Scheme.

- No guarantee fee would be charged by NCGTC for this Scheme.

- As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 31.03.2022, loans amounting to Rs 10,000 crores have been sanctioned under the scheme as per details as under:

(Amount in Rs. crore)

Sanction by MLIs to MFI reported by NCGTC as on 31.03.2022	Disbursement by MLIs to MFI reported by NCGTC as on 31.03.2022	No of Beneficiaries under CGPAN as reported by NCGTC as on 30.09.2022	Sanctioned by MFI to Small Borrowers as reported by NCGTC	Disbursement by MFIs to Small Borrowers as reported by NCGTC
			Amount	Amount
10,000	9,765.04	24,28,127	9,478.89	9,464.44

11. Representations from SCs, STs, OBCs and PWDs in financial sector institutions.

Department of Personnel & Training (DoP&T) in the Ministry of Personnel, Public Grievances and Pension, is the Nodal Department for implementation of the reservation policy for Scheduled Castes (SCs) & Scheduled Tribes (STs) in the Government of India. Instructions regarding reservation in recruitment and promotion are issued by DoP&T from time to time. Department of Financial Services (DFS), circulates these instructions to the Public Sector Banks (PSBs), Public Sector Financial Institutions (PSFIs), Public Sector Insurance Companies (PSICs), Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) for implementation.

These organizations implement the reservation policies issued by DOP&T from time to time, after adoption by their respective Board of Directors. Similarly, the instructions issued by DOP&T from time to time, on the welfare of SCs/STs category employees, are also circulated to all PSBs, PSFIs, PSICs, RBI etc for implementation.The date of implementation of Reservation policy for SCs/STs in Direct Recruitment is the date on which the Banks were nationalized or constituted. In Promotion, the date of effect is 01.01.1978 or from the date on which the Bank came into existence, whichever is later

Details of representations from SCs/STs/OBCs and Persons with Disabilities (PWDs) in Public Sector Banks / Financial Institutions and Insurance Companies is at ***<u>Annexure I & II</u>*** respectively.

12 Vigilance

Department of Financial Services (DFS) is the Administrative Department for Public Sector Banks (PSBs), Public Sector Insurance Companies (PSICs) and Financial Institutions (FIs). An Additional Secretary level officer has been designated as Chief Vigilance Officer of the Department. He is assisted by Joint Secretary level officer, Director, Under Secretary and Section Officer in the discharge of his functions. The Vigilance Section in the DFS deals with, inter alia, the following matters pertaining to PSBs, PSICs and FIs: -

a. Consultation with CVC/CTE/CBI on matters relating to complaints, vigilance clearance, sanction of prosecution and any other matter of -;

   (i) Board level appointees of PSBs, FIs, PSICs, PFRDA, IRDA and RBI.

   (ii) All officials in the Department of Financial Services, officers of office of Custodian and Government officials in DRTs/ DRATs.

b. Appointment of CVOs in PSBs, FIs and PSICs.

12.1.1 Performance

a) The Vigilance Division of the Department monitors the progress on disposal of complaints received from various sources and pendency of disciplinary / vigilance cases regularly and holds meeting with CVOs in this Department at appropriate intervals.

b) Instructions have been issued from time to time as and when any gap in the system is observed to strengthen the preventive vigilance in these organisations.

c) Vigilance Awareness Week was observed from 31.10.2022 to 04.11.2022.

13. Special Court

The Special Court (Trial of offences relating to Transactions in Securities) Act, 1992 came into force on 06.06.1992. The Act was necessitated by reasons of the unprecedented situation wherein very large amount of public monies had been siphoned off into private pockets. The legislature sought to set up a Special Court through this Act for (a) speedy trial of offences (b) immediate attachment and freezing of all assets of parties suspected to be involved in the scam and (c) a reasonable and equitable distribution of the property.

The Special Court, at present, has one sitting Judge on its strength. To support their day to day functioning, the office of the Special Court functions with a staff of 26 officials at various levels. These are renewed on a year-to-year basis by DFS, Ministry of Finance with the approval of IFU. As on 05.12.2022 a total number of pending matters in the Special Court are 86 which includes, Suits and Special Cases (Criminal).

14. Office of the Custodian

To assist the Custodian in discharging the duties under the Special Court (TORTS) Act, 1992, at present there are two offices functioning at New Delhi and at Mumbai. The Delhi office handles the Administration and Establishment matters of both the offices of Custodian and also deals with Supreme Court cases. The Mumbai Office mainly deals with the Court matters of Special Court, which is presided over by a sitting Judge of Hon'ble Bombay High Court. Apart from that Mumbai Office also manages attached properties of notified persons involved in security scam. The sanctioned strength of the Office of the Custodian has been reduced from 29 to 18 (excluding the post of Custodian) with effect from 01.03.2022. The charge of Custodian has also been given to a Joint Secretary level Officer of Department of Financial Services with effect from 11.04.2022.

Since inception, a total of 13417 cases were filed in the Special Court, which were defended/contested by the Custodian and 13341 cases have been disposed of by the Special Court, leaving a balance of 76 cases for their disposal as on 30th November, 2022. The total outstanding liabilities of notified parties were for Rs.41,976 crore as against the assets to the tune of Rs.5,424 crore, out of which Rs.1118 crore are non-recoverable assets. Till 30th November 2022, Rs.11,532 crores (approx.) has been recovered by the Custodian and out of these assets, Rs.7,138 crore has been distributed to Income Tax Department, Banks and others.

15 Debt Recovery Appellate Tribunal/Debt Recovery Tribunal

a. Mandatory e filing of cases amounting to Rs 100 crore and above

Notification dated 22.07.2021 issued by the Department whereby e-filing of cases amounting to Rs 100 Crore or above has been made mandatory before DRTs.

The e-filing of cases would enable the banks and financial institutions to file the cases online. The filing of cases would be easier through e-filing as the documents can be uploaded on the website and would be easily accessible while virtual hearing of the cases. The online submission of fee would be an easier option for the litigants. Even if the last date of limitation is approaching, with the facility of e-filing the cases can be filed within the limitation period and there will be no delay in filing the cases.

b. The details of application filed and disposed in DRTs during the period from 01.04.2022 to 20.12.2022 are as under: -

Applications	Filed during the period from 01.04.2022 to 20.12.2022	Disposed of 01.04.2022 to 20.12.2022
OA	32753	20787
SA	15827	9700
Total	48580	30487

c. Recovery effected by Debts Recovery Tribunals (DRTs) in the Financial Year 2022-23 (up to 30.11.2022)

As per the provisional data made available by all DRTs, a recovery of Rs. 4,953.89 crore has been made by DRTs in the Financial Year 2022-23 (upto 30.11.2022).

d. **e-DRT Project**

The e-DRT project to digitize the functioning of all 39 Debts Recovery Tribunals (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) has been implemented by Department of Financial Services (DFS) through National Informatics Centre (NIC). The e-DRT project has automated the full cycle of workflow of DRATs and DRTs, which has brought transparency and has also increased their efficiency. It has enabled the Tribunals to ensure online availability of case related information. Further, e-filing of cases by the litigants has also been enabled in e-DRT software from 24.01.2020, with the provision of online court fee payment using the BharatKosh Payment Gateway.

During the financial year 2022-23, following new features have been introduced which are as under: -

- Helpdesk support for e-DRT system has been enabled for the convenience of the users/litigants. This allows the users to register their complaints/ problems/suggestions relating to the use of e-DRT system. It helps in getting feedback regarding the services for making suitable modifications in the system for smooth operation of the e-DRT portal.

- Chatbot has been enabled which act as automated virtual assistant to reply to the queries raised by the users through text messages.
- MIS reports are being generated for effective monitoring and functioning of DRTs/DRATs. Search option has been enabled in e-DRT system to extract information relating to case details of applicants/respondents.

16 Information Technology and Cyber Security

Key initiatives of the Department of Financial Services in the year 2022-23 are as below:

(a) Identification of Critical Information Infrastructure in financial sector.

Critical Information Infrastructure (CII) has been defined in the Information Technology Act, 2000 as the computer resource, the incapacitation or destruction of which shall have debilitating impact on national security, economy, public health or safety. With a view to identifying CII in the financial services sector, this Department plays a pivotal role in coordinating with Regulators (Reserve Bank of India, Insurance Regulatory and Development Authority of India & Pension Fund Regulatory and Development Authority) and NCIIPC for identifying and notification of critical infrastructure of regulators as also its regulated entities. To streamline the process of identification of CII within financial services sector and to build a clear roadmap and pipeline for identification of CIIs in banking, insurance and pension sector, a Standard Operating Procedure (SOP)has been put in place, in consultation with NCIIPC. As of now, Real Time Gross Settlement (RTGS) System, National Electronic Fund Transfer (NEFT) System and e-Kuber System of RBI, Core systems of NPCI, State Bank of India, Life Insurance Corporation of India, ICICI Bank, HDFC Bank, Punjab National Bank, Bank of Baroda, Union Bank of India, Kotak Mahindra Bank, Canara Bank and Axis Bank were notified as protected systems.

(b) Website security & quality audit

Web Application Security Audit of this Department's Website, which is conducted annually has been completed by Indian Computer Emergency Response Team (CERT-In) empanelled auditor and the certificate of the same has been issued to this Department. Website quality Certification of this Department's website [under E-Government Development Index (EGDI) exercise], conducted every three years as per Guidelines for Indian Government Websites (GIGW) requirement was undertaken by Standardisation Testing and Quality Certification (STQC) and the certificate on the same was issued to this Department.

(c) Cyber Crisis Management Plan

The purpose of Cyber Crisis Management Plan (CCMP) is to establish the strategic framework and actions to prepare for, respond to and begin to coordinate recovery from a cyber incident. CCMP has been put in place in this Department in October, 2020 and had been duly updated for the year.

17 Disposal of Public Grievances

(a) Timely redressal of public grievances relating to banking and insurance sectors is an important tool towards upgrading the quality of customer service in this very crucial segment of financial sector. This is achieved through the CPGRAMS. Department of Administrative Reforms and Public Grievances (DARPG) has established CPGRAMS (Centralised Public Grievance Redressal and Monitoring System), (an online web-based system), to resolve public grievances.

(b) The maximum permissible time for resolution of grievances permitted earlier was 45 days which is now reduced to 30 days by Department of Administrative Reforms and Public Grievances (DARPG) vide its Office Memorandum dated 27.07.2022. Same was communicated to RBI/IRDAI/ All PSBs/PSICs/FIs vide this Department letter dated 05.08.2022 for taking necessary action. Regular monitoring of adherence to time lines is done by Department of Financial Services.

(c) In Department of Financial Services, a large number of grievances/complaints concerning Banking and Insurance Sectors are received directly from citizens, both online and by post. The postal grievances are also digitized and processed through CPGRAMS for its onward transmission to the designated Nodal Officers i.e. Deputy General Manager/General Manager (DGM/ GM) of concerned Public Sector Banks/Public Sector Insurance Companies (PSBs/PSICs) for its redressal within a maximum time limit of 30 days. These directions are followed by all organisations under the Department of Financial Services. Action taken reports are uploaded on the system and a scanned copy of the reply is provided to the complainant that can be viewed by the complainant online. Replies through post are also sent to those complainants who have lodged their grievances physically. In addition, a dedicated Grievance Handling Cell has been set up in the Department, which is accessible at the Telephone No. 23346785 and email address sobo3-dfs@nic.in.

(d) The Banks and Insurance Companies have grievance redressal mechanism in place and are also hosted on their respective websites. The first level of grievance redressal is Branch Manager in Banks and Insurance Companies followed by Zonal Managers and then General Manager (Customer Care) in Head Office. The grievances concerning private banks and private insurance companies are resolved through Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDAI), respectively. The PSBs have also established Ombudsman for settlement of grievances.

(e) IRDAI has set up IRDAI Grievance Call Centre (IGCC) which receives complaints through a toll-free telephone number and by email and registers complaints apart from furnishing the status of the resolution. IRDAI has put in place the Integrated Grievance Management System (IGMS) as an online system for grievance management that is not only a gateway for registering and tracking grievances online but also act as an industry-wide grievance repository for IRDAI to monitor disposal of grievances by insurance companies.

	Life Insurance Companies	Private Life Insurance Companies	LIC	General Insurance Companies	Private General Insurance Companies	Public General Insurance Companies
Grievances Resolved	99.92 %	99.72 %	99.98%	97.44%	97.22%	97.78%

(f) The Reserve Bank of India (RBI) has launched 'The Reserve Bank Integrated Ombudsman Scheme, 2021' on 12.11.2021. The Scheme integrates the existing three Ombudsman Scheme of RBI namely – (i) the Banking Ombudsman Scheme, 2006 (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018 and (iii) the Ombudsman Scheme for Digital Transaction, 2019. In addition to integrating the three existing schemes also includes under its ambit Non-Scheduled Primary Co-operative Banks with a deposit size of Rs.50.00 crore and above. The scheme adopts "One Nation One Ombudsman mechanism".

(g) There are 17 Insurance Ombudsman set up by IRDAI. The Offices of Insurance Ombudsman are under the administrative control of nine-member body i.e. Council for Insurance Ombudsmen (CIO), which has been constituted under the Insurance Ombudsman Rules, 2017. The object of these Rules is to resolve complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorship and micro enterprises on the part of Insurance companies and their agents and intermediaries in a cost effective and impartial manner.

(h) In case the petitioners are not satisfied with the kind of disposal by the concerned Banks/Insurance Companies, they can file their complaints with the Ombudsmen concerned for the settlement of their grievance through mediation and passing of awards.

The status of complains in Insurance Ombudsman as of March 2022 is as below:

	Complaints at the beginning of the year		**Complaints Received during the year 21-22**		**Disposed off during the year 21-22**		**Outstanding as on 03-2022**	
	Total Number	**%**	**Total Number**	**%**	**Total Number**	**%**	**Total Number**	**%**
Life	1515	34.25	17584	42.94	17902	44.17	1197	24.72
Non-life	462	10.45	3893	09.51	3988	09.84	367	07.58
Health	2446	55.30	19470	47.55	18637	45.99	3279	67.70
TOTAL	**4423**	**100**	**40947**	**100**	**40527**	**100**	**4843**	**100**

Source: Annual report of CIO 2021-22

(i) As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2022 to 30.11.2022 in respect of banking and insurance sectors are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2022	% of Disposal as on 30.11.2022	Less than 30 days old	More than 30 days old
Banking (Pg)	8028	173088	172794	8322	95.40%	7593	729
Insurance (Pg.)	1025	22485	22693	817	96.52%	774	43
Total	**9053**	**195573**	**195487**	**9139**	**95.53%**	**8367**	**772**

(j) As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2022 to 30.11.2022 in respect of banking and insurance sectors for COVID-19 grievances are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2022	% of Disposal as on 30.11.2022	More than 3 days old
Banking	132	6698	6700	130	98.10%	119
Insurance	20	958	972	6	99.39%	4
Total	**152**	**7656**	**7672**	**136**	**-**	**123**

(k) In January 2021, DARPG has started Appeal Mechanism in CPGRAMS wherein the customers who are not satisfied with the resolution of their grievance canappeal for review by higher Authorities. Since there was provision of creation to Sub-appellate authority, a Sub-appellate authority was created in all PSBs/PSICs/ FIs/ IRDAI/RBI and at each Section level in DFS. In view of large number of appeals, Directors/Deputy Secretary/ Joint Director in DFS have been nominated as Appellate Authorities assigning specific organizations (PSBs/ PSICs/FIs/IRDAI/RBI) under control of DFS for monitoring and disposing of the appeals.

(l) As per CPGRAMS database (Appeal Portal) the details of receipt, disposal and pending appeal during the period 01.04.2022 to 30.11.2022 in respect of banking and insurance sectors for Appeal are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2022	% of Disposal as on 30.11.2022	Less than 30 days old	More than 30 days old
Banking	2142	32111	33401	852	97.51%	807	45
Insurance	141	3690	3677	154	95.98%	149	5
Total	**2283**	**35801**	**37078**	**1006**	**97.36%**	**953**	**50**

18 Right to Information (RTI) Act, 2005

Coordination section in Department of Financial Services is the nodal section for implementation of the RTI Act, 2005. The applications received under the RTI Act, 2005 are disposed by the Central Public Information Officers (CPIOs) and the Appellate Authorities (AAs) designated for each of the sections of this Department.

As per RTI Act, any citizen can seek information under RTI by making an appropriate application in writing along with the prescribed fees to the Central Public Information Officer, Department of Financial Services,3rdFloor, Jeevan Deep Building, Parliament Street, New Delhi-110091 and/or can also file an RTI under RTI Act, 2005, on Online Portal available at www.rtionline.gov.in

During FY 2021-22, 7457 RTI Applications and 261 First Appeals were received on various matters related to Banking, Insurance and pension. All the applications and appeals were replied/disposed of within the stipulated time as prescribed under the RTI act, 2005.

Section 4 of the RTI Act casts an obligation on every public authority to make certain suo-moto disclosures on its website. DFS has also made such suo-moto disclosures on its website, regarding information on various functions, powers and duties etc. with respect to DFS.

19 Audit Paras

A summary of Audit observations made available by the Office of C&AG pertaining to DFS is at ***Annexure-III.***

Annexure I

Group-wise representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Section upto 30.11.2022

Group	Number of Employees (as on 31.12.2021)					Number of appointments/promotions made during the calendar year 2022 (i.e. 01.01.2022 to 30.11.2022)														
						Appointment by Direct Recruitment					Appointment by Promotion					Appointment by Other Methods				
	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Group-A	469160	86047	38649	113681	1518	12452	2018	955	3589	1198	40553	7556	3206	10433	1	19	4	0	9	0
Group-B	22833	3366	1470	4271	169	0	0	0	0	0	27	12	1	3	0	1	1	0	0	0
Group-C	336641	60163	25965	81393	3615	9972	1544	803	2468	1044	5362	1323	417	1192	0	1033	318	95	245	45
Group-D (Excluding Safai Karamchari)	89356	26167	6631	21682	132	4704	745	439	1663	255	29	7	1	3	0	351	122	51	82	0
Group-D (Safai Karamcharies)	29966	14031	2204	7833	11	1666	585	140	556	26	0	0	0	0	0	220	100	26	49	13
Total	947956	189774	74919	228860	5445	28794	4892	2337	8276	2523	45971	8898	3625	11631	1	1624	545	172	385	58

Sources: PSBs, PFIs, PSICs & Regulators

Annexure-II

Group-wise representation of Persons with Disabilities up to 30.11.2022

Group	Number of Employees (as on 31.12.2021)					Number of appointments/promotions made during the calendar year 2022 (i.e. 01.01.2022 to 30.11.2022)																	
						Appointment by Direct Recruitment									Appointment by Promotion								
						No. of vacancies reserved				No. of appointments made					No. of vacancies reserved				No. of appointments made				
	Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Group-A	280207	8353	3454	14265	184	153	226	155	198	3339	136	67	117	45	39	48	45	20	15980	224	55	374	0
Group-B	21525	4	1	26	0	2	2	2	3	0	0	0	0	0	2	2	1	1	0	0	0	0	0
Group-C	189402	5899	2077	8823	209	118	207	135	167	1799	108	66	109	20	190	22	222	8	3059	20	12	66	0
Group-D (Excluding SafaiKaramchari)	46519	2043	571	1600	6	28	29	28	28	2042	20	8	36	3	0	0	0	0	10	0	0	0	0
Group-D (SafaiKaramcharies)	22227	1002	255	989	1	16	17	17	16	1682	8	8	46	4	0	0	0	0	0	0	0	0	0
Total	559880	17301	6358	25703	400	317	481	337	412	8862	272	149	308	72	231	72	268	29	19049	244	67	440	0

Note: -
(i) VH stands for visually Handicapped (persons suffering from blindness or low vision).
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment).
(iii) OH stands for Orthopedically Handicapped (persons suffering from locomotors disability or cerebral palsy).
(iv) ID stands for Intellectual Disability.

Sources: PSBs, PFIs, PSICs & Regulators

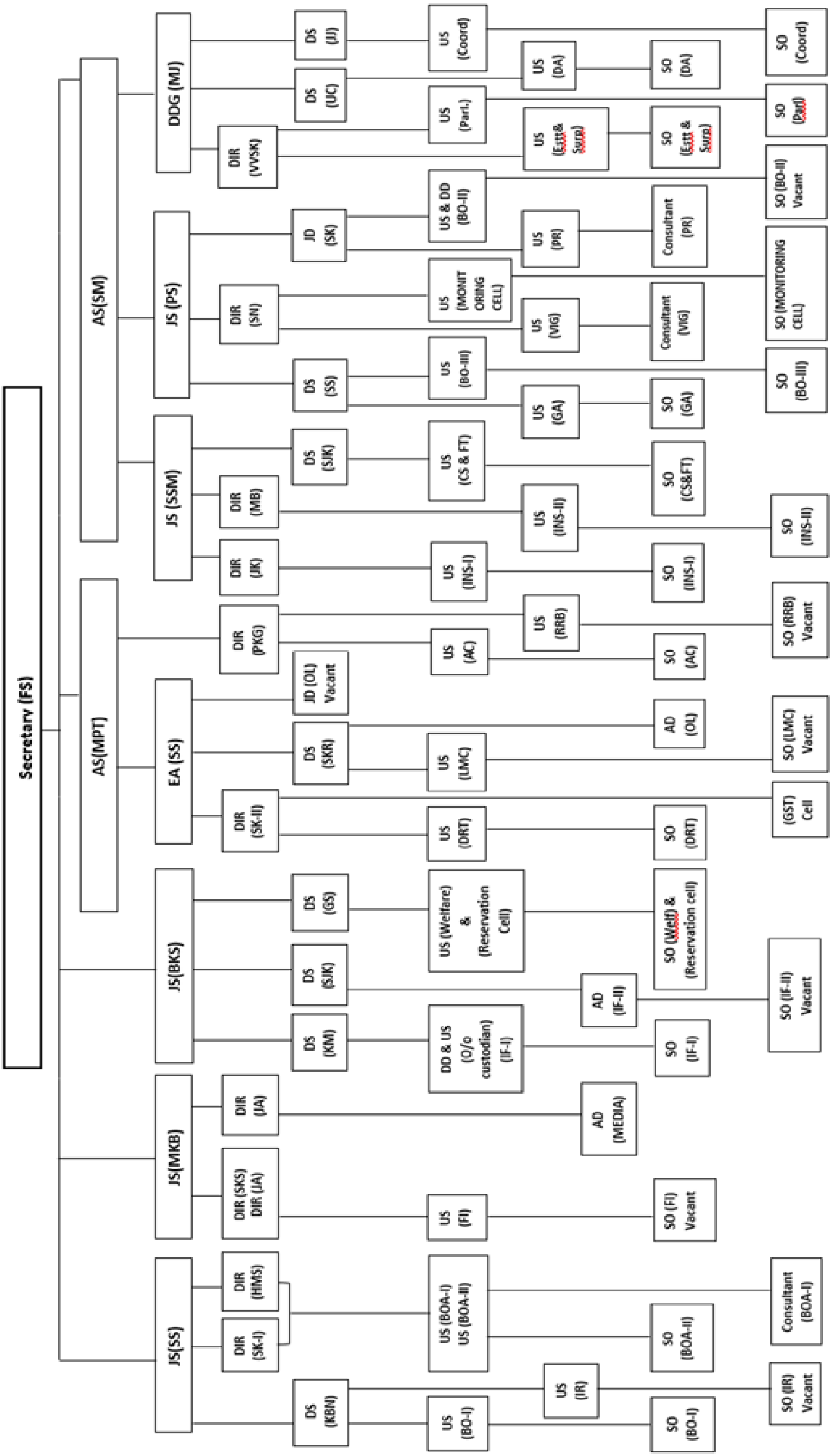
ANNEXURE-III

Summary of important observations included in Audit Reports

S.No.	Year	No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
1	2021-22	Nil	Entire Report*	Nil	Nil

S.No.	Year	No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
1	2013-14	1	Nil	Nil	Nil
2	2014-15	1	Nil	2	Nil
3	2015-16	1	Nil	1	Nil
4	2016-17	1	Nil	4	Nil
5	2017-18	Nil	Nil	3	Nil
6	2018-19	Nil	Nil	8	Nil
7	2019-20	Nil	Nil	3	Nil
8	2020-21	Nil	2	Nil	Nil
9	2021-22	Nil	1 (Entire Report) *	Nil	Nil

* Report No.1 of 2022 (Audit Report on Third Party Administrators in Health Insurance business of Public Sector Insurance Companies)



Work Flow Chart – Department of Financial Services