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 and Managing Director of SBI, Chairman and the Managing Director and Chief Executive Officers and Executive Officers of Nationalised Banks, salary allowances and other terms and conditions of Whole Time Directors of Public Sector Banks (PSBs). Constitution of Boards of Directors of RBI and 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 Schemes Act, 2019, Deposit Insurance and Credit Guarantee Corporation (DICGC), Act, 1961, Payment and Settlement System Act, 2007 and 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) 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 regarding 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's Secretariat., 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 equipments. 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.

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 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.

1.17 Industrial Finance-I(IF-I)

Administration of the "Export-Import Bank (EXIM Bank) Act, 1981"; All issues relating to EXIM Bank, IIFCL and IFCI Ltd. including appointment of Whole Time Directors (WTDs), Non-official Directors (NoDs) and Government Nominee Directors; Appointment of Statutory Auditor in EXIM Bank; Laying of annual reports of IIFCL, EXIM Bank, IFCI Ltd. and IIBI Ltd.; Policy issues related to All India Financial Institutions/ Financial Institutions etc.; Scheme for financing viable infrastructure Projects (SIFTI) of IIFCL; Administration of the Partial Credit guarantee Scheme; Administration of the Special Liquidity Scheme; Sectoral issues related to credit and stress for all sectors except Textile, MSMEs and Housing; Winding up of IIBI Ltd. and other related matters; Project Monitoring Group (PMG) meeting; Media and Publicity work of the Department; All matters related to IDFC Ltd. and IDFC First Bank. 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. Project Monitoring Group (PMG) Meeting.

1.18 Industrial Finance-II (IF-II)

Administration of National Housing Bank Act, 1987, Small Industries Development Bank of India Act, 1989, State Financial Corporation Act, 1951. Operational, Policy and Budgetary Matter relating to Small Industries Development Bank of India (SIDBI) and National Housing Bank (NHB). Matters related to NHB and Housing Finance. Matters related to winding up of Board for Industrial and Financial Reconstruction (BIFR) and Appellate Authority for Industrial and Financial Reconstruction (AAIFR). Matters related to credit to Micro, Small and Medium Enterprises (MSMEs), Trade Receivables Discounting System (TReDS), National Credit Guarantee Trustee Company Limited (NCGTC), Emergency Credit Line Guarantee Scheme (ECLGS), Credit Guarantee Fund for Factoring (CGFF), CGFMU, CGFSI, CGTMSE, CGFF. MLIs, Credit Guarantee Scheme and other related matters on the subject. Citizens Charter of NHB and SIDBI. Credit Aspects of Government Sponsored Schemes – Prime Minister Employment Generation Programme (PMEGP), Employment Generation Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Swarna Jayanti Gram Swarozgar Yojana (SGSY) and other poverty alleviation programmes and other related matters. 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 Educational Loans including Vidyalakshmi Portal. All matters related to Pradhan Mantri Mudra Yojana (PMMY). Matter related to psbloansin59minutes portal.

Micro Finance (IF-II) - Matters related to Micro Finance Institutions and Legislation thereon, Self Help Groups as well as NABARD's Micro Finance, etc.

1.19 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. 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.

1.20 Debts Recovery Tribunals (DRT)

Administration of the Recovery of Debts and Bankruptcy Act, 1993 (RDB Act), Establishment of Debts Recovery Tribunals/Debts Recovery Appellate Tribunals (DRATs) under RDB Act, filling up of the posts of Chairpersons, Presiding Officer, Registrars and Recovery Officers, and monitoring filling up of other posts in DRTs/ DRATs; Budget provisions, monitoring etc. relating to DRTs/DRATs.

Administration of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), including legal cases thereof and ease of doing business, appointment of Registrar/MD & CEO of the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) and Central Know Your Client Records (CKYCR) Registry matters.

1.21 Insurance-I (Ins.-I)

Administration of LIC Act, 1956. Administration of IRDA Act, 1999. LIC Business -Review of the performance of LIC. Laying of Reports of LIC in Parliament. Opening/ winding up of branches of LIC in India. Appointment of Auditors for LIC. Administration of PP Act in LIC and references relating to Estate matters in LIC. Foreign operations/ subsidiaries of LIC. References on Social Security Schemes and other life insurance schemes. Review of performance and making budgetary provisions for various GOI funded schemes such as Janashree Bima Yojana, Shiksha Sahayog Yojana, Varishatha Bima Yojana and Framing rules and Implementation of social security schemes viz. PMJJBY & PMSBY. Convergence of life and personal accident insurance schemes to PMJJBY & PMSBY. Managing Mission Office for monitoring & implementation of PMJJBY & PMSBY. All Government sponsored/ supported schemes in insurance except crop insurance schemes. Senior Citizens' Welfare Fund. Other Social Security Group Insurance Schemes under LIC. Central Government Employees Group Insurance Scheme. Postal Life Insurance Scheme. All Government sponsored/ supported schemes in life insurance. Any other life insurance or social security products/ scheme proposals. Others: Appellate Authority constituted under Section 110H of the Insurance Act, 1938.

Coordination work relating to the following Committees: Committee for the Welfare of Women; Committee for the Welfare of SC/ST; Estimates Committee, Committee on Subordinate Legislation.

Appointments- LIC - Selection & appointment of Chairman/ MDs, LIC, appointment of Directors on the Board of LIC, appointment of ex-officio members on the subsidiaries of LIC; Permission for foreign deputation/ tour of Chairman and MDs of LIC; Permission for commercial Employment after Retirement for Chairman/ MDs, LIC and other executives of LIC; IRDA - Appointments of Chairperson and Members of IRDA; Service condition of Chairman, Members and employees of IRDA; Budget and Funds of IRDA; Other matters relating to Brokerage agencies, entry of new companies and regulations of IRDA.

Service Matters (LIC) - Service matters, rules and regulations, representations on service matters by employees in LIC, Service matters of Development Officers/ Agents/Intermediaries; Wage Revision/ Bonus/ VRS in LIC / Public Sector General Insurance Cos; Implementation of Pension Scheme/ policy matters on commercial employment. Citizen's Charter of Life Insurance Corporation Ltd.

Institute of Actuaries of India - Administration of the Actuaries Act, 2006, Framing of Rules / regulations under the Actuaries Act 2006. Constitution of Quality Review Board, Appellate Authority, nominations on the council of IAI.

1.22 Insurance-II (Ins.-II)

Insurance Sector Reforms - All matters relating to reforms in insurance sector; Reforms related amendments to Insurance Act, 1938, GIBNA, 1972, Implementation of Law Commission Reports.

Appointments - Policy issues concerning selection of Chief Executives in the PSU insurance companies including AICL and GIC; Appointment on the Boards of public sector non-life companies including AICL; Foreign deputation of Insurance executives; permission for Chief Executives of non-life companies including AICL.

General Insurance: Review of the performance of General Insurance Companies including AICL; Matters relating to Insurance Schemes of Public Sector General Insurance Companies including AICL and audit paras thereon; Computerization of public sector general insurance companies; References relating to Surveyors and Agents of non-life PSICs; Foreign operations of public sector general insurance companies; Reference relating to Re-insurance, Third Party Administrators, Tariff Advisory Committee; Opening/ winding up of branches ; Administration of War Risk (Marine Hull) Reinsurance Schemes, 1976; Reference from RBI on permission for release of foreign exchange for insurance policy abroad; Laying down of Annual reports of General Insurance Companies/ GIC/ AICL; Administration of PP Act in non-life insurance companies and references relating to Estate matters in those companies. Opening and winding of branches of PSGICs. I-card for staff and executives of Insurance Companies. Service matter, rules and regulations of PSGICs, including GIC & AICIL. Matters related to crop insurance. FDI in Insurance Sector.

Coordination- Work relating to Budgeting, Tax proposals, Budget Announcements relating to insurance, Annual Report, Economic Survey, India Reference Annual, Economic Editors Conference, PMO/ Cabinet References, CII & FICCI, within Insurance Division, matter related to e-payments in Insurance Companies, computerization of Insurance Companies. Party Administrators, Tariff Advisory Committee; Opening/ winding up of branches; Administration of War Risk (Marine Hull) Reinsurance Schemes, 1976; Reference from RBI on permission for release of foreign exchange for insurance policy abroad; Laying down of Annual reports of General Insurance Companies/ GIC/ AICL; Administration of PP Act in non-life insurance companies and references relating to Estate matters in those companies.

Grievances - Public grievances against services provided by Public Sector Insurance Companies including GIC, AICL and other than on service matters; Periodical meetings of Public Grievances Officers of public sector insurance companies; Functioning of internal public grievances redressal machinery in public sector insurance companies; Functioning of external redressal machinery like Consumer Courts, Ombudsmen, Lok Adalats, MACT and Courts etc; Appellate Authority constituted under Section 110H of the Insurance Act 1938.Citizen's Charter of Non-Life Insurance Companies.

Framing of rules, appointment and service matter related to Insurance Ombudsman. WTO multi-lateral/ bilateral agreements; Inter-Government agreement between India and any other country. Matters related to IIISLA & NIA Pune.

Committees:- Standing Committee on Finance; Committee on Subordinate Legislation; Petitions Committee; Committee on Public Undertaking (COPU).

1.23 Pension Reforms (PR)

Coordinating and introducing pension reforms; policy matters with regard to the National Pension System (NPS) and the Atal Pension Yojana (APY). The administration of the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013, and the administrative matters relating thereto viz. framing Rules under PFRDA Act, 2013 processing appointments of Chairperson and Board member of PFRDA, Budget and Funds of PFRDA and providing legislative and policy prescriptions to PFRDA.

Implementation and monitoring of the National Pension System (NPS), Swavalmban Scheme and the Atal Pension Yojana, including extension of its coverage to State Governments, private sector, and unorganised sector.

1.24 IT Cell

Work related to development and maintenance of DFS website, information technology, Fintech, Digital India Initiatives, e-office, adoption and promotion of digitization in various activities pertaining to financial services and putting in place cyber security measures for safety of digital assets of the sector. The division functions in close association with NIC in performance of these activities.

1.25 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.

1.26 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.

Performance and Significant Developments

2. Overview of banking

Public Sector Banks (PSBs), the mainstay of the Indian banking industry, and PSB-sponsored Regional

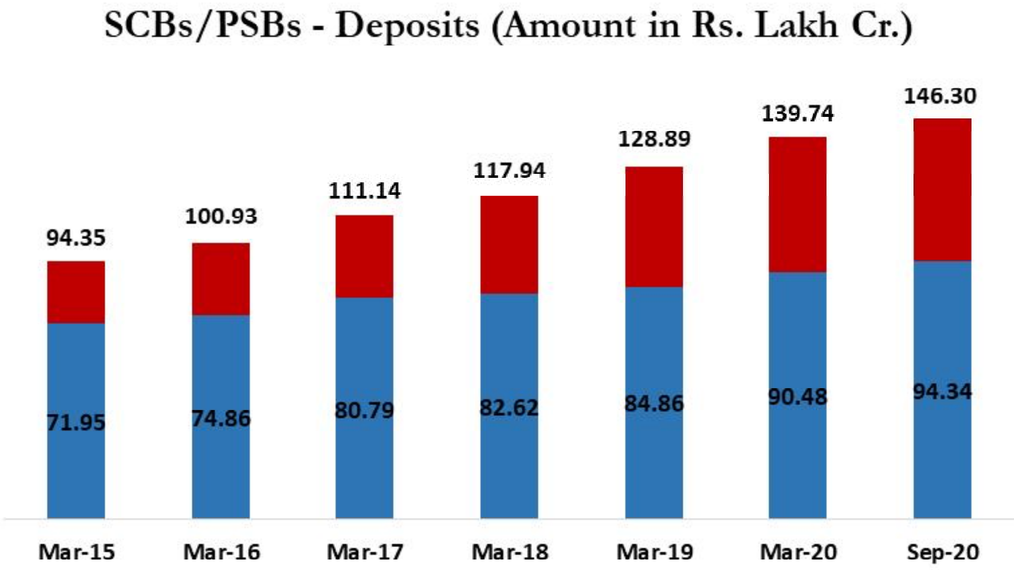
Rural Banks (RRBs) have dominant market presence and constitute the major proportion of the bank network of Scheduled Commercial Banks (SCBs). PSBs play an important role in fuelling investment needed for the country's economic development, with a share vis'-a-vis', that of SCBs, being —

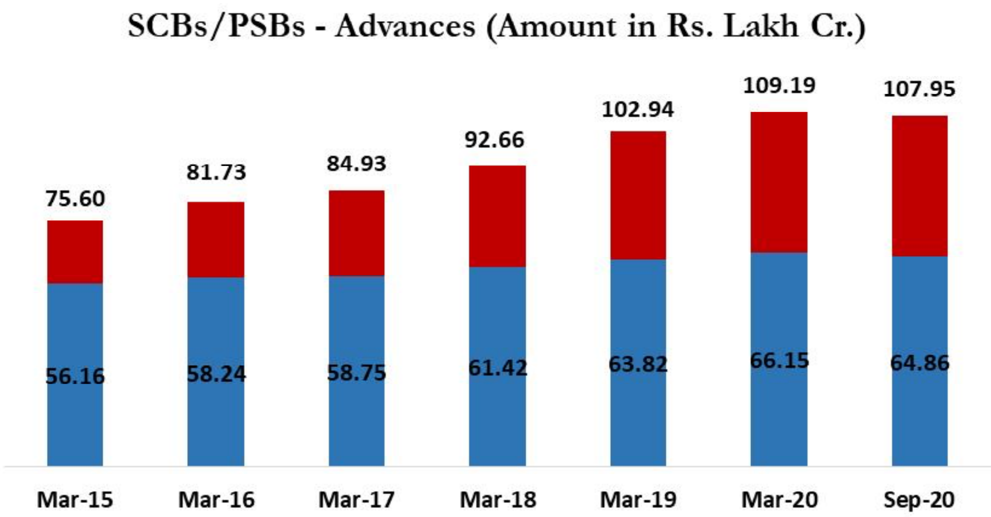
(i) over 65 percent of deposits;

(ii) 60 percent of outstanding credit, and

(iii) 71% of total branches and 65% of ATMs.

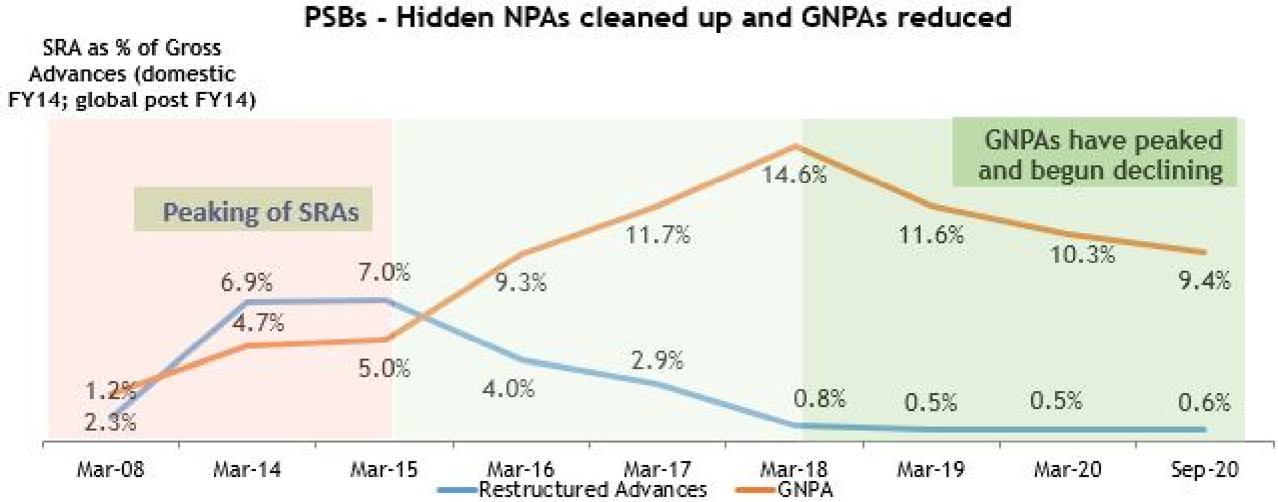
In absolute terms, PSBs have a total deposit of Rs.94.34 lakh crore and total advances amounting to Rs.64.86 lakh crore, as on 30.9.2020.

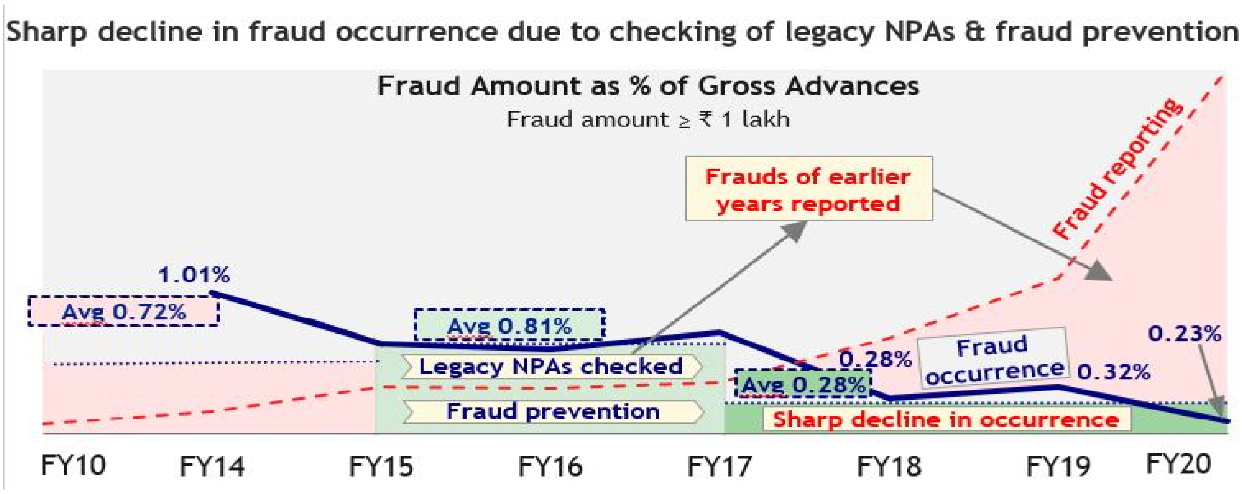




PSBs in India have played a pivotal role in transforming the Indian economy from one characterised by low savings and credit-to-GDP rates of 11.2% and 12.2% respectively at the time of bank nationalisation to current levels of 30.1% and 56% respectively, powering India's growth story. However, over the first half of the last decade, they witnessed excessive build-up of stress in their loan portfolios, although this remained hidden till transparent recognition of stressed loans as NPA began in 2015. As per Reserve Bank of India (RBI) data, aggregate gross advances of PSBs increased from Rs.18,19,074 crore as on 31.3.2008 to Rs.52,15,920 crore as on 31.3.2014. As per RBI inputs, the primary reasons for spurt in stressed assets have been observed to be, *inter alia,* aggressive lending practices, wilful default/loan frauds/and economic slowdown. Further, extant guidelines which permitted restructuring ended on 31.3.2015.

Thereafter, transparent recognition was done through Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealing high incidence of non-performing assets (NPAs). As a result of AQR and subsequent transparent recognition by banks, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. Further, all such schemes for restructuring stressed loans were withdrawn in the financial year (FY) 2017-18. As a result of Government's strategy of recognition, resolution, recapitalisation and reforms, their gross NPAs have since declined from Rs. 8,95,601 crore as on 31.3.2018 to Rs. 6,09,129 crore as on 30.9.2020. The status of Standard Restructured Assets (SRA) is as under.





2.1 Comprehensive banking reforms

Comprehensive steps have been taken under the Government strategy to reduce NPAs of PSBs, affecting change in credit culture, including, *inter-alia*, the following:

(a) the Insolvency and Bankruptcy Code (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners and debarring wilful defaulters from the resolution process and debarring them from raising funds from the market.

(b) the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 being 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.

(c) suits for recovery of dues being filed by banks before Debts Recovery Tribunals (DRTs) and six new DRTs being established to expedite recovery.

Further, the Government announced an unprecedented Rs.2.11 lakh crore recapitalisation in October, 2017, through infusion of capital by the Government and raising of capital by banks from the markets. In the budget for FY 2020-21, Rs.20,000 crore was provided for capital infusion in banks, of which Rs.5,500 crore has been infused. Till date, Government has infused Rs.2.7 lakh crore in PSBs since October, 2017 and an additional amount of Rs.1.63 lakh crore has been mobilised by banks from FY2017-18 till December, 2020.

A PSB Reforms Agenda in January, 2018 for publically reported, independently measured and benchmarked reforms was pursued through a unique Enhanced Access & Service Excellence (EASE) Reforms Index that enabled objective and benchmarked progress on all key areas in PSBs — *viz.*, governance, prudential lending, risk management, technology- and data-driven banking, and outcome-centric HR.

Root causes of weaknesses in PSBs have been systematically addressed through the annual EASE Reforms Index for FY19 and FY20 (EASE 1.0 and EASE 2.0). These have equipped Boards and leadership for effective governance, instituted risk appetite frameworks, created technology and data-driven risk assessment and prudential underwriting and pricing systems, set up loan management systems for faster processing and tracking, introduced Early Warning Signals (EWS) systems and specialised monitoring for time-bound action in respect of stress, put in place focussed recovery arrangements, and established outcome-centric HR systems.

Specific steps taken over the last two years include, *inter alia*, the following:

(1) *Tech-enabled, smart banking*

(i) Setting up of Loan Management Systems and Centralised Processing Centres, resulting in retail loan disbursement turnaround time reducing from 31 days in the fourth quarter (Q4) of FY2017-18 to 10 days in Q4 FY 2020-21.

(ii) Systematic improvement effected to mobile and Internet banking

a. Number of services offered, customer-friendliness, and local language customer-interface of PSBs, having business greater than Rs.5 lakh crore, has improved significantly, compared to their private sector counterparts, having comparable business.

b. Enabled by improved functionality, increase in the share of the six largest PSBs in the mobile banking transactions of the largest 10 Indian banks by business size from 49% in Q4 FY2018-19 to 57% in Q4 FY2019-20.

(iii) Launch of PSBloansin59minutes.com and adoption of the Trade Receivables Discounting System (TReDS) for digital lending for MSMEs and retail.

(a) TReDS platform

To resolve the problem of delayed payment of receivables of MSMEs, RBI had granted 'in-principle' approval to three entities [*viz.*, Receivables Exchange of India Ltd. (RXIL), Axis Bank Ltd. and Mynd Solutions Pvt. Ltd.] on November 24, 2015 for setting up/ operationalization of Trade Receivable Discounting Systems (TReDS) Platforms.

Advantages of the platform are as below:

(1) An online platform such as TReDS allows the seller multiple factors (financiers) to choose from.

(2) The process of uploading an invoice is paperless and the seller does not require uploading the documents multiple times.

(3) The process allows the seller to choose from a variety of interest rates and that too without any collateral.

(4) The lowest interest rate allows the seller to get the best deal in the most transparent manner.

(5) It saves MSMEs from visiting multiple banks to avail credit at the best rate.

The following initiatives have been taken for operationalisation of TReDS Platform.

(1) All three entities approved by RBI, i.e. Receivables Exchange of India Ltd. (RXIL), Axis Bank Ltd. and Mynd Solutions Pvt. Ltd. have been operationalized in the year 2017 and started operations in their exchanges.

(2) As on 01.01.2021,12,05,024 invoices to the tune of Rs.28,181.97 crore have been discounted since inception.

(3) Further Ministry of MSME has issued a notification on 02.11.2018, making it mandatory for all CPSEs and Corporates with a turnover of more than Rs.500 crore to be on-boarded on TReDS.

(4) All MSMEs exempted from paying onboarding fee till Mar, 2021.

(5) DFS is monitoring the operations made by three exchanges on weekly basis.

(b) PSB 59 minutes platform

Features

The*psbloansin59minutes* portal was launched on November 02, 2018 with a view to facilitate in-principle approval of loans of upto Rs.1 crore to small and medium businesses without human intervention, using independent data such as GST returns, IT returns and bank statements to judge the credit withdrawal of the business. The portal has provision for Bank URL for each Bank which can be used by it for its own customer digital on boarding as well as renewal. The portal has been instrumental in getting more MSMEs into the formal banking sector.

Initiatives

The scope of this portal has now been enlarged by enhancing to maximum loan amount from Rs.1 crore to Rs.5 crore of funding. In addition to Public Sector Banks, seven Private Sector Banks and one Co-operative bank have been unboarded on the portal for MSME customers. The portal has now also been extended to cover retail loan products of Banks i.e., Home Loan, Auto Loan and Personal Loans. Loans under Pradhan Mantri Mudra Yojana (PMMY), Bank of Baroda's ''One District-One Product' and State Bank of India's (SBI) ''Dealer Financing Scheme (e-DFS)'' are also live on the platform.

Status as on *31.12.2020*

Number of Loans sanctioned	Amount Sanctioned (Rs.in Crore)	No. of Loans Disbursed	Amount Disbursed (Rs. in Crore)
2,21,683	71,131	2,07,726	58,665

(iv) Adoption of a comprehensive agenda for smart, tech-enabled banking for FY2020-21, under which, *inter alia*—

a. State Bank of India has initiated straight-through processing of loans to micro-enterprises through eShishu Mudra platform, and other larger PSBs have initiated steps in this regard.

b. Most PSBs have put in place advanced queue management systems in transaction-intensive branches, with single-window operations, to reduce customer waiting and transaction time.

c. A few PSBs have introduced centralised processing hubs for faster time-bound processing and app-based loan application and offers for agricultural loans.

d. Larger PSBs are providing customer-need driven credit offers through analytics.

e. Larger PSBs are instituting an integrated account management framework for large corporates, with single-point relationship manager for seamlessly meeting their requirements across business verticals within the bank.

(2) *Monitoring of loans*

Institution of comprehensive, automated Early Warning Systems (EWS) in banks, with ~80 EWS triggers, use of third-party data and workflow for time-bound remedial actions, to proactively detect stress and reducing slippage into NPAs.

(3) *Risk management*

(i) Institution of technology- and data-driven Risk Scoring and Scrutiny systems in banks that comprehensively factor in third-party data and non-financial risk factors and provide for higher scrutiny of high-risk cases.

(ii) Institution of risk appetite frameworks in banks and improved adherence to risk-based pricing.

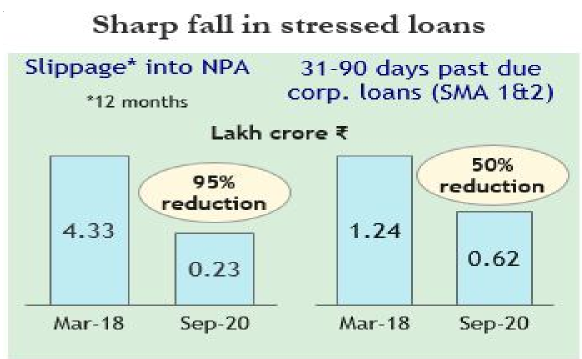
(iii) Adoption of improved credit policies that provide for improved consortium lending, ring-fencing of cash flows, and disbursement arrangements.

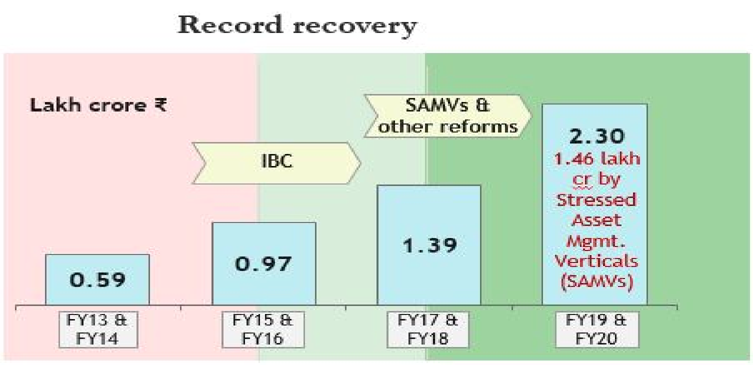
(iv) Empowerment of bank Boards to recruit the bank's Chief Risk Officer from the market, on market-linked compensation.

(4) *Resolution and recovery*

(i) Significant extension of the erstwhile stressed asset resolution framework and building in incentives for early adoption of a resolution plan through RBI's revised prudential framework on stressed assets, issued on 07.06.2019.

(ii) Setting up of stressed assets management verticals for focussed slippage prevention, recovery arrangements and time-bound action in respect of large-value stress accounts.





(iii) Putting into place one-time settlement platforms and portals, e-Bक्रय platform for online auction of stressed assets, and eDRT for online recovery case management.

The following key initiatives have been taken in this regard in DRTs:

a. In pursuance of Section 19A of the RDB Act, 1993 the e- filing rules have been framed and notified vide Notification dated 23.01.2020. The said rules provide for the procedure to be followed for filing of pleading in electronic form before the DRTs and DRATs. It also prescribes for the uploading of information by the DRTs and DRATs. Total 1830 cases were e- filed during the period 24.1.2020 to 06.07.2020

b. e-DRT Project- The e-DRT project to digitize the functioning of all 39 Debts Recovery Tribunal (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) has been implemented through the National Informatics Centre (NIC). The e-DRT project has automated the full cycle of workflow of DRATs and DRTs, which has brought transparency and increased their efficiency. The project has ensured online availability of case and access to e-filing and e-payment.

c. Online Hearings: Video Conferencing (VC) links were got provided to DRATs/DRTs through NIC, w.e.f. 29.4.2020, to enable online hearing of urgent cases during the present COVID -19 outbreak, since physical hearings are not being held at present. Till 31.10.2020, 39383 cases were heard through VC.

d. As per data made available by DRTs, a total number of 29863 cases (Original Applications) involving Rs.38,74,302 crore approximately were disposed of by 39 DRTs during period 1.04.2019 to 31.03.2020.

Details of e-Bक्रय are as below:

a. In coordination with the Indian Banks' Association (IBA) and Allahabad Bank, the Department of Financial Services got a common landing platform developed with property search features and navigational links to all the PSB e-auction sites in February, 2019.

b. The property details on e-Bक्रय website https://ibapi.in are structured and segregated for an enhanced user experience through seamless single-window access to information by search across banks or limited to a selected bank, based on the type of location of the property.

c. In the second phase, a common e-auction portal, for all the PSBs was developed, with access through eBक्रय site and e-auctions hosted by MSTC Ltd. The project was launched by Hon'ble Finance Minister on 28.12.2019.

(5) *Governance*

(i) Board empowerment including through—

a. entrustment of final appraisal of MD and other senior executives.

b. power to decide on institution of CGM level, recruitment of CRO from the market, setting sitting fees, etc.

c. peer reviewing non-official directors.

(ii) Introduction of non-executive chairmen.

(iii) Strengthening of the Board committees system.

(iv) Effective use of non-official directors, by giving them mandate to play role akin to independent director, and institution of their peer evaluation and training.

(v) Increased management strength on the Board (additional Executive Director).

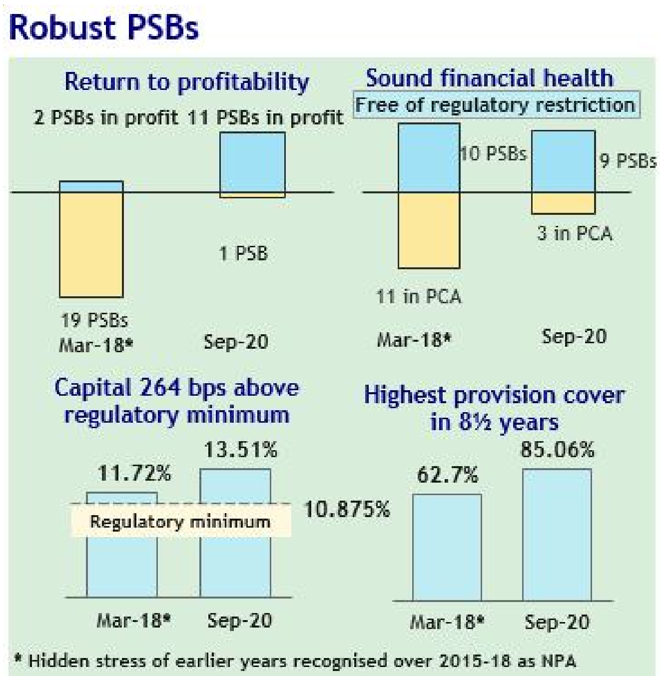
2.2 Turnaround in performance of PSBs

Since the institution of comprehensive reform in the second half of FY2017-18 following the completion of recognition of legacy stress as NPA, PSBs have returned to profitability with sound financial health and durable technology-enabled systems to prevent recurrence of past weaknesses. This is reflected in–

(1) Gross NPAs have reduced from Rs.8.96 lakh crore in March, 2018 to Rs.6.09 lakh crore in September, 2020;

(2) Record recovery of Rs.2.54 lakh crore has been effected since March, 2018 till September, 2020;

(3) Occurrence of frauds has declined sharply, from an average of 0.72% of advances during FY 2009-10 to FY2013-14 and peak of 1.01% in FY2013-14 to 0.23% in FY2019-20;



(4) Reduction in the number of PSBs placed under RBI's Prompt Corrective Action framework from 11 to 3;

(5) As many as 11 PSBs out of 12 reporting profits in the first 6 months of FY2020-21, amounting to Rs.14,688 crore;

(6) The Capital to Risk-weighted Assets Ratio (CRAR) being 264 basis points above the regulatory minimum of 10.875%, at 13.51% in September, 2020; and

(7) The highest provision coverage ratio in over $8^{1/2}$ years at 85.06% in September, 2020.

2.3 Amalgamation of Public Sector Banks

Over the last five years, PSBs have not only cleaned up legacy stress and addressed underlying systemic weaknesses, but have emerged stronger as a result of comprehensive and institutionalised EASE reforms. To further leverage the positive impacts brought about though reforms and with the aim of enhancing the efficacy of the banking sector by creating strong and efficient banks by leveraging economies of scale and synergies for, *inter alia*, operational efficiencies, thrust on adoption of technology for efficient banking and greater financial capacity to support economic growth through lending, Vijaya Bank and Dena Bank were amalgamated into Bank of Baroda in 2019 and Oriental Bank of Commerce and United Bank of India into PNB, Andhra Bank and Corporation Bank into Union Bank of India, Syndicate Bank into Canara Bank, and Allahabad Bank into Indian Bank, in 2020.

2.4 Regional Rural Banks

2.4.1. Revitalizing Regional Rural Banks (RRBs)

The RRBs were established with the objective of creating an alternative channel to rural credit structure to facilitate credit support to farmers for meeting their cultivation and other related needs. As on 31st March, 2020, 45 RRBs are operating through a network of 21,847 branches (21,871 branches as on 31st March, 2019) covering 696 districts. All branches of RRBs are on CBS Platform. Keeping in view the increased requirement of Agri. Sector and to meet the challenges ahead, the Government decided in 2015 to increase the authorised capital of RRBs to Rs.2000 crore from Rs.5 crore.

2.4.2 Amalgamation of RRBs

With a view to enable RRBs to minimize their overhead expenses, optimize the use of technology, enhance the capital base and area of operation and increase their exposure, Government of India initiated the amalgamation process of RRBs in 2017-18 on the basis of their location within a State. As a part of this process, during 2019-20 16 RRBs were amalgamated into 8 RRBs in seven States of Assam, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Tamil Nadu & Uttar Pradesh, thereby bringing down the number of RRBs to 45 as on 31st March, 2020 from 53. Furthermore, amalgamation of Baroda Uttar Pradesh Gramin Bank, Kashi Gomti Samyut Gramin Bank and Purvanchal Gramin Bank in the state of Uttar Pradesh has been effected to form Baroda UP Bank with effect from 1st April, 2020 thereby bringing the total no. of RRBs to 43. It is expected that amalgamation of RRBs will bring about better efficiency of scale, higher productivity, robust financial health of RRBs, improved financial inclusion and greater credit flow to rural areas.

2.4.3 Capital Infusion for Improving CRAR

On the recommendation of EFC, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 25.03.2020, gave its approval for continuation of the process of recapitalisation of Regional Rural Banks (RRBs) by providing minimum regulatory capital to RRBs for another year beyond 2019-20 i.e. up to 2020-21 for the RRBs which are unable to maintain minimum CRAR of 9%. The CCEA also approved utilisation of Rs.670

crore (which includes Rs.470 crore allocated in RE 2019-20 and Rs.200 crore allocated in BE 2020-21) as Central Government Share for the scheme of Recapitalisation of RRBs.

During 2019-20, Government of India has released their share amounting to Rs.700.50 crore (out of allocation of Rs.235 crore in BE 2019-20 + Rs.470 crore in RE 2019-20) as recapitalisation assistance to 12 RRBs.

2.4.4 Pension Scheme for Employees of RRBs

Consequent upon adoption of RRB Pension Scheme & Regulations, 2018 by the Board of Directors of all RRBs and publication /notification of the Regulations in the Gazette of India, all RRBs have started the payment of pension to eligible pensioners/family pensioners.

2.4.5 Financial Performance of RRBs

(Amount in Rs. crore)

	As on	
	31st March 2020	30 September 2020
Owned Funds	34,663	36,284
Deposits	4,78,737	5,01,873
Loans & Advances	2,98,214	3,10,244
Non-Performing Assets (NPAs)	31,106	29,569

2.4.6 Profitability and Accumulated Losses

During 2019-20, 26 RRBs earned profit of Rs.2,203 crore. However, 19 RRBs incurred losses during the year aggregating to Rs.4,411 crore. Therefore, RRBs as an entity incurred a net loss of Rs. 2,208 crore during 2019-20.

2.5 Role of Banks during the COVID-19 pandemic

During the COVID-19 pandemic period, banks ensured uninterrupted and seamless banking facilities including electronic payments even during the lockdown. Large scale cash transfers were effected as part of implementation of PMGKY and Atmanirbhar Bharat Package.

To mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and to ensure continuity of businesses, Government, on 24.03.2020, announced certain relief measures in view of COVID-19 outbreak and followed it up on 12.05.2020 with the Aatmanirbhar Bharat Abhiyan stimulus package, a post pandemic economy plan aimed at helping the economy recover from the impact of Covid-19, the details of which followed the announcement in five daily tranches. RBI too announced relief regulatory packages for COVID-19 on 27.03.20 and 23.05.2020. With the Government and RBI working in tandem, as part of these COVID-19 packages, the comprehensive measures undertaken to support and boost the economy, include, *inter alia*, the following:

(1) Liquidity support—

i. reduction in cash reserve ratio by 100 basis points (bps) releasing primary liquidity of around Rs.1.37 lakh crore, uniformly across the banking sector.

ii. reduction in liquidity coverage ratio from 100% to 80% easing the liquidity position.

iii. reduction of 115 bps in policy repo rate reducing interest burden on borrowings and a 155 bps reduction in reverse-repo rate to induce banks to on-lend surplus funds to productive sectors of the economy.

iv. conducting of targeted long-term repo operations (TLTRO) repo auctions of up to 3-year tenor for a total amount of Rs.1 lakh crore for investing in corporate bonds, CPs and NCDs with concession in MTM guidelines.

(2) Lending has been promoted by enabling ease of credit through—

i. Providing concessionary credit to PM-KISAN beneficiaries, including fishermen and animal husbandry farmers, through Kisan Credit Cards.

ii. Providing additional emergency working capital funding for farmers, including small and marginal farmers, through additional refinance support through NABARD.

iii. Providing a Rs.5000 crore special credit facility to PM SVANidhi beneficiaries enabling easy access to working capital by street vendors whose livelihoods have been adversely impacted due to COVID-19.

iv. Providing additional emergency credit line of up to 20% of outstanding credit to business entities banking with PSBs and having outstanding credit of up to Rs.50 crore and turnover of up to Rs.250 crore, and the scheme has been extended to individuals who already had loans for business purposes.

v. Providing of additional loan facility by PSBs as emergency relief to their existing borrowers, without additional margin, security or processing fee.

vi. Providing interest subvention for MUDRA-Shishu loans.

vii. Scheme for restructuring of loans to MSMEs.

viii. Facilitating revival of real sector activities and mitigating the impact on ultimate borrowers by providing a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard.

ix. Extending the credit linked subsidy scheme for housing for middle income group till March 2021.

(3) Support to existing debtors across the economy and regulatory relief to the banks has been enhanced through¯

(i) grant of a moratorium of six months on payment of all term loan instalments falling due between 01.03.2020 and 31.08.2020, without asset classification downgrade.

(ii) deferment of recovery of interest on working capital during the moratorium period and allowing repayment of accumulated interest as funded interest term loan till March 2021.

(iii) exclusion of the moratorium period for purposes of classifying an overdue loan account as a non-performing asset (NPA).

(iv) concessions in timelines for resolution to be adhered to by lenders under RBI's Prudential Framework on Resolution of Stressed Assets, with extension of resolution timelines to exclude the period from 01.03.2020 till 31.08.2020.

(v) increasing the threshold of default under section 4 of Insolvency and Bankruptcy Code from Rs.1 lakh to Rs.1 crore with the intention to prevent triggering of insolvency proceeding against MSMEs.

(vi) increasing the maximum permissible period of pre- and post-shipment export credit sanctioned to 15 months, for disbursements made till 31.07.2020.

(vii) grant of ex-gratia payment of difference between compound interest and simple interest for six months of moratorium (01.03.2020 to 31.08.2020) to borrowers in specified loan accounts for providing relief to distressed/vulnerable small borrowers having certain specified categories of loan accounts, such as loan accounts pertaining to MSME loans, education loans, housing loans, consumer durable loans, credit card dues, auto loans, personal loans to professions and consumption loans, in the context of the ongoing global pandemic.

3. Financial Inclusion

The Government initiated the National Mission for Financial Inclusion (NMFI) namely, Pradhan Mantri Jan Dhan Yojana (PMJDY) in August, 2014 to provide universal banking services for every unbanked household, based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded and serving unserved and underserved areas.

3.1 Access to banking

3.1.1 Banking Service Points: PMJDY aimed at providing banking service points throughout rural India by mapping over 6 lakh villages into 1.6 lakh Sub Service Areas (SSAs). Each SSA typically comprised of 1,000-1,500 households. Out of 1.6 lakh SSAs, 1.3 lakh SSAs are covered through interoperable, online BCs and remaining 30,000 are covered through bank branches. BCs deployed in rural areas also provide interoperable Aadhaar Enabled Payment System (AePS) banking services.

The strength of bank branches and ATMs has been augmented over the years. Following tables show the number of bank branches, ATMs.

Table showing the number of bank branches of Scheduled Commercial Banks

As on	Rural	Semi-Urban	Urban	Metropolitan	Total
31.03.2016	48,263	37,575	24,010	25,459	**135,307**
31.03.2017	49,857	38,996	25,054	26,478	**140,385**
31.03.2018	50,807	39,617	25,377	26,434	**142,235**
31.03.2019	51,545	41,028	26,318	27,056	**145,947**
31.03.2020	52,313	42,244	27,233	28,028	**149,818**
30.09.2020	52,412	42,382	27,382	28,072	**150,248**

Source: RBI

Table showing 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	97149	101950	199099
31.03.2017#	112666 #	109809	222475#
31.03.2018#	115471 #	106776	222247#
31.03.2019#	115323#	106380	221703#
31.03.2020#	121086#	113271	234357#
30.09.2020#	120263#	113981	234244#

Source: RBI # Includes ATMs deployed by White Label ATM Operators.

The number of card acceptance devices of Point of Sale (POS) has increased from 10.7 lakh in March, 2014 to 53.94 lakh in September, 2020.

3.1.2 Performance of PMJDY

Major achievements of PMJDY are as under: **(Numbers in Crore)**

As on	PMJDY Accounts (in Crores)	Breakup by Gender		Breakup by Geography		Deposits in PMJDY Accounts (in Rs. Crore)
		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
As on 06.01.2021	**41.60**	**18.56**	**23.04**	**30.60**	**14.24**	**1,35,740**

(i) A total of 41.60 crore Jan-Dhan accounts have been opened till 06.01.2021 under PMJDY, with a deposit balance of Rs.1,35,740 crore. The average deposit balance is approx. Rs.3263 per PMJDY account.

(ii) There are 23.04 crore (55.38%) women Jan-Dhan account holders, with about 27.36 crore (65.77%) accounts opened in rural and semi-urban areas.

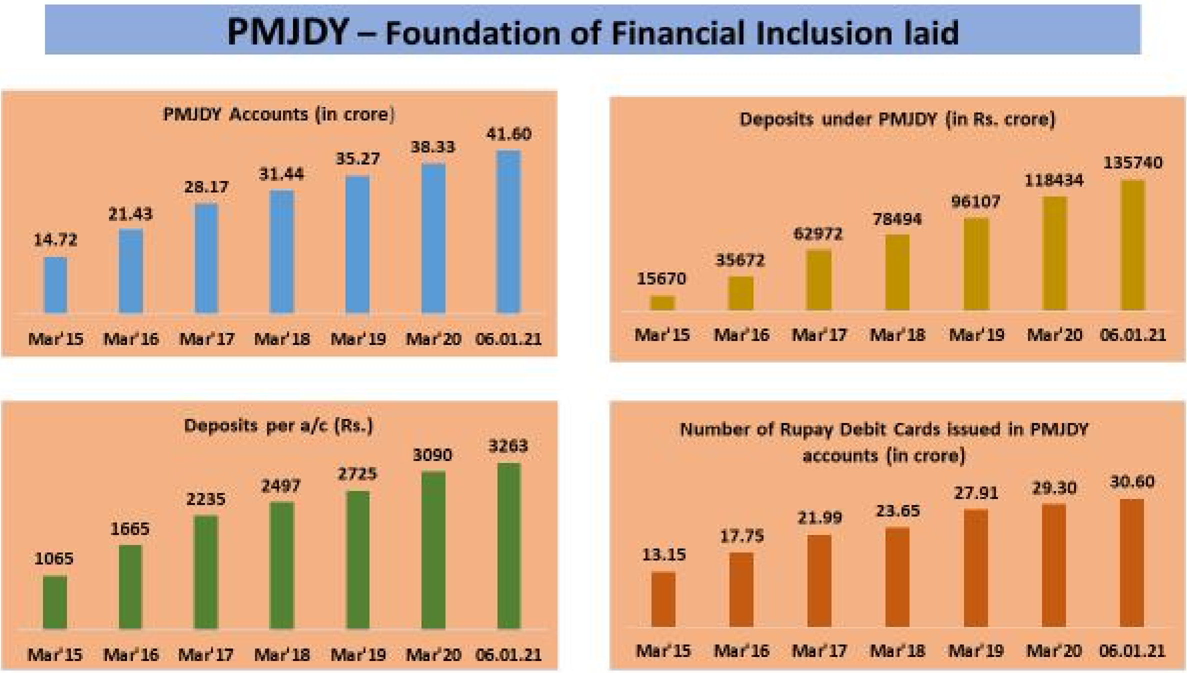
(iii) Approximately 30.60 crore RuPay cards with an inbuilt accidental insurance of Rs.1 lakh (Rs.2 lakh for accounts opened after 28.8.2018) coverage have also been provided to PMJDY account holders.

(iv) Presently, as on 06.01.2021, 31.71 crore beneficiaries have also been enrolled under PMSBY and PMJJBY. Taking into account the premium of Rs.12 per annum & Rs.330 per annum for PMSBY and PMJJBY respectively, eligible beneficiaries under these 2 schemes can get accidental and life insurance cover of Rs.4 lakh at an average premium of less than Rs.1 per day.

(v) Out of total operative accounts opened under PMJDY, 84.10% 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.

(vi) A digital pipeline of Jan-Dhan Aadhaar Mobile (JAM) has been laid by linking of Jan-Dhan account with mobile number and Aadhaar. This infrastructure pipeline is providing the necessary backbone for and easing DBT flows, adoption of social security/pension schemes, facilitating credit flows, promoting digital payments, etc.

Major trends under PMJDY in terms of opening of accounts, deposit balance, average deposit balance, etc. over the time are as under:



3.1.3 With a view to further deepening the financial inclusion interventions in the country, PMJDY has been extended beyond 14.08.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" with added emphasis on usage of accounts by enhancing Direct benefit (DBT) flows through these accounts, adoption of social security schemes, promoting digital payments, etc. Some other modifications were also made to the existing schemes as under:

(i) Existing Over Draft (OD) limit of Rs.5,000 revised to Rs.10,000;

(ii) No conditions attached for OD upto Rs.2,000;

(iii) Age limit for availing OD facility revised from 18-60 years to 18-65 years; and

(iv) The accidental insurance cover for new RuPay card holders raised from existing Rs.1 lakh to Rs.2 lakhs to new PMJDY accounts opened after 28.08.2018.

3.1.4. Also, Jan Dhan Darshak, a mobile application, has also 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 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 06.01.2021, there are 1.67 lakh branches, 4.43 lakh BCs (including IPPB-BCs) and 2.08 lakhs ATMs mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 5.54 (5,53,804) lakh mapped villages on the app, 5.53 lakh (5,53,119) (99.89%) villages are having branch or BC within a distance of 5 kilometers.

4. Key Schemes

4.1 Pradhan Mantri Mudra Yojana

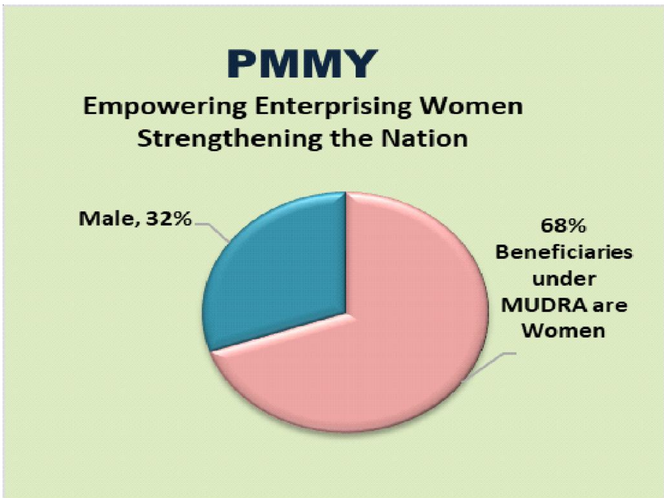
An important aspect of financial inclusion is enabling the flow of credit to small businesses. In pursuance of the announcement in the Union Budget 2015-16, the Pradhan Mantri Mudra Yojana (PMMY) launched on 8th April, 2015 and the Micro Units Development Finance Agency (MUDRA) Ltd. was established as a wholly owned subsidiary of SIDBI. For achieving sustained expansion in the flow of credit to the non-corporate small business sector, loans up to Rs.10 lakh without collateral are extended to borrowers under PMMY. These loans are extended through partner Member Lending Institutions (MLIs) – such as Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Micro-Finance Institutions (MFIs). In turn, MUDRA Ltd. offers refinance to MLIs for PMMY loans extended by them.

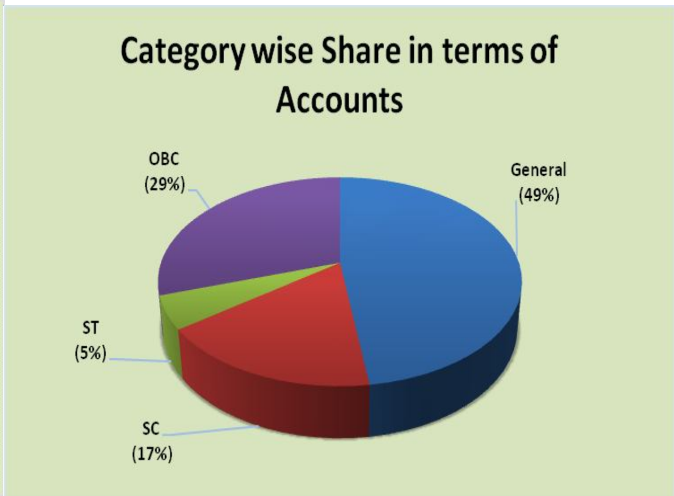
The loans under PMMY are categorized as Shishu (up to Rs.50,000), Kishore (Rs.50,000 to Rs.5 lakh) and Tarun (Rs.5 lakh to Rs.10 lakh). Activities allied to agriculture and services supporting these (excluding crop loans, land improvement such as canals, irrigation, wells) have also been included under PMMY from April, 2016. PMMY credit rose from Rs.1,37,449 crore in

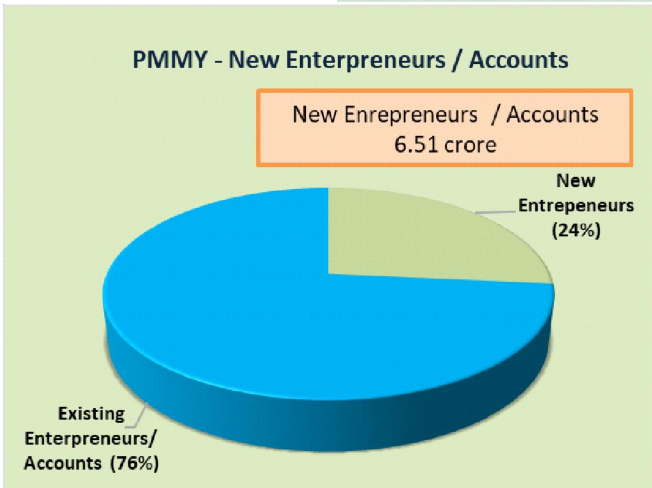
2015-16 to Rs.3,37,465 crore in 2019-20. More than 27 crore loans were extended of which 88% loans were under SHISHU Category, 68% loans to Women & 51% loans to SC/ST/OBC. During 2020-21, till 15.01.2021, 2.80 crore loans were sanctioned amounting to Rs.1,71,594 crore. Since the inception of the scheme, 27.28 crore loans have been sanctioned amounting to Rs.14,02,436 crore.

Pradhan Mantri Mudra Yojana (Year-wise data)

PMMY	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (as on 15.01.21)	Total (as on 15.01.2021)
No. of Accounts (in crore)	3.49	3.97	4.81	5.99	6.22	2.80	27.28
Loan Target	1,22,188	1,80,000	2,44,000	3,00,000	3,25,000	3,50,000	1521188
Loan Amount Sanctioned (Rs. in crore)	1,37,449	1,80,528	2,53,677	3,21,722	3,37,465	1,71595	1402436







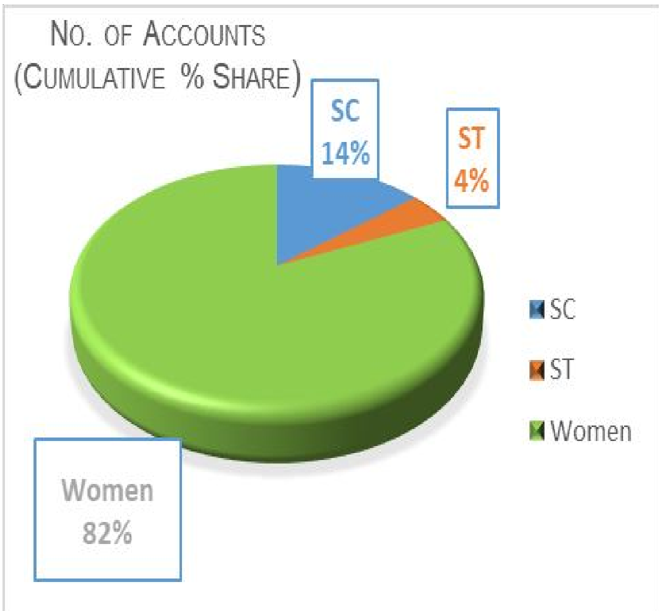
4.2 Stand Up India Scheme

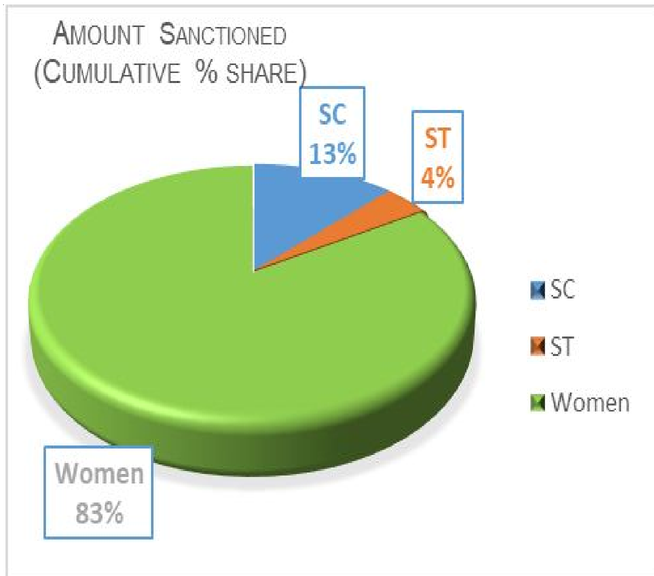
Government of India launched the Stand Up India scheme on 5th April, 2016. Stand Up India scheme aims to promote entrepreneurship amongst women, SC & ST category i.e those sections of the population understood to be facing significant hurdles due to lack of advice/ mentorship as well as inadequate and delayed credit. The Scheme intends to leverage the institutional credit structure to reach out to these underserved sectors of the population in starting Greenfield enterprise. The Scheme facilitates bank loans between Rs.10 lakh to Rs.1 crore to at least one Scheduled Caste/ Scheduled Tribe borrower and at least one Woman borrower per bank branch of Scheduled Commercial Banks for setting up Greenfield enterprises in trading, manufacturing and services sector. To extend collateral free coverage, Government of India has set up the Credit Guarantee Fund for Stand Up India (CGFSI). The scheme is built on the concept of providing handholding support to those borrowers who might have a project in mind but lack the confidence and capability to start a new enterprises. Stand Up India Scheme also envisages extending handholding support to potential borrowers. It also provides for convergence with Central/State Government schemes. Applications under the scheme can also be made online, on the Stand Up India portal *(www.standupmitra.in)*.

Performance under Stand Up India Scheme (Amount. in Rs. Crore)								
Date	SC		ST		Women		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.
08.01.2021	14880	3049.70	4397	934.87	85955	19594.27	105232	23578.84

The total number of SC/ST and Woman borrowers extended loans under Stand Up India scheme and the total sanctioned amount as on 08.01.2021 and since inception are tabulated below.

Stand Up India as on 08.01.2021 (cumulative)



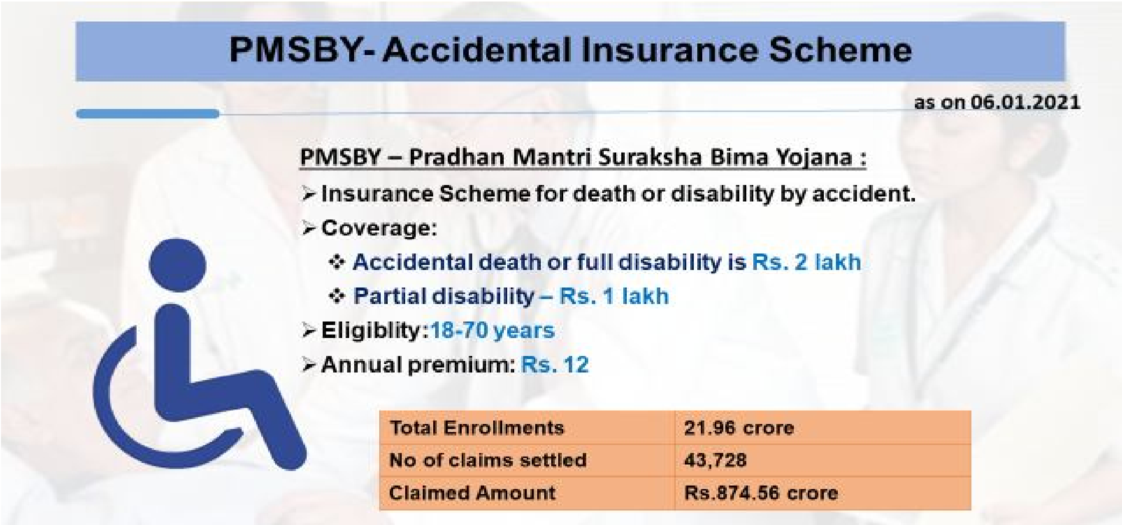


4.3 Social Security Schemes

In order to move towards creating a universal social security system for all Indians, especially the poor and the under-privileged, three ambitious Jan Suraksha Schemes or Social Security Schemes pertaining to Insurance and Pension Sector were announced by the Government in the Budget for 2015-16. The schemes were launched on 9th May, 2015, for providing life & accident risk insurance and social security at a very affordable cost namely (a) Pradhan Mantri Suraksha Bima Yojana and (b) Pradhan Mantri Jeevan Jyoti Bima Yojana and (c) Atal Pension Yojana.

4.3.1 Pradhan Mantri Suraksha Bima Yojana (PMSBY)

The Scheme is available to people in the age group 18 to 70 years with a bank / Post office account who give their consent to join / enable auto-debit on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhar would be the primary KYC for the bank account. The risk coverage under the scheme is Rs.2 lakh for accidental death and full disability and Rs.1 lakh for partial disability. The premium of Rs.12 per annum is to be deducted from the account holder's bank / Post office account through 'auto-debit' facility in one installment. The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are offering the product on similar terms with necessary approvals and tie up with Banks and Post Offices for this purpose. As on 6th January, 2021, the cumulative enrolment by banks, subject to verification of eligibility criteria, is about 21.96 crore under PMSBY and 43,728 claims of Rs.874.56 crore have been disbursed.



4.3.2 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. Aadhar would be the primary KYC for the bank account. The life covers of Rs.2 lakhs is available for a one year period stretching from 1st June to 31st May and is renewable. Risk coverage under this scheme is for Rs.2 Lakh in case of death of the insured, due to any reason. The premium is Rs.330 per annum which is to be auto-debited in one instalment from the subscriber's bank / Post office account as per the option given by him on or before 31st May of each annual coverage period under the scheme. The scheme is being offered by LIC and all other life insurers who are offering the product on similar terms with necessary approvals and tie up with Banks and Post Offices for this purpose. To facilitate all those getting enrolled under PMJJBY for the first time during the middle of the policy period, payment of pro-rata premium has been allowed at a considerable low premium, as below, based on enrolment month:

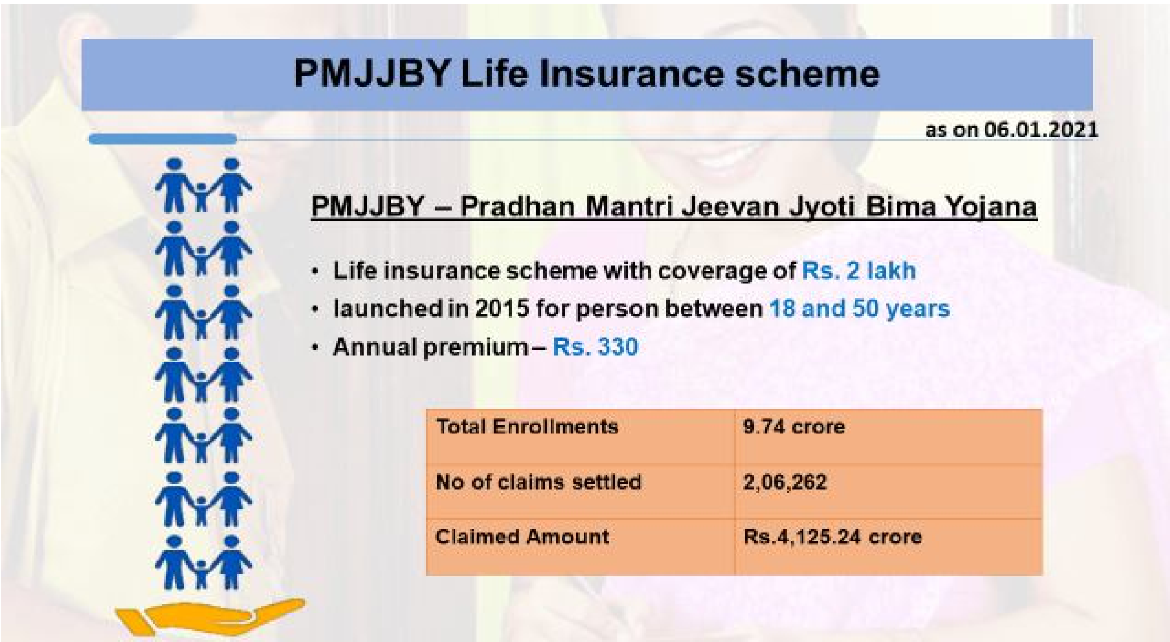
(i) June/July/August –Annual premium of Rs.330 payable.

(ii) September/October/November–3 quarters of premium@Rs.86.00,i.e. Rs.258 payable.

(iii) December/January/February– 2 quarters of premium @Rs.86.00 i.e. Rs.172 payable.

(iv) March, April & May – 1 quarterly premium @ Rs.86.00 payable.

As on 6th January, 2021 the gross enrolment by banks, subject to verification of eligibility criteria, is about 9.74 crore people under PMJJBY and 2,06,262 claims of Rs.4125.24 crore have been disbursed.



4.3.3 Atal Pension Yojana

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.1000 to Rs.5000 (in multiples of Rs.1,000) 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.

The key features of APY are as under:

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

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

(3) 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.

(4) 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. 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.

(5) The subscribers in the eligible age, who are not income-tax payers and who are not covered under any statutory social security scheme, are entitled to receive the co-contribution by Central Government of 50% of the total prescribed contribution, up to Rs.1000 per annum, and this will be available for those eligible subscribers, who join APY before 31st March, 2016. The Central Government co-contribution shall be available for a period of 5 years, i.e., from Financial Year 2015-16 to 2019-20.

(6) 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.

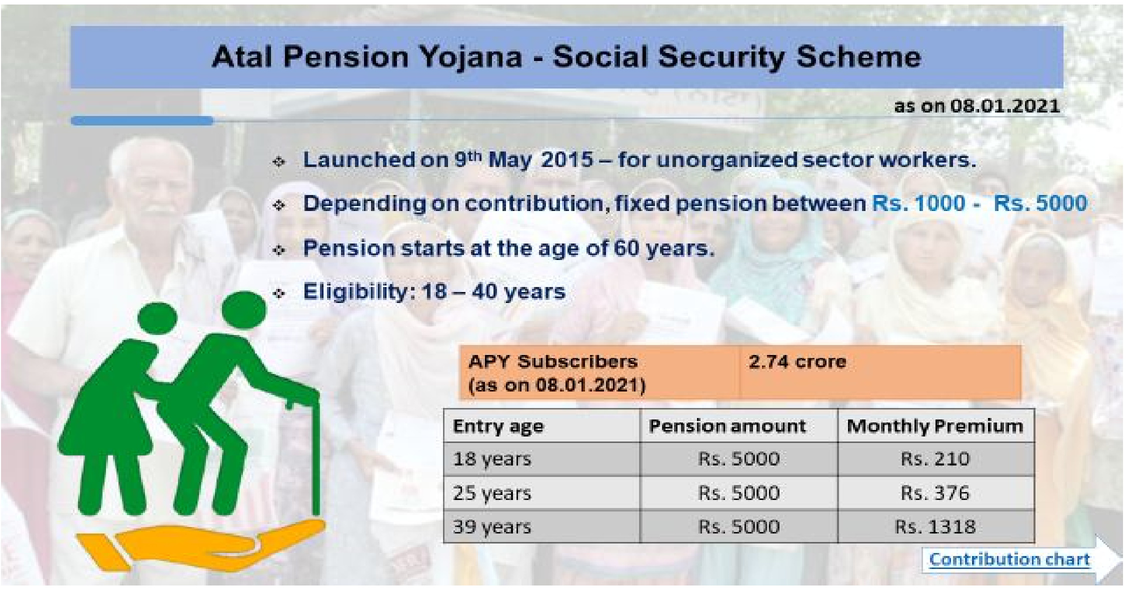
(7) The contributions can be made at monthly / quarterly / half yearly intervals through auto debit facility from savings bank account/ post office savings bank account of the subscriber. The monthly / quarterly / half yearly contribution depends upon the intended/ desired monthly pension and the age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

(8) Major measures/steps undertaken under the APY Schemes include outreach, financial literacy, improved digital features, including the APY app on the Unified Mobile Application for New-age Governance (UMANG) platform. The exercise of mapping of APY subscriber's enrolment data as per Local Government Directory (LGD) data has been completed and reporting of the same on PRAYAS platform started.

Category wise number of enrolments under APY As on 28th November, 2020)

Category of Banks	Number of Subscribers
Public Sector Banks	1,88,93,269
Private Banks	17,49,875
Small Finance Bank	20,333
Payment Bank	5,58,308
Regional Rural Banks	50,17,360
District Co-op Banks	52,552
State Co-op Banks	4,955
Urban Co-op Banks	19,159
Department of Posts	3,13,450
Total	**2,66,29,261**

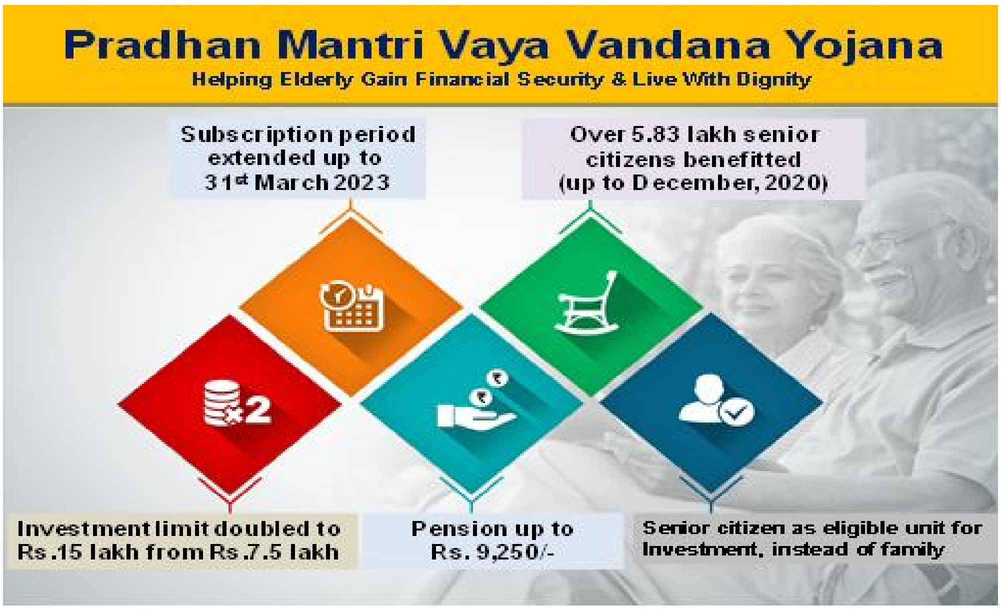
As on 8th January, 2021, the number of subscribers under APY is more than 2.74 crore. It is expected that more than 70 lacs subscribers shall register under APY during the FY 2020-21; reaching an overall subscriber base of 3.00 crores by March, 2021.



4.3.4 Pradhan Mantri Vaya Vandana Yojana

Government had launched the Pradhan Mantri Vaya Vandana Yojana (PMVVY) in 2017 to provide social security during old age and to protect elderly persons aged 60 and above against a future fall in their interest income due to uncertain market conditions. The scheme is being implemented through Life Insurance Corporation of India (LIC). This scheme was first extended up to 2020 and has further been extended for another three years i.e. up to 31st March 2023.

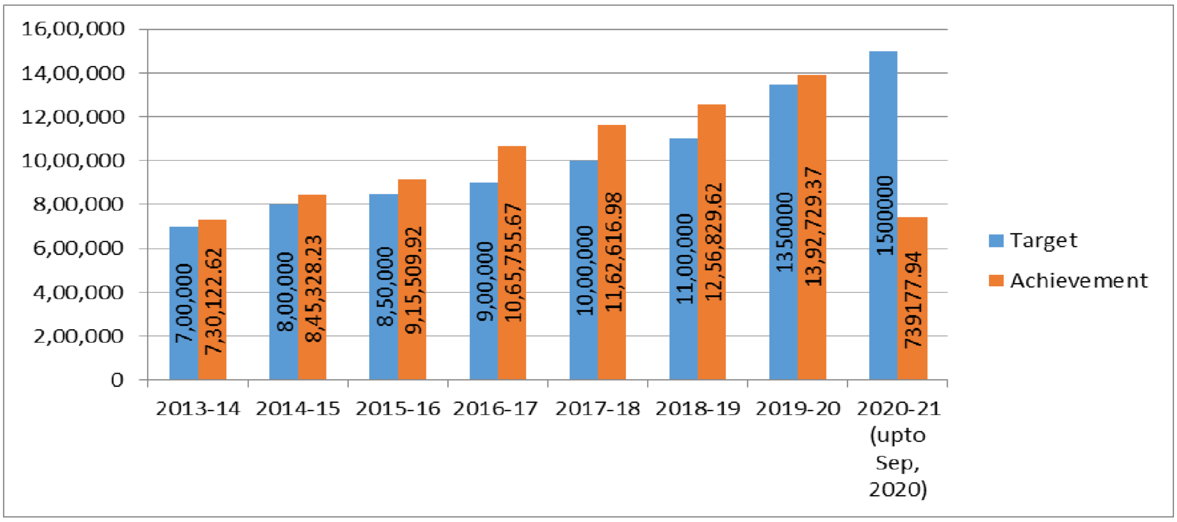
The scheme enables old age income security for senior citizens through provision of assured pension/ return linked to the subscription amount based on government guarantee to Life Insurance Corporation of India (LIC). PMVVY offers an assured rate of return of 7.40% per annum for the year 2020-21 for policy duration of 10 years. In subsequent years, while the scheme is in operation, there will be annual reset of assured rate of return with effect from April 1st of the financial year in line with applicable rate of return of Senior Citizens Saving Scheme (SCSS) up to a ceiling of 7.75% with fresh appraisal of the scheme on breach of this threshold at any point. The differential return, i.e. the difference between return generated by LIC and the assured return would be borne by Government of India as subsidy on an annual basis. Pension is payable at the end of each period during the policy tenure of 10 years as per the frequency of monthly/quarterly/ half-yearly/yearly as chosen by the subscriber at the time of purchase. Minimum purchase price under the scheme is Rs.1,62,162/- for a minimum pension of Rs.1,000/- per month and the maximum purchase price is Rs.15 lakh per senior citizen for getting a pension amount of Rs.9,250/- per month. The scheme is being implemented through Life Insurance Corporation of India (LIC). A total number of 5,83,208 subscribers are benefited under the scheme as on 31st December, 2020.



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.13,50,000 crore for 2019-20, agriculture credit to the tune of Rs.13,92,729 crore was disbursed, registering 103.17 % achievement. As on 30.09.2020, Rs.7,39,177.94 crore was disbursed (Provisional) against target of Rs.15,00,000 crore registering 49.28 % achievement. The year-wise Agriculture Credit against target is as under:

(Rs. In crore)



* *Data is provisional* *Source: ENSURE Portal of NABARD*

5.1 Kisan Credit Card

The Kisan Credit Card (KCC) scheme was introduced in 1998-99, as an innovative credit delivery system aiming at adequate and timely credit support from the banking system to the farmers for their cultivation needs including purchase of inputs in a flexible, convenient and cost effective manner. The Scheme is being implemented by all Cooperative Banks, Regional Rural Banks (RRBs) and Public Sector Commercial Banks throughout the country. NABARD monitors the scheme in respect of Cooperative Banks and RRBs, whereas RBI monitors the scheme in respect of Commercial Banks. A revised scheme for KCC was circulated by RBI and NABARD in 2012 prescribing the provision for ATM enabled debit card which can be used at ATM/Point of sale (POS) terminal, inter alia, with facilities of one-time documentation and built-in cost escalation in the credit limit, etc.

The facility of KCC along with interest subvention has been extended to Animal Husbandry farmers and Fisheries to help them meet their working capital requirements.

5.2 Rural Infrastructure Development Fund (RIDF)

The Government of India had set up Rural Infrastructure Development Fund (RIDF) in NABARD with the objective of providing low cost fund support to the States to facilitate quick completion of ongoing rural infrastructure projects, which were languishing for want of resources. RIDF, with 37 activities under its scope, has emerged as a dependable source of public funding of impactful rural infrastructure projects.

The annual allocation of funds under RIDF has gradually increased from Rs.2,000 crore in 1995-96 (RIDF I) to Rs.29,848 crore in 2020-21 (RIDF XXVI). As against the allocation of Rs.29,848 crore made during 2020-21 for RIDF under Tranche XXVI, sanctions to the tune of Rs.23,634 crore were accorded to various State Governments (Projected/estimated to be Rs.29,848 crore by 31st March, 2021).

The aggregate allocation till 30.11.2020 has reached Rs.3,78,348 crore, including Rs.18,500 crore for the Bharat Nirman component sanctioned to National Rural Roads Development Agency (NRRDA) under RIDF XII-XV.

Impact evaluation studies on projects funded under RIDF have revealed diverse positive socio-economic developmental outcomes in rural areas. These projects have brought about an improvement in quality of rural life and income levels, besides strengthening the rural banking system and credit absorption capacity.

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 crore 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 upto Rs.3.00 lakh disbursed by cooperative banks at an interest rate of 7% per annum to ultimate borrowers. An allocation of Rs.44,984.48 crore has been made for the STCRC (Refinance) Fund during 2020-21**.** As on 20.11.2020, Rs.17,772.31 crore has been utilised out of STCRC (Refinance) Fund during 2020-21.

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 crore 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 upto Rs.3.00 lakh disbursed by RRBs at an interest rate of 7% per annum to ultimate borrowers. Allocation under STRRB Fund was at Rs.9,996.55 crore during 2020-21. As on 20.11.2020, Rs.4,206.62 crore has been utilised out of STRRB(Refinance) Fund during 2020-21.

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. Government has allocated Rs.14,923.80 crore to this fund during 2020-21. As on 20.11.2020, Rs.6,969.59 crore has been utilised out of LTRCF during 2020-21.

5.6 Strengthening the Capital Base of NABARD

NABARD Amendment Act 2018 has been notified on 19.01.2018 which empowers the Government to increase the authorised capital of NABARD from Rs.5,000 crore to Rs.30,000 crore and to increase it beyond Rs.30,000 crore 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.

During 2020-21, equity support of Rs.1,000 crore has been provided 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 Swatch Bharat Mission. Total paid up capital as on 30.11.2020 in respect of NABARD is Rs.15,080 crore.

5.7 Role of NABARD in Government of India Initiatives

5.7.1 Long Term Irrigation Fund (LTIF)

The Government of India, in 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 30th November, 2020, against the total estimated amount of Rs.77,908 crore for the 99 identified projects, sanctions have been accorded by NABARD under LTIF to the tune of Rs.71,067.83 crore for 99 identified projects, Rs.10,465.52 crore for the Polavaram Irrigation project, Rs.1,378.61 crore for North Koel Reservoir Project, Rs.485.35 crore for Shahpurkandi Dam and Rs.826.17 crore for Relining of Sirhind and Rajasthan Feeder. The cumulative amount released against sanction of 99 identified projects stood at Rs.38,726.52 crore. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpurkandi Dam Project, cumulative releases stood at Rs.7664.15 crore, Rs.721.22 crore and Rs.119.52 crore, respectively.

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

The Government of India in 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 {1 crore under Phase-I (2016-17 to 2018-19) and 1.95 crore houses under Phase –II (2019-20 to 2021-22)}. NABARD extends 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 30th November, 2020 stands at Rs.51,975 crore and Rs.34,940.53 crore respectively.

5.7.3 Swachh Bharat Mission – Gramin (SBM-G)

The Government of India in 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 Household 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 crore, out of which Rs.15,000 crore was to be raised through borrowing from NABARD. As on 30th November, 2020, the cumulative sanction and release by NABARD under SBM -G stands at Rs.15,000 crore and Rs.12,298.20 crore respectively.

5.7.4 Micro Irrigation Fund

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, 2020 stands at Rs.3,805.68 crore and Rs.1,754.60 crore respectively. This will facilitate in expanding micro irrigation to an area of 12.565 lakh ha. involving 10.06 lakh farmers.

6. Priority Sector Lending (PSL)

The objective of priority sector lending (PSL) has been to, inter-alia, ensure access to credit for vulnerable sections of society have adequate flow of resources to those segments of the economy which have higher employment 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.

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 issued in the month of September, also aim to encourage and support environment friendly lending policies/schemes announced under Aatma Nirbhar Bharat package to help achieve Sustainable Development Goals (SDGs).

The new features of the revised PSL guidelines, inter-alia, include higher weightage for lending to identified 184 credit deficit districts, enhancement in the share of Small & Marginal Farmers and Weaker Section. New sector like making Compressed Bio Gas (CBG), Solar projects, credit for startups engaged in Agriculture & allied activities and MSME have eligible under PSL.

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

6.1 Salient features of the revised PSL guidelines

(1) 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.

(2) 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.

(3) 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.

(4) 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.

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

6.2 The outstanding priority sector advances of Public Sector Banks was Rs.23,62,471 crore as on 31st March, 2019 and Rs.23,63,854 crore as on 31st March, 2020. Advances to agriculture by PSBs amounted to Rs.9,81,107 crore as on 31st March, 2020 constituting 16.49 percent of ANBC. For the quarter ended September, 2020* total outstanding priority sector advances of public sector banks is Rs.23,93,696 crore and outstanding towards agriculture under priority sector is Rs.10,46,807 crore.

(Provisional figures as reported by banks to RBI.)*

6.3 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 last revision of the Model Educational Loan Scheme was carried out on 17.08.2015 and circulated to Banks. The main features of the revised Model Educational Loan Scheme are as under.

(1) Provision for charging of differential interest rates based on status of collateral, employability and reputation of institutions.

(2) Relaxation in margin and security for loans guaranteed by NCGTC.

(3) Extension of repayment period (after moratorium) up to 15 years for all loans.

(4) Uniform one year moratorium for repayment after completion of studies in all cases.

(5) Provision for moratorium taking into account spells of unemployment/under-employment, say two or three times during the life cycle of the loan. Moratorium may also be provided for the incubation period if the student wants to take up a start-up venture after graduation.

6.3.1 Service Area Norms for Education Loans- RBI guidelines

RBI has advised the Banks on November 09, 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 have been advised not to reject any educational loan application for reasons that the residence of the borrower does not fall under the bank's service area.

6.3.2 Performance of Education Loans

The total outstanding education loans of Public Sector Banks (PSBs) as on 31st December, 2020 stood at Rs.75,381.27 crore in 19,83,251 accounts.

6.3.3. 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:

(1) Information about Educational Loan Schemes of Banks;

(2) Common Educational Loan Application Form for Students;

(3) Facility to apply to multiple Banks for Education Loans;

(4) Facility for Banks to download Students' Loan Applications;

(5) Facility for Banks to upload loan processing status;

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

(7) Dashboard facility for Students to view status of their loan application;

(8) 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 wanting education loans can apply for it and indicate their bank of choice.

6.3.4 Interest Subsidy Scheme for Education Loans

Ministry of Human Resource Development had formulated, in May, 2010, a Central Scheme to provide 'Interest Subsidy' for the period of moratorium on educational loans taken by students of economically weaker sections from scheduled banks under the Educational Loan Scheme of the Indian Banks' Association. The scheme is applicable to the following categories of loans.

(1) Educational loan disbursed/availed after 1st April, 2009 from Scheduled Banks which follow IBA Model Educational Loan Scheme;

(2) Students belonging to economically weaker sections, i.e, whose parental income from all sources do not exceed Rs.4.5 lakhs per annum;

(3) The scheme is applicable starting from academic year 2009-10, disbursement starting on or after 01.04.2009, irrespective of date of sanction.

7. Financial Institutions

7.1 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.

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 globalization. Exim Bank especially distinguishes itself in the areas of project exports, export lines of credit (LOCs) and overseas investment finance, which benefit a gamut of externally-oriented Indian companies, including SMEs.

As on 30th November, 2020, Exim Bank, with the support of Government of India, has extended 311 Lines of Credit aggregating USD 31.55 billion to various countries across Asia, Africa, LAC, CIS and Oceania region. As on 30th November, 2020, the Bank has sanctioned an aggregate amount of USD 2.88 billion for 30 projects. The bank has also given in principle commitments for an aggregate amount of USD 2.38 billion supporting 19 projects out of which approx. USD 32 million is likely to get sanctioned till end of March, 2020.

As on 30th November, 2020, under BC-NEIA, Bank has already disbursed USD 145 million during current FY. As on November 30, 2020, the Bank's net loans and advances stood at Rs.96,492 crore, while the non-fund portfolio of the Bank was at Rs.15,058 crore. The total business portfolio of the Bank, which stood at Rs.215,923 crore as on November 30, 2020, is estimated at Rs.230,000 crore as on March 31, 2021.

7.2 India Infrastructure Finance Company Ltd (IIFCL)

IIFCL is a wholly-owned Government of India company set up in 2006 to provide long-term financial assistance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI. The organization gives overriding priority to Public-Private-Partnership (PPP) projects. IIFCL has been registered with the Reserve Bank of India as Non-Banking Finance Company – Infrastructure Finance Company (NBFC-IFC) since September 2013. The authorized and paid up capital of the company as on 31stMarch, 2020 stood at Rs.10,000 Crore and Rs.9,999.92 Crore, respectively.

Activities of IIFCL are governed by Board of Directors, which has various sub-committees as per the Companies Act 2013, such as Management Investment Committee, Risk Management Committee, Audit Committee, Corporate Social Responsibility (CSR) Committee etc. IIFCL, being a Government-entity, is covered under the provisions of the RTI Act 2005.

IIFCL has set up three wholly-owned subsidiaries as follows:

(a) IIFC(UK)

(b) IIFCL Asset Management Company Limited (IAMCL)

(c) IIFCL Projects Limited (IPL)

IIFCL provides long term financing to viable infrastructure projects through a product mix of Direct Lending (SIFTI), Takeout Finance, Refinance and Credit Enhancement.IIFCL has played an instrumental role in the promotion, development and financing of infrastructure sector. On a standalone basis, till 30thNovember, 2020, IIFCL has made Cumulative Gross Sanctions of Rs.1,44,872 Crore under Direct lending, Takeout Finance and Refinance schemes. This includes Cumulative Gross Sanctions of Rs.91,757 Crore to 503 projects under Direct Lending. The Company has made Cumulative Disbursements of Rs.74,274Crore, including disbursements of Rs.15,765 Crore under Refinance and Rs.15,413 Crore under Takeout Finance till November, 2020.

7.3 IFCI Ltd.

IFCI Ltd (IFCI) was set up as a Statutory Corporation ("The Industrial Finance Corporation of India") in 1948 for providing medium and long term finance to industry. In 1993, after repeal of the IFC Act, IFCI became a Public Limited Company, registered under the Companies Act, 1956. Currently, IFCI is a Government Company with Government of India holding 61.02% of paid-up capital of IFCI. 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.

7.4 National Housing Bank

7.4.1 Operational Highlights during FY 2019-20 (01.07.2019 to 30.06.2020)

(1) Subscribed Equity share capital of NHB stood at Rs.1,450 crore as on 30.06.2020.

(2) Outstanding Loans & Advances (net) of NHB stood at Rs.81,750 crore as on 30.06.2020, registering a growth of 17% Y-o-Y *(Rs.69,805 outstanding as on 30.06.2019).*

(3) The total assets of the Bank increased by 19% during the same period from Rs.75,590 crore at June, 2019 to Rs. 90,160 crore at June, 2020.

(4) Disbursements of Rs.31,258 crore were made during the period as compared to Rs.25,177 crore during FY 2018-19; an increase of 24%.Thirty-one new and small HFCs and five Small Finance Banks (SFBs) were brought under the refinance umbrella during the year

(5) With refinance focus on HFCs, NHB's disbursement to HFCs during FY 2019-20 witnessed 27% rise Y-o-Y from Rs. 21,736 crore in FY 19 to Rs.27,551 crore in FY 20. This includes refinance support to 30 HFCs with a loan base of less than Rs.1,000 crore.

(6) Overall exposure of the Bank to HFCs went up by 29% during the period from Rs.50,145 crore at June, 2019 to Rs.64,653 crore at June, 2020.

(7) The total disbursement during the year includes Rs.4,888 crore under Affordable Housing Fund(AHF) benefiting 36,565 households. The cumulative disbursement under AHF till 30.06.2020 was Rs.12,582.79 crore benefiting 1,73,741 households. Further an amount of Rs.302 crore was disbursed to promote efficient green residential housing in India, under a line of credit from AFD.

(8) To obviate the liquidity issues faced by HFCs during H2 of FY19, NHB introduced a special Liquidity Infusion Facility (LIFt) Scheme for HFCs. Under this scheme, refinance assistance of Rs.9,244 crore has been extended to thirty-six HFCs during the year 2019-20.

(9) Further, as a COVID relief measure, a Special Refinance Facility (SRF) was launched in April, 2020 as announced by the Hon'ble Finance Minister under Atmanirbhar Bharat package. Under the scheme, refinance assistance of Rs.9,537 crore was extended to the PLIs during the period April to June, 2020.

(10) Both the above schemes were special dispensations, over and above the regular refinance extended by NHB to HFCs and other PLIs.

(11) Cumulatively, NHB has made disbursement of Rs.2,67,962 crore*(till 30.06.2020)*.

(12) Subsidy of Rs.7,571.74 crore was disbursed during July, 2019 to June, 2020 under PMAY-CLSS (Urban) benefitting 3,31,924 households with a cumulative disbursement of Rs.21,632.67 crore benefitting 9.55 Lakh households under the scheme.

(13) Till 30.06.2020, subsidy of Rs.8.36 crore was disbursed under Rural Housing Interest Subsidy Scheme (RHISS) benefitting 2,733 households.

7.4.2 Financing (during the half-year ended 31.12.2020 (01.07.2020 to 31.12.2020)

(1) During the half year ended 31.12.2020 refinance of Rs.20,898 crore was sanctioned to 48 PLIsincluding 42 HFCs. Of this, Rs.9,213 crore was disbursed to 45 PLIs including 41 HFCs.

(2) This includes disbursement of Rs.2,367 crore under AHF during the half-year towards 28,942 dwelling units.

(3) The Bank added 9 HFCs and 3 Banks under its refinance umbrella during this period.

(4) Bank launched Additional Special Refinance Facility (ASRF) scheme with an aim to meet the supplementary liquidity requirements of the HFCs/PLIs due to COVID-19 disruptions and extended moratorium period.

(5) As at December, 2020, apart from full utilisation of Rs.10,000 crore under SRF, additional SRF of Rs.3,927 crores was disbursed.

(6) Total refinance support by HFC during the pandemic period i.e., since March, 2020, is Rs.38,064 crore.

7.4.3 Promotion & Development (as on 31.12.2020)

(1) As part of research initiatives, National Housing Bank (NHB) initiated a Study on the impact of changes in Stamp Duty and Registration Charges on Residential Property, and suggest a revenue neutral model for enabling "Affordable Housing for All" which was undertaken by Indian Institute of Management, Bangalore (IIMB). The report is available at the websites of Ministry of Housing (MoHUA) and NHB.

(2) Under PMAY-CLSS (Urban), subsidy amounting to Rs.3,508.44 crore was released benefitting 1.58 lakh households (Rs.1,950.78 crore to 0.84 lakh households under EWS/LIG and Rs.1,557.66 crore to 0.74 lakh households under MIG).

(3) Till 31.12.2020, NHB as a CNA released subsidy of Rs.25,141.11 crore to PLIs benefitting 11.13 lakh households (Rs.17,209.13 crore to 7.36 lakh households under EWS/LIG and Rs.7,931.98 crore to 3.77 lakh households under MIG).

7.5 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 co-ordination of the functions of the various Institutions engaged in similar activities.

7.5.1 Operational Highlights during FY 2019-20 and 2020-21

During FY 2021, the operations of the Bank have been towards supporting MSMEs to sail through the challenging times of COVID 19 pandemic. To help MSMEs during this crisis, the Bank has undertaken several initiatives through Direct Finance, Institutional Finance, Fund of Funds and Promotion and Development operations. Further, the Bank has continued to be a trusted agency for implementing several Government of India initiatives towards quick response to COVID 19.

The Asset Base of the Bank continued its growth momentum by clocking a healthy Y-o-Y growth of 20.3%, and stood at Rs.1,87,539 crore as at end of FY 2020. The Asset Base stood at Rs.1,61,288 crore as at end of H1 FY 2021 as compared to Rs.1,67,883 crore as at end of H1 FY 2020.

Net profit recorded a growth of 18.6% to Rs.2,314.5 crore in FY 2020 from Rs.1,952.2 crore in FY19. Net profit for H1 FY 2021 registered 55.6% growth as compared to H1 FY 2020 and stood at Rs.1,534.5 crore.

7.5.2 Financing during FY 2019-20 and 2020-21

The MSME financing agenda of the Bank is discharged through the twin interventions of (i) Direct Lending, disseminated through demonstrative lending products to fill existing credit gaps and (ii) Indirect Lending is done through Banks, NBFCs, New Age Fintechs, SFBs and MFIs, which creates a multiplier effect and provides a larger reach. The Loans and Advances of the Bank crossed the milestone of Rs.1.5 lakh crore in FY 2020, registering Y-o-Y growth of 21.4%, and stood at Rs.1,65,422 crore as at end of FY 2020. As at end of H1 FY 2021 Loans and Advances stood at Rs.1,42,937 crore, which is at 99% level of Rs.1,44,348 crore as at end of H1 FY 2020, despite COVID pandemic.

Under Indirect Finance, the Bank has 193 live customers as on November 30, 2020, which includes 47 Banks, 68 NBFCs and 78 MFIs. Outstanding under Indirect Finance was Rs.1,32,215 crore as on September 30, 2020. During FY 2021, in order to provide liquidity support to MSME sector during COVID pandemic, the RBI has provided a Special Liquidity Facility (SLF) of Rs.15,000 crore. Under the aforesaid fund, the Bank has sanctioned Rs.5,700 crore to 16 Banks, Rs.5,016 crore to 62 NBFCs, Rs.2,717 crore to 40 MFIs and Rs.213 crore directly to 448 MSMEs, aggregating sanctions of Rs.13,646 crore as on December 22, 2020.

The direct finance portfolio of the Bank registered Y-o-Y growth of 10.9% and stood at Rs.9,867 crore as on March 31, 2020. The relentless efforts to support MSMEs during pandemic has resulted in 8% growth over March 31, 2020 in direct finance portfolio as on September 30, 2020 reaching Rs.10,666 crore. The Bank introduced scheme viz. SIDBI Assistance to Facilitate Emergency response against corona virus (SAFE) and SAFE PLUS with concessional interest rate of 5% p.a. to provide financial support to MSMEs during pandemic. Under these schemes, 390 number of loans amounting to Rs.170 crore have been sanctioned, out of which Rs.156 crore has been disbursed with turnaround time of 1.73 days.

In order to deliver “affordable credit” to the small entrepreneurs, especially women, at the bottom of the pyramid, the Bank under Prayaas scheme, sanctioned 10,925 cases with a total disbursement of Rs.126.55 crore as on October 31, 2020.

The Bank is implementing agency for Fund of Funds for Start-ups (DPIIT) and ASPIRE Fund (MoMSME). Under Fund of Funds, the Bank has cumulatively assisted 140 AIFs with a cumulative sanction of Rs.6,154.71 crore and disbursements of Rs.2,848.13 crore as on March 31, 2020.

7.5.3 Promotion & Development

The Promotional and Developmental initiatives of the Bank are undertaken under the four guiding themes of Sampark, Samwad, Suraksha, Sampreshan (4S), to address various non-financial challenges of the MSME sector. Under mission Swavalamban, the Bank has undertaken a slew of initiatives to handhold and support aspiring entrepreneurs in their journey to become job creators. The Bank focused on information dissemination on entrepreneurship and encouraged youth through Swavalamban info series, Swavalamban walls and clubs and a thematic metro station at Hauz Khas in the national capital. Under its unique initiative of state outreach programme, the Bank organized 10 programmes to deeply engage with state governments on issues facing MSMEs and to promote onboarding of MSMEs on digital platforms and mapping of good practices of one state to others. Swavalamban Silai school initiatives of the Bank has created 1000 *silai* schools in 10 districts benefiting 1,000 women. These women beneficiaries started their own schools and further enrolled more women, taking the total enrolled to 3,273 women. Phase 2 of the initiatives has also commenced during FY 2021, under which 700 schools are to be set-up in 14 districts. Among other initiatives, the Bank organized a Swavalamban Bazar for micro-entrepreneurs, launched Swavalamban Crisis Responsive Fund (SCRF) for free onboarding of 10,000 MSMEs on the TReDS platforms by March 2021,Swavalamban Utsav for women who benefited under SIDBI’s MahilaUdyamiSashaktikaran Project (MUSP), Swavalamban Idea Lab for supporting business ideas and Swavalamban Sankalp programme in collaboration with DICCI, SIDBI ET India MSE Awards, apart from establishing 100 Swavalamban Connect Kendras for handholding aspiring entrepreneurs.

The Bank has undertaken several initiatives to address information asymmetry through a bouquet of Knowledge Products viz MSME Pulse, CriSidEx, Microfinance Pulse, Fintech Pulse and Industry spotlight. MSME Pulse is available in 8 vernacular languages apart from Hindi & English.

7.5.4 Digital Interventions

The Bank has undertaken slew on initiatives to make credit access to MSMEs a digital delight. Udyamimitra portal, a comprehensive digital platform for MSME aspirants to access credit has 380+ lenders and 8.75 lakh+ registrations as on December 15, 2020. On digital online portal, PSBLoansin59minutes, as on November 30, 2020, 2.62 lakh MSMEs have obtained in-principle approval from the lenders out of which 2.17 lakh MSMEs have obtained final sanction. Other key notable digital initiatives include Asset Restructuring Module- ARM-MSME, automated/ online Do-it-Yourself web-portal for MSMEs to self create their restructuring proposal/ financial viability projections and MSME

Saksham, Joint credit awareness initiative of SIDBI & TransUnion CIBIL to enable the MSMEs to be loan-ready.

7.5.5 SIDBI as Nodal/ Implementing agency for Government scheme

The Bank is Implementation partner of the PMSVANidhi scheme, and the scheme portal/IT Platform and a Mobile App has been integrated with the Udyamimitra portal managed by the Bank. Under scheme, 30 lakh applications received, 16.05 lakh sanctioned, and 11.05 lakh disbursed, as on December 15, 2020. Under, Interest Subvention Scheme for MSMEs 2018, the Bank has settled claims of Rs.604.69 crore to 59 institutions benefitting 9.58 lakh MSMEs as on March 31, 2020. In FY 2021, Rs.220.31 crore released to 41 institutions as on October 30, 2020.

Under Interest Subvention Scheme for MUDRA-Shishu Loans, the Bank has settled an aggregate claims of Rs.140.94 crore to 56 MLIs benefitting over two crore beneficiaries as on October 30, 2020. Further, in respect of Partial Credit Guarantee offered by GOI to PSBs, the Bank has been delegated the work for evaluation of proposals emanating from eligible banks for execution of guarantees, keeping record of transactions and determination of guarantee headroom, examination of claims and monitoring of recoveries in account for which guarantee has been invoked.

The Bank has been assigned the nodal agency role by the Government of India for implementing various Government subsidy schemes, such as CLCSS, TUFS, IDLSS, FPTUFS, TEQUP and MSME-CDP Scheme. Cumulatively, the Bank has facilitated the release of subsidy to the tune of Rs.3,427.08 crore, to 40,692 MSMEs, as on March 31, 2020.

7.6 Credit Guarantee Trustee Company Ltd.(NCGTC)

NCGTC was incorporated on March 28, 2014, as a wholly owned Government of India company, under Companies Act, 1956, with the approval of the Union Cabinet. It has a paid-up capital of Rs.10 crore NCGTC was established to operate the Credit Guarantee Funds for Educational loans, Skill Development and any other fund that may be set up in future.

NCGTC is responsible for the day to day operations and implementation of all credit guarantee schemes. NCGTC generates resources through charging of management fee from the funds/schemes it operates. Currently, NCGTC operates various credit Guarantee schemes under implementation by Central Ministries such as Ministry of Skill Development & Entrepreneurship, Ministry of Human Resource Development (Department of Higher Education) and Ministry of Finance (Department of Financial Services). A single trustee set up for operating Govt. supported Credit Guarantee funds was envisaged to bring in operational and cost efficiency and achieve economies of scale through sharing of resources. It has also enabled in developing expertise on risk management, fund management and compliances.

Currently, Credit Guarantee Fund for Skill Development (CGFSD), Credit Guarantee Fund for Education Loans (CGFEL), Credit Guarantee Fund for Factoring (CGFF), Credit Guarantee Fund for Micro Unit (CGFMU), Credit Guarantee Fund for Stand-up India (CGFSI) and Emergency Credit Line Guarantee Scheme (ECLGS) Fund are being handled by NCGTC.

8. Significant Initiatives to support credit to lending institutions

8.1 Partial Credit Guarantee Scheme (PCGS) for NBFCs/ HFCs/ MFIs:

PCGS was issued on 11th December 2019, with the approval of the Union Cabinet, for providing guarantee to Public Sector Banks (PSBs) limited to first loss of upto 10% of fair value of assets being purchased by the banks or Rs.10,000 crore, whichever is lower, for purchasing high-rated pooled assets from financially sound Non-Banking Financial Companies (NBFCs)/Housing Finance Companies (HFCs) fulfilling the eligibility criteria prescribed under the Scheme.

As part of the Aatmanirbhar Bharat Abhiyan, the existing Partial Credit Guarantee Scheme was extended on 20th May 2020, with the approval of the Cabinet, to cover portfolio guarantee of up to 20% of first loss for purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/ initial maturity of up to one year) issued by NBFCs/ HFCs/Micro Finance Institutions (MFIs).

The amount of overall guarantee provided under the extended Scheme shall be limited to 10% of fair value of assets or 20% of the face value at crystalized Portfolio Level of the Bonds/CPs being purchased by the Purchasing Banks under this Scheme, or an overall amount of Rs.10,000 crore taking into account all the guarantees provided under the Scheme to all Purchasing Banks, whichever is lower.

The existing Scheme was launched following the Budget announcement of 2019-20 with the objective that the purchase of pooled assets enabled by Government guarantee support under the Scheme, will help address temporary liquidity/cash flow mismatch issues of otherwise solvent NBFCs/HFCs without them having to resort to distress sale of their assets for meeting their commitments.

The extension of the existing Scheme to cover purchase by PSBs of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/ initial maturity of up to one year) issued by

NBFCs/ HFCs/ MFIs (in case of MFIs, Bonds/ CPs with MFR rating equivalent) will address their liability side and also enable availability of additional liquidity for on lending. Since NBFCs, HFCs and MFIs play an extremely significant role in sustaining consumption demand as well as capital formation in small and medium segment, it is required that they continue to get funding without disruption. As of 8th January, 2021, proposals for purchase of asset pools worth Rs.11,798.78 crore have been in principle approved for issuance of Guarantee. Out of this, Guarantee has been executed for asset pool amounting to Rs.9000.53 crore (i.e. for Guarantee amount of Rs. 900.53 crore). Further, Banks have purchased portfolio of bonds/CPs of Rs.23,242 crore (Provisional). The timeline for purchase of portfolio of bonds/CPs expired on 31.12.2020.

8.2 Special Liquidity Scheme (SLS) for NBFCs/ HFCs

As part of the Aatmanirbhar Bharat Abhiyan, the Union Cabinet on 20th May, 2020 approved the Special Liquidity Scheme for Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) to improve their liquidity position. Under the Scheme, a Special Purpose Vehicle (SPV) *viz.* SLS Trust has been set up under SBICAP which would issue interest bearing special securities guaranteed by the Government of India, to be purchased by Reserve Bank of India (RBI) only. The proceeds thereof would be used by the SPV to acquire the debt of at least investment grade of short duration (residual maturity of upto 3 months, and can be extended for the same or for a reduced period upto the date of maturity) of eligible NBFCs / HFCs. The SPV would issue securities as per requirement subject to the total amount of securities outstanding not exceeding Rs.30,000 crore to be extended by the amount required as per the need.

The Scheme was designed by Department of Economic Affairs, which also obtained approval of the Cabinet. The Scheme is being implemented by Department of Financial Services. The Scheme's operational guidelines, as framed by DEA, were issued by DFS on 29th May, 2020. SPV in form of SLS Trust was formed. DFS issued Guarantee in favor of RBI on 30th June, 2020. The validity of the Scheme expired on 30.09.2020 and a total of Rs.7,125.51 crore was disbursed by SLS Trust by way of 28 instruments to 23 NBFC/HFC. SLS Trust has received the repayment of principal and interest amounting to Rs.7,249.60 crore by 31.12.2020 for all instruments and there has been no default. The Scheme ended on 31.12.2020.

9. Insurance Sector

9.1 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.

9.2 Role of the Department of Financial Services in Insurance

The Department of Financial Services deals with policy and legislative matters as well as monitoring of the performance of both life and general insurance segments of the public sector insurance industry. It is also the administrative division for the Insurance Regulatory and Development Authority of India (IRDAI). The name 'Insurance Regulatory and Development Authority' was changed to 'Insurance Regulatory and Development Authority of India' through the Insurance Laws (Amendment) Act, 2015.

9.3 The Public Sector Insurance Companies operating in the sector.

(1) Life Insurance Corporation of India

(2) National Insurance Company Limited

(3) The Oriental insurance Company Limited

(4) United India Insurance Company Limited

(5) The New India Assurance Company Limited

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

(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)

9.4 Legislative Framework governing the Insurance Sector

The Department is responsible for policy formulation and administration of the following Acts in the insurance sector:

(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

(6) The Securities and Insurance Laws (Amendment and Validation) Act, 2010.

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.

9.5 Reforms in the Insurance Sector

The insurance sector was opened up for private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. The Authority consist of a Chairperson, not more than five whole-time members and not more than four part-time members. As on March 31, 2020, Authority has Chairman, three full-time members and three part-time members. The Authority is functioning from its Head Office at Hyderabad, Telangana. The core functions of the Authority as mentioned in Section 14 of Insurance Act include (i) licensing/registration of insurers and insurance intermediaries; (ii) financial and regulatory supervision; (iii) regulation of premium rates; and (iv) protection of the interests of the policyholders.

With a view to facilitate development of the insurance sector, the Authority has issued regulations on protection of the interests of policyholders; obligations towards the rural and social sectors; micro insurance and registration of agents, licensing/registration of corporate agents, brokers and third party administrators. IRDAI has also laid down the regulatory framework for registration of insurance companies, maintenance of solvency margin, investments and financial reporting requirements.

9.6 New entrants in the insurance industry

Since its opening up in 2000, the number of participants in the Insurance industry has gone up from 7 insurers (including the Life Insurance Corporation of India [LIC], four public-sector general insurers, one specialized insurer, and the General Insurance Corporation as the Indian re-insurer) in 2000 to 68 insurers by March 31, 2020. During the financial year (2019-20), two insurers, One Health insurer i.e. Reliance Health and one Re-insurer i.e. ITI Re have surrendered their Certificate of Registration. Hence, as on March 31, 2020, 68 insurers are operating in the life, general, health and re-insurance segments; of which 24 are life insurers, 27 are general insurers, 6 are standalone health insurers exclusively doing health insurance business and 11 are reinsurers including foreign reinsurance branches and Lloyd's India. Of the 68 insurers eight are in the public sector and the remaining 60 are in the private sector. Two specialized insurers, namely ECGC Limited and Agricultural Insurance Company of India Limited, one life insurer namely LIC of India, four general insurers and one reinsurer namely GIC are in public sector. 23 life insurers, 21 general insurers, 6 standalone health insurers and 10 reinsurers including foreign reinsurance branches and Lloyd's India are in private sector.

Registered Insurers and Reinsurers (As on 31.03.2020)

Type of Insurer	Public Sector	Private Sector	Total
Life	1	23	24
General	6	21	27
Standalone Health	-	6	6
Re-insurers	1	10	11
Total	**8**	**60**	**68**

9.7 Industry Statistics

Insurance Penetration and Insurance Density

The potential and performance of the insurance sector are generally assessed on the basis of two parameters, viz., 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).

Insurance penetration which was 2.71 per cent in 2001, increased to 3.76 per cent in 2019 (Life: 2.82 per cent and Non-Life: 0.94 per cent). Insurance Penetration in some of the emerging economies in Asia, i.e., Malaysia, Thailand and China during 2019 was 4.72, 4.99 and 4.30 per cent respectively. The Insurance density in India which was USD 11.5 in 2001 increased to USD 78 in 2019 (Life: USD 58 and Non-Life: USD 19). The insurance density in Malaysia, Thailand and China during the same period i.e. 2019 were USD 536, USD 389 and USD 430 respectively. Globally insurance penetration and density in 2019 were 3.35 per cent and USD 379 for the life segment and 3.88 per cent and USD 439 for the non-life segment respectively.

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.5.73 lakh crore during 2019-20 as against Rs.5.08 lakh crore in the previous financial year, registering a growth of 12.75 per cent (10.75 per cent growth in previous year).

The new business premium underwritten by the life insurers (total of first year premium and single premium) during 2019-20 was Rs.2.59 lakh crore as compared to Rs.2.15 lakh crore in 2018-19 registering a growth of 20.59 per cent as against 10.74 per cent during the previous year. In terms of linked and non-linked business, 14.50 percent of the new-business premium was underwritten in the linked segment during 2019-20 while 85.50 percent of the business was in non-linked segment as against 14.99 per cent and 85.01 per cent in the previous year. Of the new business premium underwritten, LIC accounted for Rs.1.78 lakh crore (68.76 per cent market share) and the private insurers accounted for Rs.0.81 lakh crore (31.24 per cent market share). The market share of LIC and private insurers was 66.20 per cent and 33.80 per cent respectively (new business premium) during the year 2018-19.

General insurance industry

The general insurance industry (including standalone health insurers) underwrote total direct premium of Rs.1.89 lakh crore in India for the year 2019-20 as against Rs.1.69 lakh crore in 2018-19, registering a growth rate of 11.49 per cent as against 12.47 per cent growth rate recorded in the previous year. The private sector (including standalone health insurers) had underwritten Rs.1.05 lakh crore as against Rs.0.93 lakh crore in the previous year achieving a growth rate of 13.57 per cent whereas the public sector (including specialized insurers) had underwritten premium of Rs.0.84 lakh crore as against Rs.0.77 lakh crore in the previous year with a growth rate of 8.97 per cent. The market share of the public and private insurers stood at 44.30 and 55.70 per cent during the year 2019-20 as against 45.33 and 54.67 per cent respectively in 2018-19. 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 30.10 per cent (Rs.56,865.13 crore) of the gross direct premium of the general insurance industry within India (including standalone health insurance companies) in 2019-20 (Rs.50,833.55 crore constituting 30.00 per cent in 2018-19).

9.8 Investments of the Insurance sector

As on March 31, 2020 the accumulated total investments held by the insurance sector was Rs.42.53 lakh crore as against Rs.38.47 lakh crore as on March 31, 2019, registering an increase of 10.54 per cent. Life insurers continue to contribute a major share with around 91.47 per cent of the total investments held by the insurance industry. Similarly, public sector insurers continue to contribute a major share of 76.79 per cent in total investments as on March 31, 2020 though investments by private sector insurers also are growing at a fast pace in recent years.

9.9 Rural and Social Sector Business

All the life insurers including LIC have fulfilled their rural sector obligations for the year 2019-20. The life insurers underwrote 64.96 lakh policies in the rural sector, viz., 22.49 per cent of the new individual policies underwritten (288.85 lakh policies) by them in 2019-20. LIC underwrote 21.37 per cent of the new individual policies and private insurers underwrote 26.02 per cent of the new individual policies in the rural sector. All life insurers except Sahara* life insurer, were compliant with their social sector obligations in terms of number of lives covered. All the public and private sector general insurance companies including standalone health insurance companies have fulfilled their obligations in the rural and social sector for the year 2019-20.

*(*Sahara India Life Insurance Co. Ltd. was directed not to underwrite any kind of new business from June 24, 2017 vide the IRDAI Order reference IRDAI/F&A/OR/FA/148/06/2017 under section 52 B (2) of the Insurance Act, 1938. Hence, Sahara India Life is not considered for Rural and Social Sector Obligations.)*

9.10 Micro insurance

In order to facilitate penetration of insurance to the lower income segments of population, IRDAI had notified the micro insurance regulations, 2005 which was further amended in 2015. They provide a platform to distribute insurance products, which are affordable to the rural and urban poor and hence promoting financial inclusion.

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.

In micro-insurance-life, the individual new business premium for the year 2019-20 was Rs.226.66 crore through 10.28 lakh new policies and the group business amounted to Rs.4426.45 crore premium for 1407.29 lakh lives. There were 90,574 micro insurance agents attached to life insurers at the end of FY 2019-20.

Total number of general insurance policies issued by Micro Insurance Agents (excluding of Standalone health insurers) were 1.33 lakhs in the year 2019-20. Gross direct premium under micro insurance business in general insurance sector for the year 2019-20 was Rs.21.27 crore through 4.26 lakh micro insurance policies. Health Insurance (excluding Personal Accident and Travel Insurance) premium procured by Micro Insurance agents was Rs.40.08 crore in the year 2019-20.

IRDAI has permitted 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.

9.11 Grievance Redressal

The IRDAI facilitates resolution of policyholder grievances by monitoring the insurers' policy of Grievance Redressal and takes several initiatives towards protecting the interests of the Insurance consumers. 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. During 2019-20, the life insurance companies resolved 98.26 per cent of the complaints handled. The private life insurers resolved 99.95 per cent of the complaints reported, while LIC resolved 97.45 per cent of the complaints. The General insurance companies resolved 98.67 per cent of the complaints handled during the year 2019-20. The private General insurance companies resolved 99.89 per cent and public General insurance companies resolved 97.24 per cent of the complaints handled by them.

10. Pension Sector

10.1 National Pension System (NPS)

The National Pension System (NPS) was introduced by the Government of India with a view to provide adequate retirement income on cost effective basis. It was made mandatory for all new recruits to the Government service (except armed forces) with effect from 1st January, 2004, and has also been rolled out for all citizens with effect from 1st May, 2009, on voluntary basis. As of now 29 State Governments have notified NPS for their employees. NPS has been designed giving utmost importance to the welfare of the subscribers with aim of maximising outreach. 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. There are a number of benefits available to the employees under NPS. Some of the benefits are listed below:

(1) NPS is a well designed pension system managed through an unbundled architecture involving intermediaries appointed by the Pension Fund Regulatory and Development Authority (PFRDA) viz. pension funds, custodian, Central Recordkeeping and Accounting agency (CRA), National Pension System Trust, trustee bank, points of presence and Annuity service providers. It is regulated by PFRDA which is a statutory regulatory body established to promote old age income security and protect the interests of NPS subscribers.

(2) Dual benefit of Low Cost and Power of Compounding - The pension wealth which accumulates over a period of time till retirement grows with a compounding effect. The all-in-costs of the institutional architecture of NPS are among the lowest in the world.

(3) Tax Benefits presently available under NPS

(A) Tier I:

i. 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 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.**

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

iii. 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 and is exempted from GST.

(B) Tier II: Contribution by the 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 years.

(4) Freedom of choice for selection of Pension Funds and pattern of investment to government employees as under

(a) Choice of Pension Fund: As in the case of subscribers in the private sector, the Government subscribers are also allowed to choose any one of the pension funds including Private sector pension funds. They could 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: -

i. Government employees who prefer a fixed return with minimum amount of risk have an option to invest 100% of funds in Government securities (Scheme G).

ii. Government employees who prefer higher returns have the options of two Life Cycle based schemes - Conservative Life Cycle Fund with maximum exposure to equity capped at 25% at the age of 35 years and tapering off thereafter (LC-25) or 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.

(5) Partial withdrawal- 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. The requirement of minimum period under NPS for availing the facility of partial withdrawal from the mandatory Tier-I account of the subscriber has been reduced from 10 years to 3 years from the date of joining w.e.f. 10th August, 2017. The minimum gap of 5 years between two partial withdrawals has also been removed w.e.f. 10th August, 2017.

(6) eNPS - PFRDA introduced eNPS online portal on 07.12.2015 whereby the Permanent Account Number (PAN) and savings bank account of new subscribers to NPS who are already customers of the banks are accepted as KYC with active participation of the banks acting as POPs for opening of accounts under NPS.

The status of NPS as on 28th November, 2020, is as under

Sector	No. of subscribers (in lakh)	Assets Under Management (in Rs crore)
Central Government	21.43	1,71,230.474
State Government	49.60	2,69,358.76
Corporate	10.66	55,461.91
All Citizen Model	14.11	17,854.07
NPS Lite *	43.12	4,251.05
Total	**138.92**	**5,18,156.53**

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

Major measures/steps undertaken under National Pension System (NPS)

UPI has been added as a mode of payment on eNPS platform, besides credit card, debit card and net banking A number of Annuity Literacy Programs across the country have been conducted for the prospective retiring subscribers and nodal offices for spreading awareness on seamless exits from National Pension System. NPS Lite subscribers have been enabled to make contribution online. Operational guidelines have been issued in respect of National Pension Scheme Tier-II Tax Saver Scheme, 2020 (NPS-TTS) on 7th July 2020. NPS subscribers have been allowed to continue with the Permanent Retirement Account number (PRAN), which is unique, after premature exit i.e. exit before the age 60 years. Eligible subscribers can open a new NPS account after closing their existing NPS account up to the age of 65 years.

(7) Initiatives undertaken during FY 2020-21 on account of Covid-19 pandemic.

(i) Partial Withdrawal Facility at the time of Covid-19- The Authority has declared “COVID-19” as a critical illness and hence the partial withdrawals have been permitted to fulfil financial needs of the subscribers as per the applicable exit regulations.

(ii) **Aadhaar based offline paperless KYC verification process for NPS On-boarding**- It has been decided to allow e-NPS/PoPs to utilize the Aadhar based offline paperless KYC verification process which eliminates the need for the prospective NPS subscribers (applicants) to provide the physical copy of Aadhar. A total of 51,603 PRAN were opened as on 23.11.2020 through ease on on-boarding process.

(iii) **Processing of death claims requests under Atal Pension Yojana (APY) in view of Covid-19 pandemic**- Considering the difficulties faced by Point of Presence under Atal Pension Yojana, in processing of death claim requests due to Covid-19 pandemic, the processing of death claim requests has been made easy. It has been advised that PoP-APY shall duly verify and attest the documents of death claim requests and submit the scanned copies of all requisite documents through their registered e-mail ID to NSDL-CRA.

(iv) **To ensure proper service to subscribers**, during lock-down announced by Government of India, Point of Presence (POPs) were advised to undertake their various activities as per the best available means, resources and in the transparent manner.

(v) **D-remit**- Vide Circular dated 12th May,2020, PFRDA had informed about the proposed launch of an additional option/mode of contribution namely Direct Remittance (D-Remit) wherein the existing NPS Subscribers under Government/ Non-Government/All Citizens Model would be able to deposit their voluntary contributions by creating a Virtual ID linked to their Permanent Retirement Account Number (PRAN). This facility enables the subscribers to get the same day NAV. As on November 25, 2020, total 55,608 virtual accounts have been created and a total 24.85 crore contributions have been collected since rollout of this facility on October 1, 2020.

(vi) **Extension of timelines for activities under National Pension System (NPS) & NPS Lite-Swavalamban-** Owing to disruption of various activities due to Covid-19, the Authority had allowed waiver of compensation to be paid to subscribers by POPs under NPS and NPS-Lite/ Swavalamban guidelines on account of non-adherence to TATs, up to 30.04.2020. These timelines were further extended till 30.09.2020.

(vii) **NPS withdrawal process at the time COVID-19 pandemic-** Vide Circular dated June 05, 2020 on the captioned subject, whereby considering challenges being faced by COVID-19 pandemic and requests received from various stakeholders, as a special case and one-time measure, a relaxation was given to Nodal Offices/POPs for accepting the scanned and self-certified images of exit documents through digital means to process the withdrawal requests of NPS subscribers. Extension of timelines till September 30, 2020 for Nodal Offices/POPs to accept the scanned and self-certified images of exit documents through digital means for processing the withdrawal request of NPS Subscribers.

(viii) **OTP- based on-boarding**- As part of mandate given to PFRDA to develop the pension sector and to increase the outreach of NPS, PFRDA has taken this step to ensure ease of NPS on-boarding in the interest of subscribers. Around 12,044 subscribers used paperless OTP based on- boarding process.

(ix) **Relief to APY subscribers:** Considering the outbreak of Covid-19, in order to reduce the financial obligations, the Auto Debit of the subscriber's contribution was stopped from April to June, 2020. Further, the penal interest to be charged to the APY subscribers on the deferred contribution received between July and September, 2020, was also waived off.

(8) Initiatives with reference to the development of North-Eastern Region & Sikkim including projects/ schemes in operation and actual expenditure thereon

Annuity Literacy Program (ALP) was held in Guwahati on September 20 & 21, 2019 with the participation of 550 subscribers and nodal officers of Govt of Assam. The same was also attended by representative of DFS, MoF. PFRDA shall resume ALP in more NE locations post resumption of normalcy affected due to Covid-19.

11. Measures Taken During the COVID-19 Pandemic.

11.1 Pradhan Mantri Garib Kalyan Yojana

(1) Financial assistance to women PMJDY Account holders - 20.6 crore women PMJDY account holders were financially assisted for Rs.500 per month for three months from April – June, 2020.

(2) Insurance scheme for health workers fighting COVID-19 - This scheme includes doctors, nurses, paramedics, and sanitation staff etc. who attend to COVID-19 patients while not considering their health risks. Rs.50 lakh insurance cover per person for the health workers involved in COVID-19 outbreak. As on 30.11.2020, 156 claims have been paid.

11.2 Atma Nirbhar Bharat Abhiyaan

Hon'ble Prime Minister announced a Special economic and comprehensive package of Rs.20 lakh crore - equivalent to 10% of India's GDP on 12th May, 2020. Following significant Agriculture-related measures were announced as part of the ANB package.

11.2.1 Emergency Credit Line Guarantee Scheme (ECLGS)

As part of the Aatma Nirbhar Bharat Abhiyaan and as a specific response to the COVID pandemic, the Union Cabinet in its meeting on 20.05.2020 had approved Emergency Credit Line Guarantee Scheme (hereinafter referred to as ECLGS 1.0) to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their business in the context of the disruption caused by the COVID-19 pandemic. The Scheme was launched on 23.05.2020.

ECLGS 1.0 - The ECLGS 1.0, provided a fully guaranteed and collateral free Guaranteed Emergency Credit Line (GECL) for eligible MSME units, business enterprises, individual loans for business purposes and interested MUDRA borrowers, which were less than or equal to 60 days past due as on 29.02.2020, up to 20 per cent of their entire outstanding credit as on 29.02.2020 through the Member Lending Institutions (MLIs), consisting of Scheduled Commercial Banks (SCBs), Financial Institutions (FIs) and NBFCs. All entities with outstanding credit of up to Rs.50 crore as on 29.02.2020 were eligible under the Scheme and the 100 per cent credit guarantee for credit extended under the Scheme is being provided by NCGTC. The loans provided under ECLGS 1.0 will have a 4-year tenor, with a 12-month moratorium on repayment of principal. Interest rates under the Scheme are capped at 9.25% for banks & FIs and at 14% for NBFCs.

ECLGS 2.0 - The Scheme has been extended through ECLGS 2.0 for the 26 sectors identified by the Kamath Committee and the health care sector. Entities with outstanding credit above Rs.50 crore and not exceeding Rs.500 crore as on 29.02.2020, which were less than or equal to 30 days past due as on 29.02.2020 are eligible under ECLGS 2.0. The eligible entities/ borrower accounts shall be eligible for additional funding up to 20 per cent (which could be fund based or non-fund based or both) of their entire outstanding credit (fund based only) as a collateral free Guaranteed Emergency Credit Line (GECL), which would be fully guaranteed by NCGTC. The loans provided under ECLGS 2.0 will have a 5-year tenor, with a 12-month moratorium on repayment of principal.

The scheme is valid till 31.03.2021 or till guarantees for an amount of Rs.3,00,000 crore is sanctioned under the GECL (taking into account both ECLGS 1.0 and 2.0), whichever is earlier. The Scheme seeks to help the eligible entities tide over the crisis caused by the Covid-19 pandemic and meet their operational liabilities. As reported by 12 Public Sector Banks, top 23 Private Sector Banks and 31 NBFCs, as on 1st January 2021, additional credit amounting to Rs.2.11 lakh crore has been sanctioned to over 87.16 lakh borrowers under ECLGS.

11.2.2 Partial Credit Guarantee Scheme

Rs.45,000 crore Partial Credit Guarantee Scheme (PCGS) 2.0 for NBFCs/HFCs/MFIs- Under Partial Credit Guarantee Scheme (PCGS) 1.0**,** approval was granted, in principle, on the recommendation of SIDBI for purchase of pool of assets of Rs.520.64 crore. Operational guidelines for **PCGS 2.0** were issued on 20.05.2020, extending the benefit to cover purchase of Bonds/Commercial Papers by PSBs from the NBFCs/ HFCs/MFIs. The revised guidelines issued on 17.08.2020 allowed additional 3 months till 19.11.2020 for building portfolios and increase ceilings for AA/AA- rated bonds from 25% to 50% of the total portfolio, to ensure availability of additional liquidity in the economy. The timeline for purchase of bonds or CPs was further extended up to 31.12.2020. A budgetary provision of Rs.500 crore made in the first supplementary demands for grants for 2020-21. As reported by Public Sector Banks, banks have approved purchase of portfolio of bonds/CPs under extended PCGS of Rs.23,242 crore (Provisional).

11.2.3 Rs.1500 crore Interest Subvention for MUDRA-Shishu Loans –

As approved earlier, 2% Interest Subvention for prompt payees of Mudra-Shishu Loans for a period of 12 months will be provided by the Government to eligible borrowers. An amount of Rs.775 crore has been released additionally to SIDBI as part of first tranche for immediate release of interest subvention benefit to the Member Lending Institutions (MLIs). An amount of Rs.1,232 crore has been allocated in the first Supplementary Demands for Grants. As on 01.01.2021, more than Rs.250 crore has been disbursed by SIDBI to MLIs for onward credit of subvention amount into the accounts of the borrowers.

*11.2.*4 Rs.30,000 crore Additional Emergency Working Capital Funding for farmers through NABARD

- New front loaded special refinance facility of Rs.30,000 crore sanctioned by NABARD during COVID-19 to RRBs and Cooperative Banks.
- This is over and above Rs.90,000 crore to be provided by NABARD through the normal refinance route during this year.
- As on 11.12.2020, Rs.25,000 crore has been disbursed out of this special facility.

- Balance amount of Rs.5000 crore under SLF allocated to NABARD by RBI for smaller NBFCFCs and NBFC-MFI out of which Rs.650 crore has been disbursed by NABARD till 01.01.2021.

11.2.5 Rs.2 lakh crore credit boost to the farm sector by covering 2.5 crore PM- KISAN beneficiaries under Kisan Credit Card Scheme

As on 01.01.2021, a total number of 179.06 lakh KCC with KCC limit of Rs.1.65 lakh crore has been sanctioned under a special drive to saturate the farmers including KCC beneficiaries, dairy & fisheries farmers under the KCC scheme.

11.2.6 The **PM Street Vendor's Atmanirbhar Nidhi Scheme (PM SVANIDHI),** a Central Sector Scheme fully funded by MoHUA, provides a Special Micro-Credit facility as a working capital loan of up to Rs.10,000 to eligible urban street vendors. As on 31.12.2020, a total of 25,33,874 applications have been received by Banks, out of which 16,83,911 have been sanctioned. Further, credit against 12,28,497 applications has been disbursed.

11.2.7 Agricultural Infra Fund (AIF)

A new Agriculture Infrastructure Fund (AIF), with targeted lending of Rs.1 lakh crore by banks and Financial Institutions from 2020-21 to 2023-24 has been launched by D/o Agriculture Cooperation and Farmers Welfare (DAC&FW) to mobilize medium to long term debt financing facility for investment in viable projects relating to post-harvest management infrastructure and community farming assets. The scheme is available for FPOs, JLGs, SHGs, PACS, Agri-entrepreneurs, Start-up, etc. with the facility of 3% interest subvention for loan upto Rs.2 crore. Operational guidelines have been issued and MoUs with Banks have been signed by DAC&FW and they are in readiness to provide credit to all eligible entities.

11.2.8 Animal Husbandry Infrastructure Development Fund (AHIDF)

A special fund namely the Animal Husbandry Infrastructure Development Fund (AHIDF), with targeted lending of Rs.15,000 crore from 2020-21 to 2022-23 by banks has been launched by D/o Animal Husbandry and Dairying (DAHD). The scheme with the facility of 3% interest subvention for all eligible entities aims at incentivising investments by individual entrepreneurs, private companies and FPOs to establish (i) the dairy processing and product diversification infrastructure, (ii) meat processing and product diversification infrastructure and (iii) Animal Feed Plant. Operational guidelines for the scheme issued by DAHD have been shared with all banks and NABARD.

11.2.9 PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME)

A Centrally Sponsored Scheme namely has been launched by M/o Food Processing Industries (MoFPI) to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises. The scheme envisages an outlay of Rs.10,000 crore over a period of five years from 2020-21 to 2024-25 under which 2,00,000 micro food processing units will be directly assisted with credit-linked subsidy. It aims to provide capital subsidy @35% of the eligible project cost, with a maximum ceiling of Rs.10.0 lakh per unit for Individual micro food processing units, SHGs, etc. Operational guidelines for the scheme issued by MoFPI have been shared with all banks and NABARD and they are in readiness to provide credit to all eligible entities.

12. Miscellaneous

12.1 Representations from SCs, STs, OBCs and PWDs.

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

12.2 Disposal of Public Grievances

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. 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. To ensure that individual grievances are resolved within a maximum time limit of 60 days and the petitioners are informed of the action taken, necessary instructions have been issued to PSBs and Insurance Companies.

In the 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 60 days. All organisations under DFS have made efforts to maximise the use of technology for reducing the grievance redressal time to one month from the existing two months. 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 as pdf file that can be viewed by the complainant online. Replies through post are also sent to those complainants who have lodged their grievances physically.

Banks and Insurance Companies have grievance redressal mechanism in place and are also hosted on their respective websites for information and usage by the customers. 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 (IRDA) respectively. RBI has set up 21 Banking Ombudsmen across the country under Banking Ombudsmen Scheme 2006 and also set up 22 Ombudsman for Digital Transactions. Similarly, there are 17 Insurance Ombudsmen set up by IRDA. The PSBs have also established Ombudsman for settlement of grievances.

Grievances received from PMO are attended promptly and present status is being uploaded on portal by concerned Banks/ Insurance companies. Most of the grievances are related to issues related to ATM, Pension, Loan Applications, Bank transactions and fraud cases. As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2020 to 30.11.2020 in the banking and insurance sectors are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2020	% of Disposal as on 30.11.2020	Less than 60 days old	More than 60 days old
Banking	6353	120248	114550	12051	90.48%	11388	663
Insurance	271	12972	12394	849	93.59%	816	33
Total	**6624**	**133220**	**126944**	**12900**	**90.76%**	**12204**	**996**

Status of public grievances on PG Portal for the period 01.04.2020 to 30.11.2020:

Total Grievances received	Grievances Disposed Of	Balance	% of disposal as on	Average time of disposal
139844	126944	12900	90.76	16 days

Status of public grievances for the period 01/04/2020 to 30/11/2020 relating to social security schemes launched by the Government:

Name of the scheme	Total Grievance	Grievance disposed	Grievance pending	% of disposal
Atal Pension Yojana	56	48	8	85.71
Pradhanmantri Jan Dhan Yojana	1078	1013	65	93.71
Pradhan Mantri Mudra Yojna	1865	1644	221	88.15
Pradhan Mantri Suraksha Bima Yojana	193	155	38	80.31
Pradhan Mantri Jeevan Jyoti Bima Yojna	252	208	44	82.54

Status of public grievances received from PMO for the period 01.04.2020 to 30.11.2020:

Name of the Sector	Total Grievances	Grievances disposed	Grievances pending	% of disposal
Banking	50220	45970	4250	91.54
Insurance	4809	4448	361	92.49

As per CPGRAMS database, the details of receipt, disposal and pending grievances during the period 01.04.2020 to 30.11.2020 in respect of banking and insurance sectors for Covid-19 grievances are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2020	% of Disposal as on 30.11.2020	Less than 60 days old	More than 60 days old
Banking	54	12622	12460	216	98.30%	213	3
Insurance	8	936	927	17	98.20%	17	0
Total	**62**	**13558**	**13387**	**233**	**98.29%**	**230**	**3**

12.3 Vigilance

12.3.1 Organisations under Vigilance Section

(a) 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 has been sanctioned four posts of judges. To support their day to day functioning, the office of the Special Court functions with a staff of 49 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 15th January, 2021, a total number of pending matters in the Special Court is 128 which includes, Suits and Special Cases (Criminal).

(b) Office of the Custodian

To assist the Custodian in discharging the duties under the Special Court (TORTS) Act, 1992, at present there are three offices — with headquarters at New Delhi, office at Mumbai mainly attending to the Court matters on day to day basis and third one at Bangalore mainly to deal with matter relating to Fairgrowth Financial Services Ltd (FFSL) and Fair Growth Investment Ltd (FGIL), Bangalore based notified firms. Office of the Custodian has been sanctioned 29 posts including Custodian and two posts of Directors. These are renewed on a year-to-year basis by Ministry of Finance, DFS with the approval of Integrated Finance Unit (IFU).

Since inception, a total of 13375 cases were filed in the Special Court, which were defended/contested by the Custodian and 13262 cases have been disposed of by the Special Court, leaving a balance of 113 cases for their disposal as on 31st October, 2020. Similarly, a total of 509 appeals were filed in the Supreme Court, of which 471 cases have been disposed of, leaving 38 cases pending (31st October, 2020). As on 30th October, 2020, while the total outstanding liabilities of notified parties were for Rs.37,367 crore, the assets were only to the tune of Rs.4532 crore, out of which Rs.1118 crores are non-recoverable assets. Till 30th October, 2020, Rs.9,837 crore (approx.) has been recovered by the Custodian and out of these assets, Rs.6,423 crore in cash has been distributed to Income Tax Department, Banks etc.

Out of a total of 23.60 crore attached shares, 16.51 crore shares have been sold and a sum of Rs.3,351.32 crore realized. Out of the remaining 7.09 crore shares with current value of Rs.2009 crore, 5.56 crore are traded shares and 1.53 crore are untraded shares. A total of 177 immovable properties of notified parties had been attached by the Custodian, out of which, 148 have been sold/disposed to realize a value of Rs.173 crore. A sum of Rs.6.49 crore has been realized by sale of jewellery items through Customs department / SBI. Cash balance in the attached current accounts and fixed deposits of notified parties as on 30th October, 2020 is Rs.1335.25 crore.

12.3.2. Performance

(1) 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 meeting with CVOs is undertaken in this Department at appropriate intervals.

(2) During the period of 01.01.2020 to 31.12.2020 a total number of six (6) Additional Chief Vigilance Officers (CVOs) have been appointed in State Bank of India.

(3) 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.

(4) Vigilance Awareness Week was observed from 27.10.2020 to 02.11.2020.

12.4 Information Technology

The initiatives under 2020-21 for the Department of Financial Services are as below:

(1) Preparation and Implementation of Cyber Crisis Management Plan.

(2) Training programs for creating awareness about Cyber Security amongst officers and staff of DFS.

(3) Notification was issued for declaring information / structure of RTGS, NEFT and e-Kuber of RBI as Critical Information Infrastructure.

12.5 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 Tribess and Other Backward Classes up to 30.11.2020

Data source - Public Sector Banks/Public Finance Institutions/Public Sector Insurance Companies/RBI/PFRDA/IRDAI

Sl. No.	Group	Number of Employees (as on 31.12.2019)					Number of appointments/promotions made during the calender year 2020 (i.e. 01.01.2020 to 30.11.2020)															
							Appointment by Direct Recruitment					Appointment by Promotion					Appointment by Other Methods				
		Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1	Group-A	446961	81190	36063	95118	150	8410	1203	522	2179	268	25869	5986	2642	7891	0	494	79	44	132	0
2	Group-B	26607	4080	1671	4720	236	82	13	6	12	2	39	8	5	10	0	6	2	0	0	0
3	Group-C	341166	62206	27057	74632	0	20542	2918	1337	5327	1259	7516	2115	641	1588	0	397	112	32	65	0
4	Group-D (Excluding Safai Karamchari)	101782	29191	7184	23100	1	309	58	9	100	11	988	239	31	217	0	151	55	19	32	0
5	Group-D (Safai	45965	19317	3071	9541	1	662	196	23	186	20	0	0	0	0	0	95	51	7	12	0
	Total	962481	195984	75046	207111	388	30005	4388	1897	7804	1560	34412	8348	3319	9706	0	1143	299	102	241	0

Annexure II

Group-wise representation of Persons With Disabilities upto 30.11.2020

Data source - Public Sector Banks/Public Finance Institutions/Public Sector Insurance Companies/RBI/PFRDA/IRDAI

Sl. No.	Name of the organization	Number of Employees (as on 31.12.2019)					Number of appointments/promotions made during the calender year 2020 (i.e. 01.01.2020 to 30.11.2020)																		
							Appointment by Direct Recruitment									Appointment by Promotion									
							No. of vacancies				No. of appointments made					No. of vacancies				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	25
1	Group-A	374838	2283	816	6497	15	75	170	94	68	1742	70	38	82	8	19	31	34	5	9353	215	53	459	1
2	Group-B	25905	4	0	31	1	1	2	2	0	3	1	1	1	0	0	0	0	0	732	2	1	9	0
3	Group-C	289871	2203	1037	4874	38	198	145	230	104	2145	249	39	175	9	64	17	73	0	2991	41	17	88	0
4	Group-D (Excluding Safai Karamchari)	92736	222	237	993	6	1	1	1	1	36	1	0	4	0	0	0	0	0	963	0	0	0	0
5	Group-D (Safai Karamcharies)	36716	101	148	546	4	0	0	0	0	26	0	1	6	0	0	0	0	0	0	0	0	0	0
	Total	820066	4813	2238	12941	64	275	318	327	173	3952	321	79	268	17	83	48	107	5	14039	258	71	556	1

Annexure III

Department of Financial Services

Summary of Audit Observations pertaining to DFS (As on 20.1.2021)

S.N.	Year	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Para/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 PAC
1.	2020-21	-	7	Nil	Nil

- 7 paras relate to Report No. 13 of 2020 (Performance Audit on 'National Pension System') has been tabled in the Parliament on 23.9.2020.

S.N.	Year	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Para/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 PAC
1.	2013-14	Nil	Nil	3	Nil
2..	2014-15	1	Nil	1	Nil
3.	2015-16	4	Nil	1	Nil
4.	2016-17	4	1	5	Nil
5.	2017-18	1	Nil	1	Nil
6.	2018-19	3	2	4	Nil
7.	2019-20	3	Nil	Nil	Nil

Organisational Chart of Department of Financial Services

As on 20.01.2021