

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2020
ANSWERED ON:09.03.2001
PROFIT OF SBI
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether the net profit of the State Bank of India has dropped 45.06% to the tune of Rs.220.05 crore during the third quarter of the year ending on December 31, 2000;
- (b) if so, the reasons for this steep decline; and
- (c) the steps taken by the Government to improve the performance of this bank ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a):- Yes Sir.

(b):- State Bank of India (SBI) has reported that the decline in net profit in the third quarter ended 31st December, 2000 was due to facts that (a) the entire issue expenses of India Millennium Deposits (IMD) amounting to Rs.462 crores were provided in the third quarter of the year 2000-01 and (b) interest income on non-performing securities guaranteed by the State Governments for the period from 1st April, 2000 to 31st March, 2001 amounting to Rs.99 crores, has been de-recognised in accordance with revised RBI instructions.

(c):- SBI has further reported that its net profit for the quarter ended 31st December, 2000 would have been Rs.562 crores, recording an increase of 40 percent over the net profit for the quarter ended 31st December, 1999, if the after tax impact of the two items stated above are excluded.