

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2035
ANSWERED ON:09.03.2001
RESTRUCTURING DENA BANK
DUMPA MARY VIJAYAKUMARI;SUKENDER REDDY GUTHA

Will the Minister of FINANCE be pleased to state:

- (a) whether Dena Bank has gone in the list of banks incurring losses;
- (b) if so, the comparative figures of loss/profit of first three quarters of current financial years of the Bank;
- (c) the reasons for deteriorating conditions of the bank; and
- (d) the restructuring plans proposed to improve the capital support needed to assist Dena Bank which is running in losses; and
- (e) the other steps taken to improve the working of the bank ?

Answer

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

(a):- No, Sir.

(b):- Dena Bank has reported net profit of Rs.71.43 crores and Rs.6.59 crores for the three quarters ending 30th December, 1999 and 30th December 2000, respectively.

(c), (d)&(e):- The Non Performing Assets (NPA) of Dena Bank have increased resulting in decline in average yield on advances and higher provisioning requirements. The Bank has taken steps to improve its performance by closely monitoring the NPA accounts, settling maximum number of cases under one-time settlement scheme of Reserve Bank of India, reducing its expenses, mobilizing low cost deposits, stepping up recoveries in written off accounts, improvement in funds management system and increase in fee based business.