

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4923
ANSWERED ON:20.12.2002
BANK LOSSES
MANSUKHBHAID. VASAVA;RATNA SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the names of the public sector banks running in losses alongwith the loss suffered by them during the fast three years, bankwise;
- (b) the names of the banks which earned profits during the last three years along with the profit earned by them, bankwise;
- (c) whether the loss suffered by these banks is attributed to wasteful expenditure and corruption; and
- (d) if so, the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

- (a) and (b) The details of losses suffered and profits made by the public sector banks during the last three years, bank-wise, is given in the Statement enclosed.
- (c) No, Sir. The introduction of prudential norms on income recognition, asset classification and provisioning, high operating expenses without commensurate increase in non-operative income and large expenditure on account of Voluntary Retirement Scheme were the main reason for loss suffered by the two banks during 2000-2001.
- (d) The public sector banks have been advised to take steps to improve their performance and profitability by rationalization of branch network, abolition of zonal offices, reduction of non-performing assets, lowering of cost of deposits and increase in efficiency and productivity etc.