

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3544  
ANSWERED ON:07.09.2007  
SINGLE BANKING SYSTEM  
Hussain Shri Syed Shahnawaz

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has constituted any commission or committee for adopting single banking system;
- (b) if so, the details thereof; and
- (c) the steps being taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : No, Sir. Government has not constituted any such commission or committee for adopting single banking system. However, to improve the health of the banking sector in India, in general, and that of Public Sector Banks (PSBs), in particular, and also to bring it at par with international standards, the Reserve Bank of India has prescribed measures for strengthening of risk based prudential supervision, introduction of capital adequacy standards on the lines of the Basel Committee norms, etc. coupled with wide ranging steps undertaken by the Government. After initiation of reforms in early 1990s, financial performance of the banking sector has improved significantly. Balance sheet and profitability indicators viz. Return on Assets, Net Interest Margin, Non-Performing Assets (NPA) Ratios, Provisioning and Classification norms for NPAs, Capital Adequacy Ratio etc. suggest that the Indian banking sector now compares well with global benchmarks.