

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3747
ANSWERED ON:11.12.2009
FUNCTIONING OF BANKS
Agarwal Shri Jai Prakash

Will the Minister of FINANCE be pleased to state:

- (a) whether the functioning of the Public Sector Banks (PSBs) is reviewed extensively in the country from time to time;
- (b) if so, the details thereof;
- (c) whether beneficiaries under various rural development programmes including BPL people in various States have been deprived of loan facilities;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the remedial steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance(Shri Namo Narain Meena)

(a) & (b): The Government has put in place a mechanism to monitor the overall performance of Public Sector Banks (PSB) on the basis of the `Statement of Intent on Annual Goals (SOI)` submitted by them on various performance parameters such as growth in deposits and advances, advances to priority sector, Non-Performing Asset (NPA) Ratios, Capital Adequacy Ratio, Net Interest Margin, Return on Assets, net profit, etc. The performance of the PSBs is monitored at regular intervals and these banks are appropriately advised whenever and wherever required.

(c) to (e): No specific report has been received by the Government from any beneficiary, eligible for getting benefits under various rural development programmes of the Government. The lending institutions, in general and PSBs in particular, have a robust internal grievance redressal mechanism including that for the beneficiaries under various rural development programmes including BPL people in various States, etc. Various instructions have been issued to banks from time to time in this regard. Further, as and when any such issue comes to the notice of the Government, the matter is taken up with the concerned PSB for appropriate remedial and corrective action.