

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2684
ANSWERED ON:04.12.2009
PROFIT AND LOSS OF FINANCIAL INSTITUTIONS
Reddy Shri Anantha Venkatarami

Will the Minister of FINANCE be pleased to state:

- (a) the details of profit and loss of Industrial Development Bank of India (IDBI), Industrial Financial Corporation of India (IFCI), Small Industries Development Bank of India (SIDBI) and Nationalised Banks during the last three years;
- (b) the Capital Adequacy Ratio and share holding pattern of each of these financial institutions / nationalised banks during the last three years; and
- (c) the steps taken by the Government to improve the functioning and profitability of these financial institutions?

Answer

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

(a) & (b) : The details of profit and loss and Capital Adequacy Ratio (CAR) of Industrial Development Bank of India (IDBI), Industrial Financial Corporation of India (IFCI), Small Industries Development Bank of India (SIDBI) and Nationalised banks are given as under-

(Amount in Rs. crore)

Institutions	Items	2006-07	2007-08	2008-09
--------------	-------	---------	---------	---------

IDBI	Profit	630	730	859
	CAR	13.70%	11.95%	11.57%

IFCI	Profit	898	1021	657
	CAR	-ve	17.4%	19.7%

SIDBI	Profit	298	198	299
	CAR	37.5%	41.8%	34.2%

Nationalised banks	Profit	12,958	17,200	20,960
	CAR	12.37%	12.13%	12.07%

The details of shareholding pattern of these institutions/nationalised banks are in Annex.

(c): To improve the health of the banking sector in India in general, and that of public sector banks (PSBs) and financial institutions (FIs) in particular, and also to bring it at par with international standards, the Reserve Bank of India (RBI) has, inter-alia, prescribed measures for strengthening of risk based prudential supervision and capital adequacy standards on the lines of the Basel Committee norms. Further, to facilitate quick and efficient decision-making and to provide sufficient managerial autonomy to the Boards of public sector banks to be able to compete internationally, Government announced an Autonomy Package in February, 2005 for these banks. The Government has also put in place a mechanism to monitor the overall performance of PSBs/FIs on the basis of the 'Statement of Intent on Annual Goals (SOI)' submitted by them on various performance parameters. Various balance sheet and profitability indicators viz. Return on Asset, Net Interest Margin, Non-Performing Assets (NPAs) Ratios, Provisioning and Classification norms for NPAs, Capital Adequacy Ratio etc. suggest that the Indian banking sector now compares well with the global benchmarks.