

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1849
ANSWERED ON:02.12.2011
WORKING OF BANKS
Sidhu Shri Navjot Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has directed Public Sector Banks (PSBs) to revamp their working style in order to improve their efficiency;
- (b) if so, the details thereof; and
- (c) the steps taken / being taken by the Government to inject more funds in various PSBs in the current financial year

Answer

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

(a) & (b): Banks are guided by their Board driven policies to improve their productivity and efficiency while expanding their business. Reserve Bank of India (RBI), as the-regulator and supervisor of the banking sector, carries out inspections and constantly monitors the financial soundness indicators of the banks to ensure that banking sector is healthy and productive. The banks have an association called Indian Banks' Association which seeks to promote and develop in India sound and progressive banking principles, practices and conventions. In addition to this, the Government as the majority shareholder of Public Sector Banks (PSBs), has recently prepared a roadmap for improving productivity of the PSBs.

(c): Government has made a provision in the Union budget for the year 2011-12 for injecting capital funds in PSBs.