

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3245  
ANSWERED ON:12.12.2014  
FINANCIAL CONDITION OF BANKS  
Ahlawat Smt. Santosh

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

- (a) whether the financial condition of Public Sector Banks (PSBs) has deteriorated over the years;
- (b) if so, the details thereof during the last three years and current year, bank-wise along with the reasons therefor; and
- (c) the measures taken by the Government in this regard?

**Answer**

Minister of State in the Ministry of Finance ( SHRI JAYANT SINHA )

(a) & (b): All Public Sector Banks (PSBs) are profit making banks except United Bank of India and Central Bank of India who suffered loss during financial year 2013-14 due to higher provisioning required under regulatory provision. However, both of these banks are also showing sign of turnaround as per the half yearly results ending September, 2014. The key financial indicators of PSBs during the last three years are at Annex.

(c): The banks have been advised to meticulously follow the latest guidelines issued by Reserve Bank of India on "Framework for Revitalising Distressed Assets in the Economy" on 26th February, 2014 whereby the accounts should be identified and monitored for incipient stress even before it becomes Non-Performing Assets (NPAs). The accounts will be brought under structured monitoring within 30 days of stress being observed by the Bank.

RBI has also taken steps to strengthen the information sharing mechanism among lenders by making it compulsory for banks to receive / share information on borrowers before sanctioning of loans.

The banks have been asked to focus on data purification so that income leakages etc. can be plugged effectively. Emphasis has been placed in achieving higher efficiency by stipulating challenging levels of cost of deposits, return on assets, Current Account and Saving Account ratios, recovery of loss / written off assets through mutually agreed annual "Statement of Intent".