

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:342

ANSWERED ON:16.12.2005

CUSTOMER SERVICES

Barq Shri Shafiqur Rahman;Singh Shri Chandra Bhushan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to start 12 hours banking service in urban areas by public sector banks in the country;
- (b) if so, the details thereof;
- (c) whether the branches in urban areas have been identified for such service;
- (d) if so, the details in this regard, bank-wise;
- (e) the time by which the new system will be made operational; and
- (f) the other steps taken by the Government to compete with the private/foreign banks?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. 342 FOR 16th DECEMBER, 2005 REGARDING CUSTOMER SERVICES TABLED BY DR. SHAFIQR RAHMAN BARQ AND SHRI CHANDRA BHUSHAN SINGH.

(a) to (e) Public Sector Banks enjoy managerial autonomy which, inter-alia, permits them to fix timings for branches to be open. It is upto the banks to introduce 12 hours banking services in urban areas & identify branches for the purpose. To provide convenient and competitive services to their customers, some Public Sector Banks (PSBs) have introduced banking services from 8 A.M. to 8 P.M.

(f) To improve the health of banking sector in India and to bring it at par with the international standards, the Reserve Bank of India has prescribed measures for strengthening of prudential supervision coupled with wide ranging steps undertaken by the Government. After initiation of reforms in early 1990s, financial performance of the banking sector in general and public sector banks in particular, has improved significantly. Balance sheet and profitability indicators viz. Return on Assets, Net Interest Margin, NPA Ratios, Provisioning, and Classification norms for NPAs, Capital Adequacy Ratio etc. suggest that the Indian banking sector now compares well with global benchmarks. To facilitate quick and efficient decision-making and to provide Bank Boards sufficient managerial autonomy to be able to compete internationally, Govt has announced an Autonomy Package on 22.02.2005 for the public sector banks.