

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3434  
ANSWERED ON:15.12.2006  
MONITORING MECHANISM FOR BANKS  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has established a monitoring mechanism to monitor the functioning of banks in February, 2006;
- (b) if so, the details thereof;
- (c) the number of cases detected by this monitoring mechanism; and
- (d) the outcome of action taken by the Government thereon?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) : The Government of India has put in place a mechanism to monitor the overall performance of all Public Sector Banks on the basis of the `Statement of Intent on Annual Goals (SOI)` submitted by them on various performance parameters including deposits, advances, non-performing assets (NPAs),. cost to income ratio, profit, etc.

(c) & (d) The performance of each public sector bank vis-a-vis the annual goals outlined in its SOI is reviewed on a periodic basis and appropriate directions are issued to the banks, wherever required.