

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1794
ANSWERED ON:23.03.2012
PROFITS PROJECTION OF PSU/BANKS
Singh Shri Uma Shanaker

Will the Minister of FINANCE be pleased to state:

- (a) whether public sector undertakings bank are reported to be projecting their annual profits in an exaggerated manner;
- (b) if so, the details thereof;
- (c) whether Reserve Bank of India (RBI) has issued any guidelines in this regard;
- (d) if so, the details thereof and the status of its compliance;
- (e) whether the Government is taking or propose to take any concrete steps in this direction;
- (f) if so, the details thereof; and
- (g) the State-wise details of the banks found to be violating the said guidelines and the action taken against them?

Answer

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

(a) & (b): The accounts for the current year are yet to be finalized. Moreover, the public sector banks are subject to audit and the profit shown after audit is expected to reflect true and correct figures of profit.

(c) to (g): Reserve Bank of India (RBI) has issued guidelines dated 06.02.1992 on preparation of annual statements and Master circular dated 01.07.2011 on Disclosure in Financial Statements - Notes to Accounts. These guidelines are available on the website of RBI i.e. www.rbi.org.in. RBI, being a regulator, monitors the implementation of these guidelines and takes all necessary steps in this regard. Public Sector Banks have their presence in all the states, in India. RBI takes action against the banks, if found to be violating the said guidelines.