

of Kerala has recorded growth in business during the past 3 years and the same is indicated in the Table below:

(Rs. in crores)

Year	Deposits	Advances	Credit Deposit Ratio (%)
December '87	572	324	56.6
March '89	689	457	66.3
March '90	815	581	71.3

Manipulation of Balance Sheets by Banks

5109. SHRI MULLAPPALLY RAMACHANDRAN:

DR. SUDHIR RAY:

SHRI RAM BAHADUR SINGH:

SHRI HET RAM:

SHRI Y. S. RAJA SEKHAR REDDY:

SHRI MADAN LAL KHURANA:

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news item captioned "Banks cook up balance-sheet" appearing in the 'Hindustan Times' of 9 August, 1990 wherein it has been stated that a large number of managements of the public sector banks have manipulated their balance sheets to show profits in 1989-90;

(b) if so, the details of such banks;

(c) the action taken to deal suitably with the auditors for giving wrong reports;

(d) the reasons for incurring heavy losses by the banks; and

(e) the steps taken to assess/review the working of the public sector

banks and to tone up their working/administration to safeguard the interests of the account-holders/people?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (d) Government have seen the news item captioned "Banks cook up balance sheet" which appeared in 'Hindustan Times' of 9th August, 1990. The public sector banks are required to prepare their Balance Sheets and Profit & Loss Accounts in the formats prescribed in the Third Schedule of the Banking Regulation Act, 1949. In terms of the statutes governing these banks, their annual accounts viz. Balance Sheets and Profit & Loss Accounts are required to be audited by a person qualified to act as an auditor of a company under the Companies Act, 1956. The auditor, in his report to the Central Government certifies that, in his opinion, the Balance Sheet is a full and fair balance sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the affairs of the concerned bank and that wherever any explanation or information is called for, the same has been furnished and considered to be satisfactory.

For the year 1989-90, out of the 28 public sector banks, 27 banks have finalised their accounts. 26 banks have made a profit of Rs. 367 crores. One bank is yet to finalise its accounts for the year 1989-90. One bank, viz New Bank of India, had earlier

finalised its accounts for the year 1989-90. However, it was noticed that an item of expenditure was erroneously classified which distorted the profit figure arrived at earlier by the bank. The bank has since redrawn its Balance Sheet and Profit & Loss Account for the year 1989-90 which reflect a loss of Rs. 9.89 crores. The bank has initiated disciplinary action against certain officials responsible for the accounting lapse. Reserve Bank of India has also been advised to examine whether there has been any laxity on the part of auditors who audited the accounts of New Bank of India and to take appropriate action in this behalf.

(e) Various steps have been taken by Government and Reserve Bank of India to improve the profit earning capacity of the banks through strategies for raising business levels, exploring new avenues of profits and effective containment of expenses. RBI periodically reviews the position of banks in respect of solvency, liquidity, operational efficiency and profitability.

Export of Milk Powder

5110. SHRI MULI APPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government propose to increase the export of milk powder;

(b) if so, the quantity of milk powder exported during the last three years, year-wise and the targets for the current year; and

(c) whether Government propose to barter milk powder for vegetable oils?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) and (b) Export of Milk Powder was banned until 1-4-90 on which date it was placed on the "Exports on Merits" list of the Import & Export Policy. Thereafter, on 10-8-90, exports of milk powder have been canalised through National Dairy Development Board (NDDB).

(c) No, Sir. There is a proposal to finance NDDB's requirement of imported palmolein through exports of milk products.

Regional Rural Banks in Karnataka

5111. SHRI SRIKANTHA DATTA NARASIMHA RAJA WADIYAR: Will the Minister of FINANCE be pleased to state:

(a) the main objectives of regional rural banks (RRB);

(b) the names of RRBs working in Karnataka at present; and

(c) the role played by RRBs in the development of rural economy in Karnataka during the Seventh Five Year Plan period?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The main objectives of Regional Rural Banks are to make institutional credit easily available to weaker sections of society and to mobilise and channelise rural savings for supporting productive activities in rural areas.

(b) The following 13 Regional Rural Banks are functioning in Karnataka at present:—

1. Tungabhadra Gramin Bank.
2. Malaprabha Gramin Bank.
3. Cauvery Gramin Bank.
4. Krishna Gramin Bank.
5. Chitradurga Gramin Bank.
6. Kalpatharu Gramin Bank.
7. Kolar Gramin Bank.
8. Bijapur Gramin Bank.
9. Chickmagalur-Kodagu Gramin Bank.
10. Sahyadri Gramin Bank.