

The States have not become so delinquent.

SHRIMATI BASAVARAJESWARI : Has any of the State Governments (*Interruptions*) made proposals before the Central Government to relax such conditions in view of the acute drought and flood situations prevailing during this period ?

SHRI B.K. GADHVI : Yes; the State Governments of Karnataka, U.P. and other States also are requesting that we should review the policy, and that we should give them more flexibility. But this policy was adopted with a view to have a better fiscal management in the States; and, therefore, their ways and means limit has also been increased, and other help is also being given. Therefore, although the State Governments had made this request in the past, that request was not acceded to by the Government of India.

SHRI S. JAIPAL REDDY : The Centre has imposed strict fiscal discipline on the States in respect of overdrafts. I would like to know what are the corresponding fiscal steps taken by the Central Government in regard to its own deficit financing which is growing by leaps and bounds with each passing month and year ?

SHRI B.K. GADHVI : As I have already stated, Reserve Bank has twice revised the ways and means limit. At the same time, because of our better tax collections, the States' share has also increased. At the same time, whenever States have come into difficulties, we have given loans, and we have also re-phased the instalments which were due... (*Interruptions*)

SHRI S. JAIPAL REDDY : I seek your intervention; I seek your protection, Sir. The Minister cannot give any answer of his choice. His answer must be related to the question. I would request the Speaker to say whether the answer is relevant to my question at all. (*Interruptions*)

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : I am very thankful to the hon. Member for his very distinguished support for having fiscal discipline at the Centre also. I may assure him that we will take, and we are taking all possible steps to maintain fiscal discipline. (*Interruptions*)

SHRI S. JAIPAL REDDY : What are the steps ? Sir, you had allowed me to put this supplementary. (*Interruption*)

SHRI BASUDEB / CHARIA : He has evaded.

MR. SPEAKER : I have allowed you, Mr. Reddy. You can ask a separate question; I will allow you.

SHRI S. JAIPAL REDDY : You have allowed me to put a supplementary.

SHRI B.K. GADHVI : I have already answered his supplementary. He cannot force me to answer in a particular way.

#### Deposits in Nationalised Banks

\*106. SHRI K. RAMAMURTHY : Will the Minister of FINANCE be pleased to state :

(a) whether there is decline in the growth of deposits in nationalised banks during 1986; if so, the reasons therefor; and

(b) the net profit of nationalised banks as a ratio of working funds as compared to other core public sector industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). A Statement is given below.

#### Statement

According to the information furnished by Reserve Bank of India, the aggregate deposits of 28 public sector banks registered a growth of Rs. 14818 crores in 1986 as against a growth of Rs. 12690 crores for 1985.

The published profits of 28 public sector banks in 1986 were 0.15% of their working funds. The net profits in public sector undertakings for the year 1985-86 were 2.78% of capital deployed.

While in the case of banks the ratio is worked out on the basis of published profits to working funds, in the case of public sector undertakings, whose working is quite different from those of banks, net profit is related to capital deployed. It is, therefore, not possible to attempt any meaningful

comparison between the profitability of public sector banks and other public sector undertakings.

**SHRI K. RAMAMURTHY :** I am very fortunate in having this question for discussion in this House, because every time any question pertaining to banking comes up, it goes out under the cover of the secrecy clause of the Banking Companies' Act.

In his answer, the hon. Minister has stated that there is a steady growth—viz. Rs. 14,818 crores in 1986 compared with Rs. 12,690 crores in 1985. In view of the present trend in this country, I do not think any individual, or any same person will deposit his amounts in the bank, because of the meagre interest rates. Public limited companies, and the public undertakings are offering even 14%. Institutions also are offering  $14\frac{1}{2}\%$ .

First of all, I would like to know the split-up figures of these deposits, viz. into Government or public undertakings' deposits, and also individual deposits. What are the respective figures?

Another malady is that when no person is prepared to come forward to deposit his amounts in the nationalized banks and other banks also because of the meagre rate of interest, it is another secret as to how this amount is growing every year. Another problem which is facing the Reserve Bank of India time and again is, it is not only penalising but imposing punishment also on the individual banks for window dressing the deposits, and also, has he come across any such thing about the Reserve Bank of India passing strictures against individual nationalised banks for window dressing, if so what punishment has he accorded to the Chief Executive of the banks?

**SHRI JANARDHANA POOJARY :** The hon. Member has put a very pertinent question. Now, so far as the window dressing is concerned, so far, it has not been brought to my notice that window dressing is there.

**SHRI K. RAMAMURTHY :** It is finding a place in the report of the Reserve Bank of India. If the Minister wants I can supply the information.

**SHRI BHAGWAT JHA AZAD :** Supply it to the House.

**SHRI JANARDHANA POOJARY :** If there is any window dressing I will look into it also and the Reserve Bank of India also is expected to look into all these matters and I will assure the hon. Member that if at all there is any window dressing, action will be taken, i.e., the Reserve Bank will be asked to take action against the bank. So far as I am concerned, so far, I have not come across any such thing.

As far as the deposits are concerned and also the interest rates are concerned, recently from 1-4-1987, for short term deposits we have increased the bank interest rate and for the benefit of the hon. Member I can say this because he has stated that the interest rate has not been brought up.

**SHRI K. RAMAMURTHY :** That is not my question.

**SHRI JANARDHANA POOJARY :** I am coming, one by one. The rate of interest for deposits for one year to less than two years, is being increased for 8.5 per cent to 9 per cent. Deposits of the public sector banks are going up and I have stated in my reply also what is the growth of deposits in a public sector bank. There is no question of any unsatisfactory performance of the banking sector so far as mobilisation of the deposits is concerned.

**SHRI K. RAMAMURTHY :** Mr. Speaker, Sir, I seek your protection. My pointed question was two-fold. About the split up figure of the deposits, what has he said in his answer, about the 14,000 and odd of the individual deposits as far as the public undertakings deposits are concerned? That is a pointed question I have asked. I am not asking for the major increases; everybody knows it.

The other point which I am asking him is, as he has also mentioned "If at all there is any window dressing", I am prepared to supply information to him. How can he say that there is no window dressing? Against so many executives of the Reserve Bank has passed strictures, on its files. I do not want this sort of an evasive answer from the hon. Minister.

**SHRI JANARDHANA POOJARY :** I have stated clearly, that I have not come across window dressing. If there is any window dressing, I said that the Reserve Bank will be asked to take action.

**SHRI K. RAMAMURTHY :** Can he get the information from the Reserve Bank and put it here ?

*(Interruptions)*

**SHRI K.P. UNNIKRISHNAN :** The hon. Member has referred to the split up figure of deposits.

**SHRI JANARDHANA POOJARY :** I will look into it.

**SHRI K.P. UNNIKRISHNAN :** Not looking into it.

**SHRI JANARDHANA POOJARY :** Action will be taken.

**SHRI K.P. UNNIKRISHNAN :** You are now confusing. *(Interruptions)*

**SHRI K. RAMAMURTHY :** Can he get the information from the Reserve Bank and place it before the house ?

**SHRI K.P. UNNIKRISHNAN :** Place a report.

**SHRI JANARDHANA POOJARY :** I have already stated that the Reserve Bank will be asked to look into that and action will be taken. I assure the hon. Member that the Reserve Bank will be asked to investigate into the matter. What assurance does he require from me more ?

**SHRI K. RAMAMURTHY :** Sir, my second supplementary question pertains to the comparative profitability of the public sector banks with that of public sector undertakings. Here, one funniest word has been used by the hon. Minister in his reply, I am sorry to comment, that is 'the basis of the published profits of the banks'. Is there any unpublished profits in the country? Also it is quite correct that he has given in the foregoing paragraph that the public sector undertakings profitability is 2.78 per cent, whereas for the public sector banks, it is 0.15 per cent. So, with the huge outlay of the capital and also the support of the Government by way of huge

deposits and other things, why are all these nationalised banks every year going down in the profitability? I would like to know very much from the hon. Minister through you, is there any unpublished profits in the banks ?

**SHRI JANARDHANA POOJARY :** So far as the gross profits are concerned, there is a statutory prohibition for publishing the gross profit. We are publishing only the net profit. The hon. Member should know it before commenting on the performance of the Minister.

So far as the percentage of the profitability in regard to the public sector undertakings is concerned, the capital is arrived at 'Capital including assets minus depreciation'. For example, if the capital of the Company is Rs. 100 crores and if there is depreciation of Rs. 25 crores, then it comes to Rs. 75 crores. The value of the assets will be Rs. 75 crores. Then the capital would be Rs. 75 crores. If the profit of that Company is Rs. 25 crores, it will come to twenty per cent, whereas in the case of banking sector, the profit is related to the working funds. The working funds constitute the capital. If the capital of the bank is Rs. 100 crores plus the deposits collected so far, so far the deposits collected is Rs. 1,10,377 crores, then the capital of Rs. 100 crores, deposits, reserves and all these things are included and then the profits are arrived at. While comparing the profit of that year, the published profits of the 28 public sector banks in 1986 were 0.15 per cent—that of their working funds.

The profits of the public sector banks in the year 1985 were Rs. 117 crores and in the year 1986 it went up to Rs. 192 crores. There is a record increase of 63 per cent, which never happened in the history of the banking sector. The exact figure is 63.2 per cent. So, the hon. Member should know that the banks are achieving the profits, they are earning the profits. Hence, there is no scope for any concern.

**SHRI K.P. UNNIKRISHNAN :** I want to repeat. I am sorry Sir, I do not know whether it has escaped your attention. The hon. Minister has not answered one pointed question which Mr. Ramamurthy has raised,

that is on the composition or components of the deposits, how much from individual depositors, how much from corporate sector and how much from public sector banks? Would the hon. Minister consider laying a statement on the table if he does not have the information? I can understand that he may not be having the information. Would he lay a statement on the table?

**SHRI JANARDHANA POOJARY :** So far as the banks deposits relating to corporate sector and public sector banks are concerned, the information is not readily available with me. I will furnish that information.

*(Interruptions)*

**MR. SPEAKER :** Please repeat the question again.

**SHRI K.P. UNNIKRISHNAN :** I would again repeat. He had asked a pointed question. Will the hon. Minister lay a statement on the Table giving details if he does not have—if he has, then give us—of the components of deposits in the nationalised banks, how much from private or individual depositors, how much from corporate sector and how much from public sector undertakings?

**SHRI JANARDHANA POOJARY :** So far as deposits relating to corporate sector and public sector undertakings are concerned, I do not have the information. I will furnish the information. So far as individual depositors are concerned, I will not be able to give the information because of a statutory provision. So far as each individual is concerned, I am not in a position to furnish the information. If you want total...

**SHRI K.P. UNNIKRISHNAN :** I want total.

**MR. SPEAKER :** He does not want information about the individual deposits. He wants total.....He will provide the information.

**DR. CHINTA MOHAN :** There should be a discussion on the mobilisation of deposits.

*[Translation]*

### Attack on Indian Border by Foreign Countries

\*107. **SHRI KAMMODILAL JATAV :** Will the Minister of DEFENCE be pleased to state :

(a) the names of the places on Indian border where attack has been made by foreign countries during the last three years; and

(b) the steps taken to contain these attacks?

**THE MINISTER OF DEFENCE (SHRI K.C. PANT) :** (a) There has been no attack on our borders by any foreign country during the last 3 years. However, Pakistani troops attacked our positions on the Saltoro Range in the last week of September and first week of October this year. On both these occasions, the attacks were successfully repulsed by our troops.

(b) Our Armed Forces maintain constant vigil to frustrate any attack from across the border.

**SHRI KAMMODILAL JATAV :** Mr. Speaker, Sir, the hon. Defence Minister has stated that there has been no attack on our borders by any foreign country during the last 3 years. However, our positions were attacked at one place. I would like to know from the hon. Minister whether our positions were attacked at Siachin or not?

**SHRI K.C. PANT :** Sir, I have referred to the same place in my reply. Saltoro range is in Siachin area.

**SHRI KAMMODILAL JATAV :** Mr. Speaker, Sir, now I would like to know from the hon. Minister as to what assistance has been provided to the Jawans who were killed or wounded in action on our borders in the past?

**SHRI K.C. PANT :** Mr. Speaker, Sir, this is altogether a different question.

*[English]*

**SHRI SURESH KURUP :** In a recent article in the 'Frontline' magazine regarding