

(c) In order to improve their profitability, nationalised banks have entered into performance agreements (MoUs) with the Reserve Bank of India (RBI). Accordingly, steps are being taken to improve credit management, reduce the volume of non-performing assets and minimise operational expenditure. The implementation of these agreements is being reviewed internally by the banks and by the RBI/Government.

C. D. Ratio in Kerala

3623. SHRI RAMESH CHENNITHALA: Will the Minister of FINANCE be pleased to state:

(a) the credit deposit ratio of scheduled commercial banks in Kerala as on March 31, 1994;

(b) whether, it is far below the national average;

(c) if so, the reasons therefor; and

(d) the steps taken to remove this imbalance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) the credit deposit ratio of scheduled commercial banks in Kerala as at the end of March 1994 is 44.34 per cent as against 56.62 per cent for the country as a whole.

(b) to (d). The credit deployment in a particular area depends on various factors like level of economic activity, entrepreneurship, availability of raw material, other infrastructural facilities, other investment opportunities and also law and order situation in that area. However,

Reserve Bank of India has constituted a Task Force to specifically review (i) the reasons for low credit-deposit ratio in Kerala (ii) the performance of banks with a relatively large share of business in State and (iii) to make recommendations for a time-bound improvement in credit-deposit ratios. The issues relating to credit deployment in the States are also discussed regularly at State Level Bankers' Committee Meetings.

[Translation]

Soiled Currency Notes

3624. SHRI PANKAJ CHOWDHARY: SHRI BRIJ BHUSHAN SHARAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that soiled currency notes worth lakhs of rupees kept for burning by the Reserve Bank of India are being re-floated in the market;

(b) whether the Government have identified any gang indulging in this practice;

(c) if so, the details of the currency notes recovered from them; and

(d) the steps taken by the Government to check the recurrence of such cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No, Sir.

(b) to (d). do not arise.