(e) and (f) Govt. have deputed a Govt. Surveyor, to make a Preliminary Enquiry in to the incident and the same is still in progress

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Kandla—Bhatinda Pipeline Project

*916. SHRIGEORGE FERNANDES: SHRI MAHORANJAN BHAKTA:

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government have decided o decline the World Bank loan for the Kandla—3hatonda Pipeline Project;
 - (b) if so, the details thereof;
 - (c) the reasons therefor;
 - (d) the likely impact thereof on the Project?

THE MINISTER OF STATE IN THE MIN-STRY OF FINANCE AND MINISTER OF TATE IN THE MINISTRY OF PARLIAMEN-ARY AFFAIRS (DR. ABRAR AHMED): (a) to :) Out of the loan amount of US 340 million xtended by the World Bank to the Indian Oil orporation for Petroleum Transport Project fective from 13,10,1989, the Government of dia surrendered an amount of US 178 million rthe Kandla-Bhatinda Pipeline. This decion was taken as a part of the portfolio tionalisation review of World Bank aided ojects leading to surrender of undisbursed nounts in such projects as are unlikely to be mpleted within the loan period, judging from eir present state of progress.

(d) This will not jeopardise the Kandla latinda Pipeline Project as the World Bank ancing was less than 25% of the revised cost this component

anslation]

Identification of Sick Industries in U. P. By BIFR

917. SHRI ARJUN SINGH YADAV: Will

the MINISTER OF FINANCE be pleased to state:

- (a) the number of sick industries indetitied in Uttar Pradesh by the Board for industrial and Financial Reconstruction (BIFR) during the last three years;
- (b) whether any complaints have been received while identifying these sick industries by the above Board during the above period; and
- (c) if so, the details thereof and the action taken in this regard?

THEMINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF SRTATE IN THE MINISTRY OF PARLIA-MENTARY AFFAIRS: (a) to (c) The Board for Industrial and Financial Reconstruction (BIFR) has reported that 56 sick industrial companies of Uttar Pradesh were registered during 1990, 1991 and 1992. Of these, 8 were declared non-maintainable under the Sick Industrial Companies (Special Provision) Act 1985 (SICA) Further, the onus of reporting sickness is cast on the Board of Directors of the concerned company under section 15 (1) of SICA. The Question of complaints during the course of identification, therefore, does not arise.

[English]

Profits of Nationalised Banks

* 918. SHRI PRAKASH V. PATIL: Will the Minister of FINANCE be pleased to state:

- (a) whether the profitability of nationalised banks has sharply gone up during the past three years;
- (b) if so, the details of their gross and net profits during the period;
 - (c) the reasons therefor;
 - (d) whether a large number of borrowers

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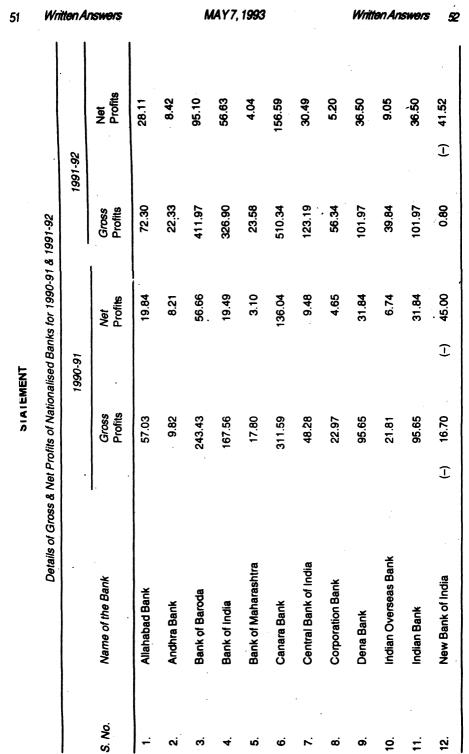
have complained about the lack of credit extended by banks;

Written Answers

- (e) whether the profits earned by banks are to be polished back in banks to increase their capital adequacy norms; and
- (f) if so, its effect on the availability of credit toborrowers?

THE MINISTER OF STATE IN THE MIN-ISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMEN-TARY AFFAIRS (DR. ABRARAHMED) (a) to (c) The gross and net profits for the years 1990-91 and 1991-92 were calculated on the basis of different income recognition and provisioning norms as compared to the year 1992-93. The final results of bancks for the year, 1992-93 are not available but indications are that these are likely to be fairly adverse in a number of banks. Based on the earlier norms, there was an increase in net and gross profits in 191-92 as

- compared to 1990-91. The details thereof are give in the statement attached.
- (d) Advances given by the nationalised banks have shown an upward trend during the last 3 years. Individual complaints, when received, are dealt with on merits according to laid down norms.
- (e) In terms of the provisions of Section 17 of the Banking Regulation Act, 1949, every banking company incorporated in India has to transfer to its reserve fund a sum equivalent to not less than 20 percent of the balance of profi of each year (before declaration of dividend) The reserve fund along with paid—up capital is treated as capital fund for the purpose of capita adequacy.
- (f) The statutory ploughing back of profit does not affect the availability of credit to borrow ers as there is no outflow of funds from th banks.



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