

(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

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 to decline the World Bank loan for the Kandla—Bhatinda 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 MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) Out of the loan amount of US 340 million extended by the World Bank to the Indian Oil Corporation for Petroleum Transport Project effective from 13.10.1989, the Government of India surrendered an amount of US 178 million for the Kandla—Bhatinda Pipeline. This decision was taken as a part of the portfolio rationalisation review of World Bank aided projects leading to surrender of undisbursed amounts in such projects as are unlikely to be completed within the loan period, judging from the present state of progress.

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

translation]

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 identified 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?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY 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

have complained about the lack of credit extended by banks;

(e) whether the profits earned by banks are to be ploughed back in banks to increase their capital adequacy norms; and

(f) if so, its effect on the availability of credit to borrowers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY 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 banks 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 given 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 per cent of the balance of profit of each year (before declaration of dividend). The reserve fund along with paid-up capital is treated as capital fund for the purpose of capital adequacy.

(f) The statutory ploughing back of profit does not affect the availability of credit to borrowers as there is no outflow of funds from the banks.

STATEMENT

Details of Gross & Net Profits of Nationalised Banks for 1990-91 & 1991-92

S. No.	Name of the Bank	1990-91		1991-92	
		Gross Profits	Net Profits	Gross Profits	Net Profits
1.	Allahabad Bank	57.03	19.84	72.30	28.11
2.	Andhra Bank	9.82	8.21	22.33	8.42
3.	Bank of Baroda	243.43	56.66	411.97	95.10
4.	Bank of India	167.56	19.49	326.90	56.63
5.	Bank of Maharashtra	17.80	3.10	23.58	4.04
6.	Canara Bank	311.59	136.04	510.34	156.59
7.	Central Bank of India	48.28	9.48	123.19	30.49
8.	Corporation Bank	22.97	4.65	56.34	5.20
9.	Dena Bank	95.65	31.84	101.97	36.50
10.	Indian Overseas Bank	21.81	6.74	39.84	9.05
11.	Indian Bank	95.65	31.84	101.97	36.50
12.	New Bank of India	(-)	(-)	0.80	(-)

S. No.	Name of the Bank	1990-91		1991-92	
		Gross Profits	Net Profits	Gross Profits	Net Profits
13.	Oriental Bank of Commerce	57.56	22.83	97.02	26.77
14.	Punjab & Sind Bank	(-)	(-)	10.30	0.68
15.	Punjab National Bank	188.10	73.69	274.76	112.44
16.	Syndicate Bank	18.36	2.84	40.94	4.46
17.	UCO Bank	(-)	(-)	35.02	(-)
18.	Union Bank of India	77.54	10.05	154.28	29.45
19.	United Bank of India	32.01	5.77	18.45	6.68
20.	Vijaya Bank	1.26	0.25	15.92	1.84
	Total	1370.44	325.33	2367.71	559.04