

rupee against the US dollar is determined in the foreign exchange market in India. Movements in the exchange rate of the rupee also reflect, to some extent, the movements of the US dollar in the international currency markets. The position remains the same even after the launching of the Euro.

(c) Developments in international currency markets and in European economies are being closely and continuously monitored with a view to ensuring co-ordination between macro-economic policies in India and international developments.

[Translation]

SHRI SHANTI LAL CHAPLOT : Hon'ble Mr. Speaker, Sir, I would like to say the Hon'ble Minister of Finance that America is dominating the scene with the help of sanctions. The entire world has been devastated by America. Whether America is called the big power because it has the dominance in the entire world and actively carrying on C.I.A. activities. Whether you consider to give more importance to EURO to curb America and the details of those countries whom we have contacted?

SHRI YASHWANT SINHA : Mr. Speaker, Sir, EURO came into circulation on 1st January, 1999. EURO is still under circulation and the currencies of those countries are under circulation which will be ultimately replaced by EURO. India have made all preparations which are necessarily required for establishing business trade with other countries and have economic relations with them, and Reserve Bank of India has made all preparations for welcoming EURO and dealings with EURO and at present we are raising business deals in EURO.

SHRI SHANTI LAL C. APLOT : Hon'ble Mr. Speaker, Sir, today the exchange rate of dollar against the Indian rupee is Rs. 42.46 whereas the exchange rate of EURO is Rs. 46.76. Today I feel it is much more stonger than dollar and there is no reason that why we should not do business deals in EURO and make an effort to discourage American dollar.

SHRI YASHWANT SINHA : Mr. Speaker, Sir, dollar has great impetus in trade. There is no possibility that dollar will loose its importance in the International market in the near future. So far as EURO is concerned, its use is gradually increasing and as far as rupee is concerned the exchange rate of rupee against the US dollar and EURO is determined in the Foreign exchange. Neither the Government nor RBI determines the exchange rate of rupee.

## WRITTEN ANSWERS TO QUESTIONS

[Translation]

### Bank Losses

\*141. SHRI MOTILAL VORA : Will the Minister of FINANCE be pleased to state:

(a) whether some nationalised banks have been suffering heavy losses constantly for the last several years;

(b) if so, the details thereof;

(c) the profits/losses incurred by each nationalised bank during the last three years;

(d) whether one of the main reasons for their losses is bad-debts;

(e) if so, whether the Government propose to impose ban/restrictions on the loans being given by the banks which are running at loss;

(f) if so, the details thereof; and

(g) if not, the other steps taken by the Government to made these banks profitable?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Two nationalised banks have incurred losses as detailed below during each of the last three years:—

(Rs. in crores)

S.No.	Name of the Bank	1995-96	1996-97	1997-98
1.	Indian Bank	1336.40	389.09	301.50
2.	UCO Bank	236.66	176.23	96.22

(c) A statement showing bank-wise Profit and Loss position of nationalised banks of the years 1995-96 to 1997-98 is enclosed.

(d) A high level of NPAs is one of the reasons for losses incurred by public sector banks in the last few years.

(e) and (f) Government have no proposal to impose a ban on loans being given by banks which are running at a loss. It is for each bank having regard to its availability of funds, requirements for provisioning and capital adequacy requirements, to determine the extent to which they can undertake fresh lending.

(g) Various steps have been taken to improve the overall functioning of banks which will lead to higher profitability and security for the depositors and investors. Reserve Bank of India/Government have advised the banks to take steps not only to check the incidence of fresh NPAs but also to take effective measures for recovery of existing NPAs. Steps taken by the banks/ Reserve Bank of India/Government *inter alia* include the following:

1. Discussions with the Chief Executives of nationalised banks are held every year to draw up performance obligations and commitments to improve results under important parameters such as profitability, reduction of NPAs, etc.
2. At the instance of Reserve Bank of India/ Government, banks have laid down their loan policy and loan recovery policy.

3. Banks have set up Recovery Cells at their Head Offices. Branch-wise recovery targets are fixed and recovery is monitored by the Recovery Cell.
4. Ten Debt Recovery Tribunals and 1 Debt Recovery Appellate Tribunal have been set up by the Government.
5. The RBI has set up a Working Group under the Chairmanship of Shri M.S. Verma, former Chairman, State Bank of India, for revival of weak public sector banks, with the following terms of reference.
  - (a) Criteria for identification of weak public sector banks;
  - (b) To study and examine the problems of weak banks;
  - (c) To undertake a case by case examination of the weak banks and to identify those which are potentially revivable.
  - (d) To suggest a strategic plan of financial, organisational and operational restructuring for weak public sector banks.

### **Statement**

#### *Nationalised Banks—Profit/Loss position*

(Rs. Crores)

Name of the Bank	As on 31.03.1996		As on 31.03.1997		As on 31.03.1998	
	Oper. Profit	Net Profit	Oper. Profit	Net Profit	Oper. Profit	Net Profit
1	2	3	4	5	6	7
Allahabad Bank	103.21	5.62	184.26	64.30	227.49	129.21
Andhra Bank	61.67	11.07	87.55	35.70	155.25	75.25
Bank of Baroda	877.27	204.27	776.43	276.53	806.05	458.73
Bank of India	473.86	276.48	580.00	360.02	697.18	364.51

1	2	3	4	5	6	7
Bank of Maharashtra	66.49	12.60	103.37	47.26	124.10	58.29
Canara Bank	684.63	252.52	654.20	147.40	672.52	203.02
Central Bank of India	210.89	-73.53	299.59	150.83	360.71	174.69
Corporation Bank	216.10	104.75	245.95	125.13	302.85	166.87
Dena Bank	145.49	51.69	194.04	72.91	273.61	105.04
Indian Bank	-223.68	-1336.40	-138.36	-389.09	-209.50	-301.50
Indian Overseas Bank	21.95	3.20	129.45	104.51	154.34	113.06
Oriental Bank of Commerce	276.14	172.75	300.70	180.25	337.38	210.00
Punjab & Sind Bank	8.40	-132.18	56.63	20.00	100.07	65.09
Punjab National Bank	384.28	-95.92	620.00	238.00	801.11	477.35
Syndicate Bank	99.40	20.17	98.65	66.96	135.40	82.66
UCO Bank	-26.13	-236.66	-72.76	-176.23	15.04	-96.22
Union Bank of India	311.02	80.49	341.32	215.68	349.53	250.10
United Bank of India	-50.24	-234.46	-54.97	-113.64	164.31	9.62
Vijaya Bank	4.91	-250.95	34.77	18.96	63.75	23.31
<b>Total Profit for Natl. Banks</b>	<b>3945.71</b>	<b>1195.61</b>	<b>4706.91</b>	<b>2124.44</b>	<b>5740.69</b>	<b>2965.00</b>
<b>Total Loss for Natl. Banks</b>	<b>-300.05</b>	<b>-2360.10</b>	<b>-266.09</b>	<b>-678.96</b>	<b>-209.50</b>	<b>-397.72</b>

Source: Balance Sheets