

the State will depend upon the availability of adequate resources for this purpose in the future plant of TV expansion.

Profitability of Commercial Banks

5879. SHRI BHAKTA CHARAN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government had advised the commercial banks to improve their profitability in the Seventh Five Year Plan;

(b) the steps taken by different banks in that direction;

(c) whether Government have made any analysis of the profitability performance of different commercial banks during the Seventh Five Year Plan; and

(d) if so, the performance of different commercial banks during the above period?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (d). The performance and profitability of public sector Banks is continually reviewed both by the Government and the Reserve Bank of India. Series of measures have been taken by Government and Reserve Bank of India to improve the productivity and profitability of the public sector banks. These include higher coupon rates on Government Securities, higher returns on cash balances maintained with Reserve Bank of India, augmentation of the capital base by Government Reserve Bank of India. Bank have also taken certain measures like enhanced staff productivity through containment of staff growth, enhancement in service charges and economy in expenditure. Banks have also been advised to critically analyse their income and expenditure with the view to finding ways and means for improving their profitability through efficient funds management.

As a result of various measures taken by Government/Reserve Bank of India, the public sector banks have been consistently earning profits for the last several years. Their published profits which stood at Rs. 192.23 crores in 1986 have progressively increased to Rs. 261.80 crores in 1987 and to Rs. 364.90 crores in 1988-89 (at the end of March, 1989). The accounts for the year ended 31st March, 1990 are yet to be finalised.

Court Cases of Indian Overseas Bank in Calcutta

5880. SHRIM.V. CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the number of court cases of the Indian Overseas Bank in Calcutta have gone up during the last three years;

(b) the amount of legal expenses incurred by the Bank and its branches there during the above period;

(c) whether the officials of the Bank have been following the policy of pursuation and resolving disputes apart from taking recourse to legal action;

(d) if so, the facts and details thereof;

(e) the number of legal notices issued during the last three months (as on 31st March, 1990) for new cases; and

(f) the efforts being made to reduce legal action and expenses?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) Indian Overseas Bank (IOB) has reported that the number of its court cases in Calcutta has gone up during the last three years.

(b) The information is being collected

and to the extent available will be laid on the Table of the House.

(c) to (f). To avoid litigation and reduce legal expenses, the officials of the bank try persuasion and other methods, such as negotiations, rescheduling of loans, etc. for recovery of bank's dues. Recourse to litigation is taken as a last resort to protect bank's interest. Negotiated settlements were approved by bank in two cases. The bank has reported that ten legal notices were issued during the last three months as on 31 st March, 1990.

Price Adjustment Formula of RBI for Civil Construction Jobs

5881. SHRIM.V.CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India's Price Adjustment Formula of civil construction jobs is not strictly followed by various Public Sector Undertakings;

(b) whether on this count much expenses are being incurred by these Public Sector Units in contesting legal cases;

(c) whether as a result, financial control and management in Public Sector Undertaking of different ministries has been losing its purpose;

(d) if so, the facts and details thereof and present details of RBI's Price Adjustment Formula; and

(e) the further action proposed to be taken in this regard?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (e). The information is being collected and to the extent available will be laid on the Table of the House.

Loans Outstanding Against Fishing Companies

5882. SHRI PRAKASH V. PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether the Shipping Credit and Investment Company of India Limited (SCICI) is frequently supervising loans granted by the Shipping Development Fund Committee (SDFC) to fishing companies for purchase of trawlers;

(b) Particulars of all such fishing companies who availed of the SDFC loans and whose account were transferred to the SCICI; and

(c) the position of loans outstanding principal amount overdue and interest overdue from each of the above companies as on March 31, 1990?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) Yes, Sir.

(b) and (c). Company-wise details of the loans sanctioned, loan outstanding, principal amount overdue and interest overdue as on March 31, 1990 in respect of companies who availed of Shipping Development Fund Committee (SDFC) Loan and whose accounts are now being monitored by Shipping Credit and Investment Company of India Limited (SCICI), are enclosed in the attached statement.