

(b) During the year 1986-87, 100 nationalised mill run by NTC incurred losses.

(c) Apart from mill—specific factors, the general factors for losses of the mills under NTC include old and obsolete machinery, excess labour force and power cuts.

(d) The performance of NTC is reviewed by the Government periodically. NTC has issued guidelines for formulation of mill-specific Action Plans to improve their performance.

Expansion of Southern Naval Command

4351. PROF. P.J. KURIEN : Will the Minister of DEFENCE be pleased to state :

(a) whether there is a proposal to expand the Southern Naval Command; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) No, Sir.

(b) Does not arise.

Export Promotion to African Countries

4352. PROF. P.J. KURIEN : Will the Minister of COMMERCE be pleased to state :

(a) whether any efforts have been made to increase our exports to African Countries; and

(b) if so, the efforts made during the past three years and the result achieved so far ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). Measures such as exchange of delegations, organisation of fairs/exhibitions, establishing bilateral trading arrangements, holding bilateral talks, have been undertaken from time to time to boost exports. As a result Indian exports to a number of countries in Africa have increased. However, overall exports have not recorded growth on

account of wide spread foreign exchange difficulties of African countries due to reasons like drought, fall in prices of oil and primary commodities, other economic difficulties etc.

Writing off of Loans by Banks

4353. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether any thorough enquiry has been made into the nature and quantum of loans being written off by nationalised banks;

(b) the main grounds/considerations for writing off of loans by banks; and

(c) whether the Reserve Bank of India has issued any directives/restrictions/guidelines on the writing off of loans by banks, if so, details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The risk of certain debts going bad is inherent in the nature of operations of all commercial banks including nationalised banks. Advances usually turn bad due to certain internal as well as external factors such as lack of adequate post-disbursement supervision, inadequate or improper management of the unit, diversion of funds lack of adequate technical know-how on the part of entrepreneur, insufficient or interrupted power supply, non-availability of raw materials, inadequate marketing arrangements, floods and droughts etc.

All commercial banks including the nationalised banks make provision every year out of their annual income for meeting their liability towards bad and doubtful debts to the satisfaction of their statutory auditors and write off the debts which are considered by their management as ultimately unrecoverable from out of the provisions so made. The banks generally write off their advances only after exhausting all possible avenues of recovery.

Government and Reserve Bank of India have been impressing upon the banks the need to strengthen their machinery for credit appraisal and for exercising effective