

decided to offer longer moratorium to its borrowers;

(b) if so, the details thereof; and

(c) the amount of financial assistance provided by the SCICI in Tamil Nadu during each of the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). The requisite information is being collected and will be laid on the Table of the House to the extent available and permissible under the Rules.

Resource Crunch in Public Sector Project

4663. KUMARI SUSHILA TIRIYA:
SHRI GURUDAS KAMAT:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several public sector projects are held up due to resource crunch;

(b) if so, the details thereof; and

(c) the steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). According to the information furnished by the project authorities of Central Public Sector Enterprises (PSEs) to the Department of Programme Implementation who monitor the Central project under implementation. Out of 371 projects costing Rs. 20 crores and above, the progress of 52 projects suffered, among other factors due to fund constraints.

(c) Steps taken include adequate mobilisation of internal and extra budgetary resources by Public Sector Enterprises (PSEs) and provision of budgetary support from the Plan in the form of equity and loans which is decided by the Planning Commission at the time of finalisation of Annual Plan looking to the priority and strategic importance of such projects. Further the present conditions of capital market and the increased flexibility now enjoyed by PSEs to raise market related funds are expected to enable them to mobilise adequate resources.

Central Bank of India

4664. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Bank of India has been suffering losses for the last several years consecutively;

(b) if so, the details of the net losses suffered by the bank during 1991-92, 1992-93, and 1993-94;

(c) whether the bank has also been suffering operative losses during the aforesaid period;

(d) if so, the reasons for suffering net and operative losses during the aforesaid period;

(e) whether the Government/ Reserve Bank of India contemplate revamping the top management of the Bank;

(f) if so, the details thereof; and

(g) the other measures propose to be taken to bring the bank out of red?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to

(d). The Central Bank of India (CBI) made profits for the years ended 31st March, 1990, 1991 and 1992. However, for the last two years in 1993 and 1994, the bank suffered net losses amounting to Rs. 383.31 crores and Rs. 722.93 crores respectively. During the same period the bank suffered operative losses amounting to Rs. 49.90 crores and Rs. 122.17 crores respectively.

The decrease in profits/increase in loss for the years 1992-93 and 1993-94 was mainly due to the implementation of prudential norms prescribed by the Reserve Bank of India for income recognition, asset classification and provisioning for bad and doubtful debts.

(e) and (f). The post of Executive Director in Central Bank of India is lying vacant. Government have already initiated necessary steps for filling up the vacancy.

(g) Central Bank of India has reported that it has initiated steps to improve its operational efficiency and profitability. These steps include:

- (i) Improvement in Credit portfolio by making fresh advances.
- (ii) Reduction of Non Performing Assets.
- (iii) Increase in Ancillary Business/ Non-funded Business.
- (iv) Stricter control on expenditure.

Exporters

4665. SHRI RAJNATH SONKAR SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news item titled "Exporters losing cost competitiveness; Government puts the brakes on dollar buying" appearing in the Indian Express dated July 17, 1994;

(b) if so, facts thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) As on 5th August, 1994, India's foreign exchange reserves were \$ 17.5 billion. A high level of reserves is our security against future contingencies. However, the Government recognises that a very large accretion of foreign exchange reserves can have an inflationary potential *via* its impact on monetary expansion. Increase in foreign exchange reserves in the first quarter of 1994-95 has been accompanied by a substantial decline in net Reserve Bank Credit to Central Government. Thus, monetary expansion has been kept in check. The Government, however, has not put any brakes on buying of dollars by the Reserve Bank of India. The RBI enters the foreign exchange market either to buy or sell foreign currency in accordance with the requirements of building up foreign reserves.

(c) In order to moderate the impact of reserve build up on inflation and consequently on export competitiveness, the Government and the Reserve Bank of India have either taken or contemplate a number of measures. They include:

- (i) limiting the Central Government's fiscal deficit to 6 per cent of GDP in 1994-95 as against 7.3 per cent last year;