

(a) whether the Tirupati Cotton Mills the foremost unit of the National Textiles Corporation in the State of Andhra Pradesh was not functioning for the last six to eight months;

(b) if so, whether the main reason is due to non-supply of cotton;

(c) if so, whether the mill was modernised recently by installing latest machinery of Rs. 10 crores;

(d) if so, the main reasons for not functioning of this textiles mills in Tirupati; and

(e) the steps taken by the Government to make it viable?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):
(a) to (e) The Tirupati Cotton Mill, Renigunta is a unit of NTC (APKK&M). A sum of Rs. 5.83 crores has been spent on modernisation of the mill since nationalisation. This mill has been incurring losses and has not been functioning since December, 1996 due to inadequate modernisation and shortage of working capital. NTC (APKK&M) including Tirupati Cotton Mills was referred to and declared sick by the BIFR. On the basis of the report prepared by the Operating Agency, the BIFR published draft rehabilitation scheme, asking for certain reliefs and concessions from the Government. The last hearing of BIFR which was scheduled to be held in April, 1997 was postponed. Pending approval of the revival scheme by the BIFR, Government has been releasing funds to NTC for payment of wages and salaries to the employees of the mills. A mill wise viability study has been undertaken by the NTC, which is under the consideration of the Government.

Comparative Study of Non-Performing Assets

548. SHRI MADHUKAR SARPOTDAR:

SHRI PRAKASH VISHWANATH PARANJPE:

SHRI SANTOSH KUMAR GANGWAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have made any comparative study of the incidence of non-performing assets (NPA) of nationalised banks vis-a-vis private sector banks;

(b) if so, details thereof;

(c) the amount of NPAs of various nationalised banks and private sector banks during the last three years with following details;

(i) Amount of NPAs;

(ii) its percentage in terms of the advance/loan made by the bank;

(iii) its percentage in terms of the profit/loss of the bank;

(iv) the level of recovery, if any;

(d) which sector of national economy broadly account for these NPAs;

(e) whether there has been any failure of prudential norms resulting in growth of NPAs; and

(f) the steps taken or propose to take to bring down the NPAs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) The information is being collected and to the extent available will be laid on the Table of the House.

(e) According to Reserve Bank of India (RBI) the prudential norms prescribed by them have facilitated clear identification of NPAs of banks and have acted as a tool to bring transparency to the financial statement of public sector banks. There has been no failure of prudential norms which have resulted in the growth of NPAs.

(f) The following steps have been taken by RBI with a view to reduce NPAs in public sector banks:

1. RBI has advised banks to have documents of loan recovery policy prepared and duly vetted by Board of Directors. The policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permitted sacrifices/waiver etc.

2. Reduction of NPAs through compromise/write-offs, through negotiated settlements to ensure maximum recovery at minimum expense.

3. Two banks have been permitted to set up settlement Advisory Committees headed by a retired Judge of High Court to scrutinise compromise proposals and make objective recommendations.

4. Setting up of Recovery Cells at Head Quarter and fixing of branchwise targets for reduction in NPAs. Performance of branches in recovery to be monitored by Head Quarter on monthly basis and Board of Directors kept informed of the progress on quarterly basis. RBI also monitors reduction of NPAs.

5. Setting up of Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Jaipur, Chennai, Guwahati and Patna and an Appellate Tribunal in Mumbai.

6. Compilation and circulation of list of defaulters suit filed accounts.

7. Review of top 300 NPAs of Public sector banks with special reference to the system prevailing in the banks to fix staff accountability.

[Translation]

Export Promotion Authority in U.P.

549. SHRI D.P. YADAV: Will the Minister of COMMERCE be pleased to state:

(a) whether there has been a good yield of mango this year in the country especially in Uttar Pradesh;

(b) If so, whether the Mango growers of the State are suffering heavy losses for want of proper marketing facility;

(c) If so, whether the Government propose to set up an Export Promotion Authority for Uttar Pradesh; and

(d) If so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) No estimates on production on mango available for the current season.

(c) No proposal to set up an Export Promotion Authority for Uttar Pradesh is under the consideration of the Government.

(d) Does not arise.

[English]

Probe Into Banks Collusion

550. SHRI JAI PRAKASH: Will the Minister of FINANCE be pleased to refer to the answer given to Unstarred Question No. 533 dated November 22, 1996 regarding probe into banks collusion in shoe scam and state:

(a) whether the information has since been collected;

(b) If so, the details thereof; and

(c) the action taken by the Government in the matter against the banks that colluded with the firms in shoe scam giving the names of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The Reserve Bank of India (RBI) have reported that a communication has been received from Deputy Commissioner of Police, Mumbai stating that an offence under IPC has been registered against some leading shoe companies and various leather co-operative societies to investigate into the alleged misutilisation of finance meant for weaker sections of the society, such as artisans/cobblers co-operative societies. The Police has not referred to irregularities on the part of financing banks.

As desired by the Police authorities RBI, in January, 1997, has advised all concerned commercial banks to supply the details of transactions, from 1980 onwards, with any of the listed cobbler co-operative societies. RBI have also reiterated to the banks that while sanctioning/ disbursing loans and advances and other facilities under priority sector to artisans/cobblers societies, they are expected to ensure that the applicants are genuine and are engaged in the activity for which the particular scheme is designed. Banks have also been advised that none of the procedures (including verification of genuineness of the

borrowing parties) laid down for grant of loans, advances should be overlooked merely because guarantees have been obtained therefor. It has also been reiterated to banks that they are expected to have an effective post-disbursement supervision and follow up of loans/advances to ensure the end use of funds lent.

20 Sick CPSU Referred to BIFR

551. SHRI HARIN PATHAK: Will the Minister of FINANCE be pleased to state:

(a) whether a delegation comprising some Members of Parliament and representatives of all Central Trade Unions met the Prime Minister last year and submitted a memorandum on 20 sick Central Public Sector Undertakings in the Centre which stands referred to BIFR;

(b) whether the Prime Minister had assured them that the status of the above PSUs would be reviewed and the action plan of the Government on each of the units would be announced shortly;

(c) whether the Government have no finalised any revival plan for these units;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) As per records available in the Prime Minister's Office, no delegation comprising of some Members of Parliament and representatives of Central Trade Unions met the Hon'ble Prime Minister last year (1996) to submit a Memorandum on sick Public Sector Undertakings (PSUs) referred to the Board for Industrial and Financial Reconstruction (BIFR). However, a Memorandum dated 9.5.1997 signed by Members of Parliament from West Bengal has been received by the Hon'ble Prime Minister regarding sick Central PSUs in West Bengal. Subsequently, a meeting was taken by the Hon'ble Prime Minister on 16.5.1997 in the above matter.

(c) to (e) The information is being collected and will be laid on the Table of the House.

Indo-Pak Trade Relations

552. SHRI GORDHANBHAI JAVIA:

SHRI BHIMRAO VISHNUJI BADADE:

Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal to strengthen the Indo-Pak trade relations;

(b) If so, the details thereof; and

(c) the time by which the final decision is likely to be taken in this regard?