

issues, including the continuing review of the compensatory financing facility. The Committee requested that deliberations in the coming months cover any additional suggestions on the role of the Fund included in the forthcoming report of the Group of Twenty-Four, as well as any outstanding issues from these raised in earlier reports of both the Group of Ten and the Group of Twenty-Four.

The Committee welcomed the increased emphasis being placed in adjustment programmes on establishing conditions for sustainable growth and stressed that it is critical for adjustment to be implemented in such a manner as to promote savings, investment, and efficiency in resource use. The Committee added that a strong political commitment to comprehensive growth-oriented adjustment programmes is essential to their success and noted that increased financing on appropriate terms by private as well as official creditors, donors, and multilateral institutions would facilitate such adjustment. The Committee stressed that all these factors were essential to ensure that members' access to Fund resources is consistent with their revolving character and with the ability of the institution to continue assisting members by its advice and finance. The Committee encouraged the Executive Board, in its forthcoming discussions, to conduct a through review of adjustment programmes and their supporting Fund arrangements in order to ensure that they are appropriate to conditions now facing member countries.

8. The Committee noted the establishment by the Executive Board of a Committee of the Whole to conduct the work on the Ninth General Review of Quotas.

9. The Committee agreed to hold its next meeting in Washington, D.C. on September 27, 1987.

#### **Writing off Loans by Nationalised Banks**

7483. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to exercise any check over writing off of loans by

public sector banks beyond a particular amount;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). All Public Sector Banks, over a period of time, have laid down detailed procedures for writing off of advances which are considered bad.

Recently Reserve Bank of India had advised all Public Sector Banks that proposals for write off of bad debts/losses of amounts upto Rs. 50,000 may be disposed of by the Chairman/Managing Director with suitable lower limits for other top executives/Committee of Executives. Proposals involving more than Rs. 50,000 are to be put up to the Board of Directors for approval. Reserve Bank of India have also advised the banks that write offs are to be considered after proper evaluation of circumstances of each case and only after all avenues of recovery have been exhausted. Banks have also been asked to evolve a strict time discipline so that irregular and sick accounts are discovered earlier and the need for write offs are avoided as far as possible.

#### **Capitalisation of Accumulated Losses by Public Sector Undertakings**

7484. DR. B.L. SHAILESH : Will the Minister of FINANCE be pleased to state :

(a) whether any norms or guidelines have been laid down for the capitalisation by a public sector undertaking its accumulated loss; if so, what;

(b) the names of Undertakings which have been allowed to capitalise more than 50 per cent of their accumulated losses; and

(c) the manner in which this mechanism will ultimately help such undertakings to improve their efficiency and become viable in due course of time ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI