

small exporters; and

(b) if so, the details regarding their demands and reaction of Government thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): (a) and (b) The All India Garment Exporters Common Cause Guild has represented essentially for the continuance of the FCFS Small Order System with a higher allocation. After taking into account all relevant factors, the Government has recently announced the Export Entitlement Distribution Policy. Under the policy, the FCFS Small Order System is being continued for non-super fast categories and for super-fast categories, an Open Tender System has been introduced as an experimental measure. The small exporters can apply for quota under the Open Tender System also.

Bad Debts in Nationalised Banks

3273. SHRI V.S. KRISHNA IYER: Will the Minister of FINANCE be pleased to state the action taken to avoid bad debts in nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): 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.

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 supervision and control over the advances to ensure proper end-use of funds lent. Banks have also been advised to take strict action against the officials where advances are found to have become sticky due to their negligence, inefficiency or suspected collusion on their part with unscrupulous borrowers. Reserve Bank of India has also advised the banks in November, 1986 to introduce a comprehensive and uniform grading system to indicate the health of individual advances and accordingly classify them in various distinct categories. This is expected to facilitate close monitoring of sticky advances by banks and eventually reduce the incidence of bad debts.

Manufacture of Engines for Bulldozers by B.E.M.L.

3274. SHRI V.S. KRISHNA IYER: Will the Minister of DEFENCE be pleased to state:

(a) whether there is any proposal before Government to permit Bharat Earth Movers Limited to manufacture engines for bulldozers with Japanese collaboration;

(b) if so, how many engines for bulldozers will be annually manufactured by the BEML with Japanese collaboration;

(c) when the production is likely to be started; and

(d) the proposed location where these engines will be manufactured?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL): (a) Yes, Sir. A proposal for the manufacture