

in corrupt practices amounting to tens of millions of dollars in Uri hydro-power project, a gas turbine operation, sale of locomotive and a power station in India;

(b) whether Government would arrange to get the Swiss press report on the subject and place it on the Table of the House; and

(c) whether Government would institute an inquiry into the matter and make it public?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) National Thermal Power Corporation and National Hydroelectric Power Corporation have informed that they are not aware of any corrupt practices in securing contracts by Asea Brown Boveri for Uri Project or any Gas Turbine Project/Power Station.

Revision of Excise Tariff on Pan Masala

3518. SHRI MUKESH R. PATEL:
SHRI SANJAY NIRUPAM:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued any notification on 1st March, 1997 to revise excise tariff on pan Masala;

(b) if so, the reasons for issuing the notification just on the next day of presenting the General Budget; and

(c) whether Government are losing revenue after fixing the excise on Pan Masala according to weight, instead of the maximum retail price or factory price of the product; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) (a) to (c) Pan Masala falling under sub-heading No. 2106.00 of the Central Excise Tariff is levied excise duty at 40% ad valorem both prior to and after the budget for the year 1997-98. In the budget for 1997-98, no change has been made in the rate of duty applicable to pan masala. However, tariff value on pan masala has been

prescribed vide notification No. 5/97-Central Excise (NT) dated the 1st March, 1997 taking into consideration all relevant aspects. This measure is not likely to result in loss of revenue.

Funds to Weak Public Sector Banks to meet Capital Inadequacy

3519. SHRI V. NARAYANASAMY:
Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have provided funds to various weak public sector banks to meet their capital adequacy;

(b) whether Government have analysed the reasons for losses incurred by various banks in this country; and

(c) if so, what steps Government have taken to rectify the defects in the banking system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) Some of the main reasons for losses incurred by the banks are:

high overhead expenditure

high volume of Non-performing assets (NPAs)

high cost of funds

inadequate credit appraisal and post sanction supervisory system

lack of risk management skill

inadequate management information system

(c) Government/RBI have taken following measures:

advised the banks to contain NPAs by means of formulating loan recovery policy, setting up recovery cells, entering into compromise/negotiated settlements, referring to debt recovery tribunals etc.

infused additional share capital to the weak banks to enable them to achieve 8% capital adequacy