

burden and dwindling yields, as reported in the *Economic Times* dated the 30th March, 1998;

(b) whether it is also a fact that during January-March, 1998, Air India ended up with a loss of Rs. 100 crore, caught in debt-trap with working capital loans of Rs. 1000 crore, aircraft acquisition loans

of Rs. 400 crore and a debt burden of Rs. 200 crore; and

(c) if so, the reasons therefor and in what manner such huge losses are likely to be made up by Air India during the next financial year?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) and (b) Details are as under:—

Year	Yield (Revenue/ RTKM*)	Loss	(Rupees in crores)	
			Working Capital Loans	Aircraft Loans and interest
1996-97	Rs. 20.20	296.94	260.00	607.97
1997-98 (provisional)	Rs. 21.85	280.43	860.00	638.06

*RTKM = Revenue Tonne Kilometre

During January-March, 1998, Air India incurred loss of Rs. 81.75 crores (provisional).

(c) The losses were incurred due to increase in expenditure on account of interest and depreciation on new aircraft, increased cost of operations and landing, handling and navigational charges, agitation by engineers, depreciation of rupee value, etc.

Air India has taken following steps to reduce losses:—

- (i) Network Rationalisation and consolidation.
- (ii) Product upgradation.
- (iii) Improvement in on-time performance.
- (iv) Creation of independent profit centres.

The Government has also constituted a committee of experts under the Chairmanship of Dr. Vijay Kelkar, Chairman, Tariff Commission to undertake a comprehensive examination of the reasons for the losses incurred by the Air India and to suggest a strategy for turning around the company.

Plan outlay for Road Development

*190. DR. B. B. DUTTA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the percentage of outlay provided for road development during each five year plan;

(b) whether the plan outlay for development of roads shows progressive decline;

(c) whether paucity of funds for development of roads has adversely affected road conditions in the country;

(d) if so, economic losses suffered annually due to bad condition of roads; and

(e) what has been the response of private sector in the development of roads in the country?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND THE MINISTER OF SURFACE TRANSPORT (SHRI M. THAMBI DURAI): (a) Percentage of outlay provided for road (National Highways) development

ranges between 1.4 to 0.6 from 1st Five Year Plan to 8th Five Year Plan respectively.

(b) Yes, Sir.

(c) Yes, Sir.

(d) Loss in this context is estimated to be around Rs. 15000 crore per year.

(e) Private Sector's response for by passes, bridges and rail over bridges has been encouraging.

Bank credits for States in the Eastern Region

*191. SHRI S. RAMACHANDRAM PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that since the nationalisation of banks, the States in the Eastern region are deprived of banks credits as compared to other States; and

(b) if so, whether it is a contributory factor for uneven economic development in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHAMAM): (a) The details regarding State/Union Territory-wise distribution of bank credit of all scheduled commercial banks as on December 31, 1969 and December, 31, 1997 including the Eastern region are given in the statement. (see below)

(b) Bank credit is one of the inputs for economic development but not the only catalyst for increasing developmental activities in the area. A higher level of economic activity and increased credit absorption capacity can be brought about with adequate and timely development of infrastructural facilities, entrepreneurial initiatives, stable and conducive atmosphere for development of resources and climate for timely repayment of loans.

Statement

State-wise distribution of Bank credit of Scheduled Commercial Banks as on December 31, 1969 and 1997

Name of the State/Union Territories	Credit (Rs. in lakh)		Percentage to total bank credit (All India)	
	1969	1997	1969	1997
1. Andhra Pradesh	163.02	21505.97	4.4	7.0
2. Arunachal Pradesh	—	51.59	—	..
3. Assam	20.65	1925.83	8.6	0.6
4. Bihar	50.57	6612.85	1.4	2.2
5. Goa	23.51	1026.86	8.6	0.3
6. Gujarat	232.31	15236.47	6.2	5.0
7. Haryana	30.28	4724.89	0.8	1.5
8. Himachal Pradesh	3.90	878.61	0.1	0.3
9. Jammu and Kashmir	4.20	1899.74	0.1	0.6
10. Karnataka	185.56	19656.48	5.0	6.4
11. Kerala	113.71	11281.06	3.0	3.7
12. Madhya Pradesh	70.52	10293.19	1.9	3.4
13. Maharashtra	1132.61	77071.14	30.4	25.2
14. Manipur	—	163.52	—	0.1
15. Meghalaya	—	141.98	—	..
16. Mizoram	—	44.42	—	..
17. Nagaland	10	103.13	—	..
18. National Capital Territory of Delhi	200.31	40181.43	5.4	13.1
19. Orissa	17.79	3668.80	0.5	1.3
20. Punjab	76.70	9786.99	2.0	3.2
21. Rajasthan	46.64	7022.33	1.3	2.3

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