

IMF Survey Report on Banks

1129. SHRI K.K. BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether according to an IMF survey report on banks, it has been recommended that a strict state regulation is warranted to stop the poor management trend;

(b) if so, whether the performances and profitability of the Nationalised banks in the country are not upto the mark; and

(c) if so, what concrete steps Government propose to take to check poor management of banks and to improve profitability?

THE MINISTER OF FINANCE (P. CHIDAMBARAM): (a) The IMF Survey has only reported about the Roundtable on experiences on dealing with the banking crises, and there is no direct advice given by the Survey, as such. But it is true that during the Roundtable discussion, the role of the Government in bank restructuring was referred to. However the IMF in their report "International Capital Markets—Developments, Prospects and Key Policy Issues" makes the following comments on the state regulation of Indian Bank "Any recapitalization of the banking system would have to be accompanied by greater supervisory efforts and further efforts to phase out the myriad regulations and to improve managerial autonomy, which both tend to impede the efficiency of operations in the commercial banks".

(b) During the year 1995-96, out of 27 public sector banks; 19 banks recorded net profit and 8 banks showed net losses.

Correspondingly during 1993-94, 15 banks showed net profits and 12 banks showed net losses.

(c) RBI/Government of India have taken various steps to further improve the overall functioning of Banks in general and nationalised banks in particular. Specific direction to improve the working of the banks with particular emphasis on upgradation/recovery of NPAs, qualitative credit expansion, reduction of costs, increasing of income/profitability etc. have been given to individual banks.

Proposal to offer 14 percent extra seats to passengers during winter season

1130. SHRI K.M. KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines propose to offer 14 percent extra seats to passengers for the forthcoming winter season;

(b) if so, details thereof;

(c) whether Government propose to ask Indian Airlines to offer similar extra seats to passengers in every summer season too; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) yes, Sir.

(b) Details of route-wise increase is enclosed at statement (*see below*).

(c) and (d) Details of services to be operated in summer schedule of Indian Airlines will be determined with reference to the traffic demand, availability of aircraft and operating crew.