

image and on time performance to attract more passengers and to increase revenue.

(c) and (d) Air India's market share of passenger traffic to/from India came down from 33.4% in 1981 to 21.7% in 1995. To increase its market share Air India has been taking steps to intensify its marketing efforts, augment capacity, expand network of services and to improve its product, image and on time performance.

#### Losses in Banks

1193. PROF. RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) the details of the banks in different sectors such as Nationalised, Co-operative Banks etc. running in loss during the last two years ending with 30th September, 1996;

(b) the amount of loss in respect of each bank;

(c) whether Government have made enquiries into the reasons of the loss;

(d) if so, the findings thereof, and

(e) the action taken or proposed to be taken for prevention of recurrence of such incidents?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The details of loss making banks are as under:—

(Rs. in crores)

	1994-95		1995-96	
	No.	Amount	No.	Amount
Nationalised Banks	8	625.22	7	2360.10
Private Banks	3	33.90	3	46.86

In respect of District Central Cooperative Banks the information for

the year 1993-94 and 1994-95 (latest as reported by National Bank for Agriculture & Rural Development (NABARD) is as under:

(Rs. in Crores)

	1993-94		1994-95	
	No.	Amount	No.	Amount
District Cooperative Banks	136	126.56	117	157.42

(c) and (d) the nationalised banks were required to provide depreciation on Government securities at yield to maturity (YTM) rate of 14% during 1995-96 as against 13% during 1994-95. The banks had also to make increased provisions for Non-Performing Assets and make payments on account of wage revisions to award staff/officers during these two years and also provide for provisions for pension fund. The losses of District Cooperative Banks were due to weak resource base, vitiated recovery climate, absence of professionalisation and inadequate modernisation.

(e) Nationalised banks reporting losses are precluded from incurring fresh capital expenditure, fresh recruitment without prior approval of RBI and advised to reduce all operating expenses through Development Action Plan which include, *inter alia*, rationalisation of organisational structure. In the case of Cooperative Banks, NABARD has advised these banks to prepare Development Action Plans (DAPs) to revamp their operations and improve their viability. The DAPs are based on thorough analysis of various operational aspect financial organisational systems and procedures and human resources development having a bearing on viability. Recovery performance has also been given a stress in the Memorandum of Understanding entered into by the Cooperative banks and concerned State Government with NABARD.