

- (a) whether the losses in banks have increased due to negligence and malpractices of bank employees;
- (b) if so, the details thereof;
- (c) the remedial and punitive measures taken/being taken during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) Public sector banks as a group have reported net profits for 1996-97 and 1997-98. Total losses reported by loss making public sector banks (PSB) in the last three years is as under :-

Year ended on	No. of loss/ reporting PSBs	Total loss reported
31.3.96	8	Rs. 2590.41 Crores
31.3.97	3	Rs. 678.96 Crores
31.3.98	2	Rs. 397.72 Crores

The principal reasons for some of the public sector banks incurring losses in the past included, *inter alia*, high administrative cost, low productivity of employees, high level of non performing assets and non adoption of technological upgradation to the required extent.

Government and Reserve Bank of India (RBI) have been impressing upon the banks the need to strengthen their credit appraisal machinery and exercise close supervision and control over advances, take effective steps for improving recovery of non performing assets as also reducing their overhead expenses. Wherever staff accountability is established, the banks take appropriate action in accordance with the conduct rules applicable to them.

I.T. Exemption to Cooperative Banks and Societies

1080. DR. VALLABHBHAI KATHIRIA :

SHRIMATI BHAVNA KARDAM DAVE :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the Income Tax authorities in Gujarat are insisting that the Primary Agricultural Credit Societies and Cooperative Banks should file income tax returns; and

(b) if so, the whether the Government propose to favourably consider the demand that these institutions which do not come within the purview of the Banking Regulation Act and which are not undertaking any business other than those specified in Section 80 (p) (2) of the Income Tax Act, 1961 are exempted from the obligation to submit such returns?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) At present, there is no proposal to exempt such institutions from the obligation to submit income-tax returns.

Survey of Offices of Japanese Airlines by I.T. Department

1081. SHRI BHAGWAN SHANKAR RAWAT :

SHRI SHIVRAJ SINGH CHOUHAN :

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news item captioned "Income tax sleuths survey Japanese Airlines offices" appearing in the "Hindustan Times" dated November 6, 1998;

(b) if so, the facts of the matter reported therein;

(c) whether the income tax department have noticed some irregularities in the declaration of Income by the officials of Japanese Airlines;

(d) if so, the details thereof;

(e) the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Yes, Sir.

(b) to (e) A survey operation u/s 133A of the Income Tax Act was conducted at the premises of M/s. Japan Airlines Co. Ltd. Regional Office New Delhi on 8.10.98. The survey revealed that the Japan Airlines Co. Ltd. had not included the part of the salaries paid out-side India to its expatriate employees serving in India in its TDS Returns. Following the survey, a show cause notice for levy of interest u/s 201 (1A), penalty notice u/s 271 C and show cause notice for prosecution u/s 276B were issued to the company. Subsequent to this action, The Japan Airlines Co. Ltd. has paid tax and interest amounting to Rs. 1,76,51,821/- (Tax Rs. 1,10,77,808/-, interest 65,74,013/-).

[Translation]

Revival of Sick Units

1082. SHRI SADASHIVRAO DADODA MANDLIK :
Will the Minister of FINANCE be pleased to state:

(a) whether the Government have formulated any