

1	2	3	4	5	6
7.	Haryana	72	27	38	27
8.	Himchal Pradesh	17	3	7	6
9.	Jammu and Kashmir	13	6	7	6
10.	Karnataka	144	62	67	67
11.	Kerala	110	43	29	20
12.	Madhya Pradesh	70	28	37	34
13.	Maharashtra	280	88	111	73
14.	Manipur	—	0	0	0
15.	Meghalaya	1	0	0	0
16.	Mizoram	—	0	0	0
17.	Nagaland	—	0	0	0
18.	National Capital Territory of Delhi	169	33	56	44
19.	Orissa	47	5	18	17
20.	Punjab	95	63	72	39
21.	Rajasthan	59	40	27	35
22.	Sikkim	1	0	0	0
23.	Tamil Nadu	126	56	44	41
24.	Tripura	1	0	1	1
25.	Uttar Pradesh	209	74	66	78
26.	West Bengal	86	18	36	15
27.	Andaman & Nicobar Island	—	1	0	0
28.	Chandigarh	24	11	8	5
29.	Dadra & Nagar Haveli	2	0	2	1
30.	Daman & Diu	3	1	0	1
31.	Lakshadweep	—	1	0	0
32.	Pondicherry	4	1	0	3
All India		1870	683	761	643

[English]

UCO Bank

2636. SHRI TAPAN SIKDAR : Will the Minister of FINANCE be pleased to state :

(a) whether the UCO Bank has declared 7,000 of its staff as surplus;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government for restructuring and revival of this bank and to redeploy the staff?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARATHANAN) : (a) UCO Bank has not formally declared any staff surplus. Different studies/ Committees who have assessed staff requirement level have however found that the surplus staff would range from 7,000 to 10,000.

(b) the reasons for surplus staff are primarily slow growth of business of the bank during the past one decade and liberal recruitment in eighties.

(c) Reserve Bank of India had appointed consultants in 1994 to conduct diagnostic study and suggest strategies for revival of the UCO Bank. The Bank has prepared a three year Strategic Revival Plan (SRP) (1997-98 to 1999-2000) based on an MOU with the Unions/Associations for its turn around. The performance of the bank under SRP is being monitored by the Board of Directors and is periodically reviewed by the RBI/Government.

Reserve Bank of India has recently set up a Working Group under the Chairmanship of Shri M.S. Verma, Hon. Advisor to Reserve Bank of India to suggest measures for revival of weak public sector banks.

Rating of Banking Industry

2637. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news-item captioned "Sluggish reforms, bad loans to hit banks: Moddy's" and "Moody's projects dismal outlook for Indian Banks" appearing in the "Hindustan Times" and the "Times of India" dated January 14, 1999:

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

(c) the reaction of the Government thereto and the steps taken/proposed to be taken to improve the image of the country in the world?

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

(b) As per the report, the Moody's Investor Services Ltd. in its Annual Report on the country's banking system, has assigned rating of "adequate D" for the financial

strength of India's banks on account of the Rating Agency's perceived opinion on the slackening of the reform process initiated, including deregulation and privatisation of public sector banks.

(c) Govt. is of the view that the public sector banking industry in India is fundamentally sound and its performance is transparent, based on objective norms prescribed by the Reserve Bank of India. Though the sector is not without constraints arising largely from the sluggishness of the real sector, the banking sector in India is increasingly deregulated and liberalised and is certainly stronger than it has been rated by the International Rating Agency.

Financial Mess of State Governments

2638. SHRI RAJO SINGH:

SHRI ASHOK NAMDEORAO MOHOL:

SHRI MADAN PATIL:

SHRI RAMKRISHNA BABA PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether the report of the Reserve Bank of India has pointed out that the Maharashtra dubious distinction showing an incredible rise of 700 percent in the revenue deficit this year;

(b) if so, whether RBI has also pointed out that the financial mismanagement in Maharashtra is worse than Bihar;

(c) if so, whether RBI report has also pointed out that financial crisis of other States particularly of Bihar is also worst;

(d) if so, the States in which the RBI has pointed out financial mess of the State Governments;

(e) the suggestions made by the RBI to check the financial mismanagement of the State Governments;

(f) whether the State Government have asked for financial aid from the Central Government; and

(g) if so, the details thereof and action taken in this regard ?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (g) As per RBI Bulletin of finances of State Governments brought out in February, 1999, revenue deficit of Maharashtra is Rs. 4621.10 crore in 1998-99 (BE) as compared to Rs. 669.60 crore in 1997-98 (RE). In case of Bihar the revenue deficit in 1998-99 (BE) is Rs. 2627.60 crore as compared to Rs. 1562.80 crore in 1997-98 (RE).

According to RBI, the fiscal health of States has been under stress in recent years, as evidenced by the rising deficits.

The RBI has suggested that States embark more steadfastly than ever before upon a path of fiscal consolidation, with expenditure restructuring, cuts on non-merit subsidies and increases in user charges as major planks of action.

Many State Governments on whom the financial burden of revision of pay scales is weighing heavily have sought assistance from the Central Government. While the Central Government has always extended help to the State Governments in times of need, the Central Government has also been exhorting the State Governments to put their finances on a sound footing.

Priority Sector Lending by Banks

2639. SHRI E. AHAMED : Will the Minister of FINANCE be pleased to state :

(a) whether all nationalised banks are adhering to the norms relating to lending to the priority sector;

(b) if not, the names of the banks which have fallen short of target in this regard;

(c) the reasons for not providing the loan by those banks to priority sector; and

(d) the action taken by the Government against the defaulting banks?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Reserve Bank of India (RBI) have reported that nationalised banks as a group have achieved the priority sector lending of 43.67 percent of their Net Bank Credit (NBC) as on the last Friday of March 1998, as against the stipulated target of 40 percent. However, Allahabad Bank and UCO Bank had not achieved the stipulated target as on that date.

(c) and (d) RBI have directed Allahabad Bank and UCO Bank to deposit the short fall in Rural Infrastructural Development Fund-IV (RIDF-IV) of National Bank for Agriculture and Rural Development (NABARD), which is utilised by NABARD for giving loans to State Governments for completion of on-going projects relating to rural infrastructure. The amounts allocated are :-

Allahabad Bank	Rs. 249.46 crore
----------------	------------------

UCO Bank	Rs. 7.43 crore
----------	----------------

[Translation]

Bauxite Reserves in Madhya Pradesh

2640. SHRI CHANDRAMANI TRIPATHI : Will the Minister of STEEL AND MINES be pleased to state :