

[30 November, 1999]

RAJYA SABHA

on the budget for investment in areas like infrastructure' and social services, Government cannot continue to indefinitely provide capital to public sector banks. The Committee has further suggested that the public sector banks should be encouraged to raise capital from the market and minimum shareholding by the Government and the Reserve Bank of India in the equity of nationalised banks and the State Bank of India should be brought down to 33 percent respectively. The recommendations of the Committee are under examination.

Reduction in Government Expenditure

123. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question No. 2274 given in the Rajya Sabha on the 16th March, 1999 and state:

(a) the extent to which Government expenditure was reduced consequent on the 10 per cent cut in non-plan expenditure during 1998 and 1999, year-wise, department-wise;

(b) whether the objective for which the 10 per cent cut was imposed has been achieved; and

(c) if not, the areas which lack curtailment of expenditure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Union Government Accounts for the year 1998-99 are still under finalisation. The results of the cut in expenditure last year will be known only after the accounts for the year 1998-99 are finalised. For the current year, the outcome would be reflected in the Revised Estimates 1999-2000.

Slashing down of CRR

124. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has slashed CRR by 1% as demanded by FICCI;