

Economic growth marked down by World Bank

2823. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether in its flagship report Global Economic Prospects, the World Bank has marked down India's economic growth to 5.5 cent only in FY 2015 as opposed to 6.2 per cent in its January, 2014 report;

(b) whether the report indicates that a large number of projects have been stalled in India particularly in infrastructure sector contributing to a rise in stressed loans;

(c) whether the report also cites the key risk to the near-term forecast on India is a weak monsoon caused by El Niño; and

(d) if so, the Government's comments thereon;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) The World Bank in its flagship report Global Economic Prospects has revised the rate of growth of India's GDP for 2014-15 downward from 6.2 per cent (January 2014 Report) to 5.5 per cent (June 2014 Report).

(b) Yes Sir

(c) The World Bank in the Global Economic Prospects (June 2014 Report) has highlighted that the prospect of weak monsoons due to El Niño phenomenon is a key risk to growth in South Asia including India.

(d) Various Multilateral institutions like International Monetary Fund, World Bank, Asian Development Bank, research organization within the country and outside as well as credit rating agencies publish forecasts regarding growth rate of the economy. These forecasts, based on specific assumptions, often differ from one another. However, the Government takes into cognizance the observations, outlook and risks expressed regarding the pace of the country's economic growth, and takes appropriate action.

Pay fixation of ex servicemen

2824. SHRI MAHENDRA SINGH MAHRA: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government has issued guidelines for Pay-fixation of ex-servicemen re-employed in Public Sector Banks including SBI, if so, the details thereof; and

(b) whether these are being implemented uniformly by all Public Sector Banks *etc.* in letters and spirit ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) Indian Banks' Association (IBA) vide its letter No.HR and IR/CIR/2013-14/589/8764 dated 30.01.2014, in consultation with the Department of Financial Services, Ministry of Finance, has issued comprehensive uniform guidelines for Pay fixation of Ex-servicemen upon their re-employment in Public Sector Banks (PSBs), including State Bank of India.

(b) Yes, Sir.

Government shares in Public Sector Enterprises

2825. SHRI SUKHENDU SEKHAR ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Government has decided that Public Sector Undertakings (PSUs)/ Government companies will hold upto 75 per cent shares only, if so, the details thereof;

(b) If so, what would be the impact on financial health of PSUs; and

(c) Whether restructuring and pruning of employees in the PSUs are also in the agenda of Government, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) No Sir. However, a proposal to achieve and maintain at least 25% public shareholding by listed Public Sector Undertakings (PSUs) is under consideration of the Government.

(b) Do not arise in view of the reply (a) above.

(c) Restructuring is a continuous process in the PSUs and enterprise specific restructuring measures are taken by the concerned Administrative Ministries/Departments and the PSUs. This, *inter-alia*, includes (i) financial restructuring such as conversion of loan into equity, waiver of loan and interest including penal interest, Government guarantee for raising loans, grant of moratorium on payment of interest/loan, (ii) business restructuring, such as, formation of joint ventures, merger with another PSU, modernization and improved marketing strategies, etc. In order to rationalize manpower PSUs have resorted to Voluntary Retirement Scheme (VRS) from time to time. In case of PSUs found unviable and where a decision has been taken to close the unit it is Voluntary Separation Scheme (VSS) that is introduced. Retrenchment of employees is adopted only as the last resort and in exceptional circumstances.

Irregularities in waiving off agricultural loans

2826. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there were serious irregularities taken place in the