

MR. DEPUTY CHAIRMAN: The question is:

That The Repatriation of Prisoners (Amendment) Bill, 2011, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P. CHIDAMBARAM: Sir, I beg to move:

That the Bill be passed.

The question was put and the motion was adopted.

The State Bank of India (Subsidiary Banks) Amendment Bill, 2011

MR. DEPUTY CHAIRMAN: Now, we shall take up The State Bank of India (Subsidiary Banks) Amendment Bill, 2011.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): Sir, I beg to move:

That the Bill further to amend the State Bank of India (Subsidiary Banks) Act, 1959, as passed by Lok Sabha, be taken into consideration.

Sir, in view of the recent developments in the international banking scenario and for better functioning, the State Bank of India had, with the sanction of the Central Government and in consultation with the Reserve Bank of India, entered into negotiations for acquiring the business, including the assets and liabilities, of the State Bank of Indore. The terms and conditions relating to such acquisitions were agreed upon by the Central Board of State Bank of India and the whole of State Bank of Indore in the form of a scheme. Thereafter, the Reserve Bank of India has approved the acquisition of the business of the State Bank of Indore and, in exercise of the powers conferred by sub-section (2) of section 35 of the State Bank of India Act, 1955, the Central Government has accorded the sanction thereto. Accordingly, the Acquisition of State Bank of Indore Order, 2010 was notified by the Government on 28th July, 2010 and the same became effective from 26th August, 2010. After the acquisition of the State Bank of Indore by the State Bank of India, the State Bank of Indore ceases to exist and references to State Bank of Indore in the State Bank of India Subsidiary Banks Act, 1959 have become redundant. It is,

therefore, proposed to amend The State Bank of India Subsidiary Banks Act, 1959 to omit any such references. The present Bill seeks to achieve these objectives.

The question was proposed.

श्री रामदास अग्रवाल (राजस्थान): उपसभापति महोदय, भारतीय स्टेट बैंक (समनुषंगी बैंक) संशोधन विधेयक, 2011 माननीय मंत्री जी यहां पर लाए हैं, उसके अनुसार स्टेट बैंक ऑफ इंदौर का नाम समाप्त होकर वह सब स्टेट बैंक ऑफ इंडिया ऑफ इंडिया के रूप में परिवर्तित हो रहा है। उपसभापति महोदय, यह काम तो बहुत पहले हो चुका है और अब यह बिल केवल नाम परिवर्तन के लिए लाया जा रहा है। यह बैंक पहले से स्टेट बैंक के साथ subsidiary के रूप में जा चुका है। जब स्टेट बैंक ऑफ इंदौर बनाया गया था और जिन लोगों ने इसको बनाया था, उन्होंने इस बैंक को अच्छे रूप में चलाया। जब इस बैंक का स्टेट बैंक ऑफ इंडिया में मर्जर हुआ, उस समय इसका टर्न ओवर 50 हजार करोड़ रुपये था। उपसभापति महोदय, मैं यह बात इसलिए कहना चाहता हूँ कि इसके पहले भी बहुत सारी बैंक्स प्राइवेट बैंक के रूप में बनायी गयी थीं और उन्होंने अच्छे काम किए थे।

जो बैंक स्टेट लेवल पर चल रहे हैं, वे भी अच्छा काम कर रहे हैं। महोदय, मैं राजस्थान का जिक्र करना चाहता हूँ और माननीय मंत्री जी भी राजस्थान के हैं। वहां पर भी दो बैंक, बैंक ऑफ जयपुर व बैंक ऑफ बीकानेर थे। इन बैंकों का भी स्टेट बैंक में मर्जर हुआ, लेकिन उनका नाम तब भी स्टेट बैंक ऑफ जयपुर एंड स्टेट बैंक ऑफ बीकानेर रहा। अब इन्होंने जो स्टेट बैंक ऑफ इंदौर का मर्जर किया है, उसमें उसका नामोनिशान मिटा दिया है।

महोदय, मैं यह बात इसलिए कहना चाहता हूँ कि इसके लिए यह तर्क दिया जा रहा है कि इस बैंक के मर्जर होने से स्टेट बैंक का स्टेटस ऊंचा होगा। मैं यह जानना चाहता हूँ कि स्टेट्स किस रूप में ऊंचा होगा? मैं मंत्री जी को बताना चाहूंगा कि ऑलरेडी इस देश के अंदर स्टेट बैंक ऑफ इंडिया की लगभग साढ़े बारह हजार से ज्यादा ब्रांचें हैं और इनके अलावा कुछ नई ब्रांचें भी खुली हैं। मैं यह जानना चाहता हूँ कि इन ब्रांचेज के खोलने के बाद क्या आपने ग्रामीण क्षेत्र में बैंकिंग सर्विसेज को आगे बढ़ाया है?

महोदय, स्टेट बैंक का मतलब भारतीय बैंक है, जो कि भारत सरकार का बैंक होता है। उसका दायित्व केवल पैसा कमाना नहीं है। उसका दायित्व डिपॉजिट्स को बढ़ाकर, लोगों को लोन देना नहीं है, बल्कि उसका दायित्व है कि वह सोशल सर्विसेज में ज्यादा से ज्यादा एक्टिव होकर, उसका पालन करे और सरकार की नीतियों के अनुसार जो गरीब व बेरोजगार लोग हैं उनको ऋण देने के लिए आगे आए। किसी भी सरकारी बैंक का यह उद्देश्य होता है।

महोदय, मेरी जानकारी के अनुसार स्टेट बैंक ऑफ इंडिया को पिछले साल जो प्रॉफिट हुआ है, वह 16 हजार करोड़ हुआ है। हमारे बैंक ने 16 हजार करोड़ का प्रॉफिट कमाया है, इसलिए हम इससे खुश हो सकते हैं, यह बात सही है। हमें इसमें आपत्ति नहीं है कि हमारे देश के बैंक ने पैसा कमाया है, लेकिन सवाल यह है कि जो स्टेट बैंक की सोशल रेस्पॉसिबिलिटी होनी चाहिए, उसको निभाने में क्या उसने अपना दायित्व पूरा किया है? हमारे समाने यह सवाल है। एक जानकारी के अनुसार इन्होंने ग्रामीण क्षेत्रों में अगर 1200 बैंक खोले हैं, तो उनमें से one forth भी बैंक ग्रामीण क्षेत्रों में नहीं हैं। इसका क्या मतलब निकलता है? क्या केवल प्रॉफिट कमाने के लिए इस बैंक को बनाया गया है? महोदय, अगर प्रॉफिट कमाने के लिए बैंकों का नाम लिया जाए, तो बैंक ऑफ बड़ौदा है, बैंक ऑफ पंजाब नेशनल बैंक है। वे तो आप से भी ज्यादा अच्छा बिजनेस करते हैं और प्रॉफिट कमाते हैं। वे बैंक भी सरकारी क्षेत्र में आ चुके हैं।

महोदय, मेरा यह कहना है कि सरकार द्वारा केवल बड़े बैंक बना देने से देश के बैंकिंग बिजनेस का समाधान नहीं हो सकता। मैं इसलिए निवेदन करना चाहता हूँ कि कई बार ग्लोबलाइजेशन की बात की जाती है। अगर हम पिछले दो सालों का इतिहास देखते हैं, तो जो बैंक अमेरिका, यूरोप और ब्रिटेन में थे, वे बड़े बैंक थे और उनका आकार विशाल था। उन बैंकों के पास अथाह डिपॉजिट्स थे तथा उन्होंने बड़े-बड़े लोन्स भी दे रखे थे। महोदय, जब एक हवा का झोंका आया तो वे बड़े-बड़े बैंक ताश के पत्तों की तरह ढह गए! महोदय, मैं यह कहना चाहता हूँ कि बड़े बैंक होने से काम नहीं होता है, केवल बड़ा आकार होने से वह जनता की सेवा नहीं कर सकता है। महोदय, मैं आपके माध्यम से मंत्री महोदय के सामने इस संबंध में दो विषय रखना चाहता हूँ। पहला विषय यह है कि स्टेट बैंक का आकार बड़ा होता जा रहा है, यह बात सही है और हमें इसमें कोई आपत्ति भी नहीं है क्योंकि यह हमारे देश का एक प्रतिष्ठा प्राप्त बैंक है। मैं यह कहना चाहता हूँ कि प्रतिष्ठा प्राप्त होने के बावजूद उसका दायित्व भी पूरा होना चाहिए।

दूसरी बात यह है कि जो छोटे बैंक हैं, वे ज्यादा बेटर सर्विस दे रहे हैं। हम सब देख रहे हैं कि जितने भी छोटे-छोटे बैंक हैं, वे अपने कस्टमर्स की केयर ज्यादा ठीक प्रकार से करते हैं। वे ठीक प्रकार से अपनी dealings करते हैं, उनको ठीक प्रकार से आगे चलाते हैं। इसलिए मैं आपसे यह कहना चाहता हूँ कि बड़े आकार पर मत जाइए, क्योंकि अगर बैंक्स अपने clients और अपनी services को ठीक प्रकार से नहीं देख सकते हैं, तो इसका लाभ नहीं है।

उपसभापति महोदय, इसलिए मैं यह बात कहना चाह रहा हूँ कि यदि हमें अपने बैंकिंग सिस्टम को मजबूत करना है, तो इसे केवल आकार के आधार पर नहीं, बल्कि customers को, clients को सुविधा देने के लिए करना होगा, अपने सामाजिक दायित्वों को पूरा करने के लिए करना होगा। आज आप बैंक का merger कर रहे हैं, मैं तो ऐसा सोचता हूँ, हमारे यहाँ राजस्थान में जब कोई व्यक्ति स्वर्गवासी हो जाता है और उसका सारा क्रियाकर्म हो जाता है, तो बाद में गरुड़ पुराण पढ़ा जाता है और गरुड़ पुराण पढ़ कर उसकी आत्मा की शांति की बात की जाती है, ...**(समय की घंटी)**... वैसे ही हमारे वित्त मंत्री महोदय आत्मा की शांति के लिए यह प्रस्ताव, यह बिल लाए हैं। वे बिल लाए हैं, यह उनकी मर्जी की बात है, लेकिन मैं फिर कहूँगा कि छोटे-छोटे नदी-नालों को बड़े नालों में मिला कर, समुद्र में मिला कर काम नहीं चलता है। नदी-नालों का भी अस्तित्व रहना चाहिए और समुद्र का महत्व भी रहना चाहिए। इसलिए मैं निवेदन करना चाहता हूँ कि आप केवल merger की बात मत कीजिए, केवल मिलाने की बात मत कीजिए, बल्कि उनके द्वारा दी गई social services पर भी ध्यान दीजिए। धन्यवाद।

DR. E.M. SUDARSANA NATCHIAPPAN (Tamil Nadu): Sir, the State Bank of India (Subsidiary Banks) Amendment Bill, 2011, gives a new opportunity to the regional banks, which have got a very great culture, to get merged with the State Bank of India. The State Bank of Travancore, the State Bank of Indore, the State Bank of Bikaner, etc., are all having a long history. It shows how the banking system has evolved in India in various kingdoms and also the Provincial States. Therefore, it has got its own culture. These Banks know the needs of local people and they address their demands accordingly. Their behaviour with the customer, the way of lending, etc., differ in each State. Therefore, this is carrying a very great culture, and the name itself gives a prestige for the people of that particular area. There is no doubt that now, it is a day of merger, amalgamation, acquisition and all these things are coming up. Therefore, we have to go along with the modernisation and also we have to see that in the globalised economy,

our India should have the prestige of having the world's largest bank. The State Bank of India is one of the largest banks at the international level in terms of capital, human resources and also the number of branches. There is no other Government bank having so many branches throughout the world. Only private and multinational banks have their branches like this. The large number of branches of the State Bank of India addresses the needs of local people, rural people and the people of semi-urban areas. In that way, it has created a culture which reflects the pan-Indian culture. Therefore, we have to take the acquisition and merger of all these banks in that way also.

When there is a merger like this, when the subsidiary banks are acquired, then we have to see that employees' interests are also protected. Now, the employees are exposed to transfer at the national level. They cannot say that they want to remain within their own States and also the same area. But, there should be some leniency, at least, for some time. The people have got some local roots because of the bank's nature. That has to be considered. More so, nowadays, many of the South Indian employees in various banks, including the State Bank of India, are very often transferred to the North-Eastern States because many other employees are not willing to go there. But, South Indians are going there, and they could not come back to their own area when they are promoted.

All these factors have also to be considered while going in for a larger management. When there is a management of the size of the State Bank of India, it should have much more leniency with regard to the welfare of its employee. Many people come under the reservation category, and, naturally, they also have links with the soil of their own State or area. That issue also has to be addressed because many of the people cannot lead a separate life away from their own State. Similarly, the State Bank of Indore employees must be having this kind of nature. That aspect should also be considered.

Finally, Sir, there are issues like BASEL-II norms, disclosures, and, international banking system. The State Bank of India is following every such international disposition including BASEL-II norms. We are very proud of the State Bank of India for undertaking such ventures. With these few words, I fully support this Bill.

MR. DEPUTY CHAIRMAN: Now, Mr. Tapan Kumar Sen. You have only three minutes. ...*(Interruptions)*... The Business Advisory Committee has allocated only one hour for this Bill.

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I think, the allotment of the time is not proportionate to the seriousness of the Bill. I stand to oppose the Bill, and, I oppose the Bill not

only on the face value of this particular Bill but also in the context of the overall policy of the Government of India in the financial sector, with particular reference to the banking sector.

Sir, as per the policy announcements of the Government, more and more people are to be covered by the banking services. It is not only with regard to the State Bank but in other nationalized banks also, a very active exercise for merger is afoot. This is going to work at cross purposes by pushing out more and more people outside the purview of the banking services.

The inevitable result of this so-called consolidation and merger process will be reduction in number of branches in the name of duplication, and, ultimately a major portion of the people will be going out. This is absolutely consistent with the Budget statement which says that more and more private banks will be given licenses. So, a space is being deliberately created in the banking areas by contracting the space occupied by the public sector banks, which are operating in the nation's interest. So, in this financial sector policy architecture, this Bill is not going to help in any manner. As my friend, Mr. Natchiappan just now said, the basic reason for covering the entire populace by public sector banking services is that it is our social responsibility.

Sir, my apprehension stood confirmed when I came to know that yesterday, the Banking Laws (Amendment) Bill, 2011 has been introduced. This Bill aims at strengthening private sector banks and the foreign bankers, and expanding their rights of banking operation on Indian soil. Not only that, it also aims at strengthening the rights and dominance of the private and multinational bankers even within the public sector banks, if they hold their shares. Sir, shares of many of the public sector banks are off-loaded in the market, and, they have been lifted by the many foreign companies, foreign bankers, and, many private players. So, in respect of voting rights, their right is being liberalized. All taken together, a whole exercise is going on to contract the space occupied by the public sector banks, including the State Bank of India, and, in that direction, the whole merger process is going on.

Therefore, Sir, I request the Government to please keep in mind, particularly, the experience of the global crisis, the kind of swindling and speculation, which the banks of USA and Europe indulged into, and, which ended up in a total collapse of the entire banking system. The billions and trillions of dollars had to be put in those banks by the respective Governments just to save them from bankruptcy. ...(*Time-bell rings*)... Our country remained comparatively insulated only because the Indian banking system was not allowed to go in for that reckless speculation and swindling. Public sector character of bank is the guarantee of that. They must be dominant in the financial sector. In that respect, this exercise of contracting the space of

public sector banking in country's economy is dangerous and this Bill is one of the instruments. ...(*Time-bell rings*)... Many other instruments and many other laws have already been introduced and many more are in the process. The hon. Finance Minister spoke about those laws in his Budget statement. I consider this to be one of the integral parts of the dangerous experiment that is being made with the financial sector of the country, much to the detriment of the national interest. I insist this Bill must not be passed in the House. With this few words, I record my strong opposition to this Bill. Thank you.

DR. YOGENDRA P. TRIVEDI (Maharashtra): Sir, I stand here to support the Bill. The Bill is more of a formal in nature. The State Bank of Indore is already merged. This is only the question of changing the name. But some observations have been made relating to finance and I would like to comment upon the same that even though we always say small is beautiful, in financial world, big is very often better. We have big banks which are international banks, like CitiBank, Bank of America, Deutsche Bank, Hong Kong and Shanghai Bank. They are the banks which are considered to be international banks, operating in all the countries. They are very powerful banks. I think, it is very necessary that in our country, the State Bank of India should also become equally big. It can become big by taking over the smaller banks which are probably very vulnerable. Actually, the banks which have suffered and collapsed are normally the small banks, the cooperative banks which have failed the depositors and the moneys have not come back. The larger banks have got more flexibility. I am not saying that the State Bank of India should shun away from its activity of social responsibilities, social obligations and rural credit. These are the issues on which they will have to abide because this is something which is laid down by the Government policy. They cannot deviate from that merely because they have become big. But their size will allow them to compete in the world. Their size will have three or four implications. One is their capacity to absorb the shocks when they come. The shocks came to the international financial market not because they were big but because they are the people who did excessive lending in the name of what is popularly known as the leveraging. If they had not done it, they would have not suffered at all. I am not suggesting that by becoming big, the State Bank of India is going for excessive leveraging or excessive lending. I think, it is necessary. The size is important. They will be able to spread outside the country in a very big way and help the smaller banks when they are in necessity, when they are in difficulty. So, I welcome this Bill and I believe that the State Bank of India should become still bigger and not smaller at all, should compete with all the banks in the world on the same footing. Thank you.

SHRI SYED AZEEZ PASHA (Andhra Pradesh) : Sir, I stand here to oppose the proposal of the Government vehemently because this consolidation or merger is not going to help in any way. Seeing the facts and figures, I find that the arguments are unconvincing and lopsided. Now after the merger, the SBI is going to become a much bigger bank. But, what happened to the bigger banks in the United States and the European contingency. They have just fallen like a house of cards. So, it is not proper now at this juncture to merge all the subsidiary banks with the SBI. The Government is talking about financial inclusion. I wanted to say that nearly 60 crores of the population don't have any bank account. So, let us first concentrate on seeing that more number of branches are being opened and public should have the facility to open their bank accounts. On the other hand, we are seeing that more than 3,000 rural banks have been closed. What sort of financial inclusion are you talking about? The question is not of consolidation. The question is about not having more banking. The Government should concentrate on having more banks and then it should consolidate the gains of the public sector banking. But the Government is not giving due attention to it.

Regarding subsidiary bank, I come to my own State where the State Bank of Hyderabad is having very good business. It is helping agriculture sector; it is helping in rural development; and it is helping in poverty alleviation. If you merge the State Bank of Hyderabad or the State Bank of Travancore, which is also doing good service in Kerala, I think the respective States are going to lose the finances because the headquarters of the SBI is in Mumbai and all the benefits will go to other States instead of coming to our own State. This is another thing about which we have to think seriously.

Keeping in view all this, I feel that the Government should reconsider its decision of going for merger and it should give sufficient chance to the subsidiary banking system, which is really functioning very well, to expand further in the coming days. Thank you very much, Sir.

श्री विक्रम वर्मा (मध्य प्रदेश): उपसभापति जी, जैसा अभी माननीय रामदास जी ने कहा कि सरकार इसको बहुत पहले ही merge कर चुकी है और आज केवल औपचारिकता के रूप में इसको कानूनी दर्जा देने के लिए यहाँ पर प्रस्तुत किया गया है। सरकार ने एक प्रकार से यह एक गलत कदम उठाया है। ये मध्य प्रदेश को और मध्य भारत के लगभग आधे क्षेत्र को कवर करने वाले बैंक्स थे। आप देखें कि इनको 1971 में नेशनलाइजेशन के बाद “ए” कैटगरी का बैंक डिक्लेयर करके recognize किया गया था। “ए” कैटगरी का बैंक जो काम कर रहा है और जिसका टर्नओवर 50 करोड़ से ज्यादा है, जिसकी छोटे-छोटे गाँवों में ब्रांचेज़ हैं और जो इंदौर से कंट्रोल हो रहा है, उसका आप कैसे अपने कंट्रोल में करने जा रहे हैं? यह मामला सर्वोर्डिनेट लेजिस्लेशन कमेटी में भी आया था और उसमें भी यह recommendation आयी थी कि इस प्रकार के जो रीजनल बैंक्स हैं, इनका अस्तित्व खत्म नहीं करना चाहिए, बल्कि इनको प्रमोट करना चाहिए। इसमें ग्रामीण

क्षेत्र के employees हैं, वहीं के काम करने वाले लोग हैं। आज इतने बड़े तंत्र में इनकी स्थिति neglected है। आप कह रहे हैं कि आप इनको professionally ठीक करने वाले हैं और इनकी कस्टमर्स सर्विस को ठीक करने वाले हैं, तो उसके बाद इनमें कौन-सा नया चेंज आने वाला है? आपके स्टेट बैंक्स, जो ऑलरेडी चल रहे थे, उनमें कौन-सा फर्क आ गया, जो आप इसमें करने जा रहे हैं? यह कुल मिला कर एक प्रकार के केवल जमी-जमाई दुकान को अपने कब्जे में करने की स्थिति है।

आप फॉरेन बैंक्स को भी आने का मौका दे रहे हैं। आप फॉरेन बैंक्स को केवल बैंकिंग क्षेत्र में आने नहीं दे रहे हैं, बल्कि बीमा के क्षेत्र में भी उनको आने दे रहे हैं और वे एग्रीकल्चर बीमा भी करने जा रहे हैं। फॉरेन के बैंक्स एग्रीकल्चर बीमा करने जा रहे हैं और किसान को एक भी पैसा नहीं दे रहे हैं। मैंने इस मामले को लोम्बार्ड कंपनी के साथ मिल कर उठाया था। आप फॉरेन के बैंक्स के लिए इतना कर रहे हैं कि आप एक प्रकार से उनको हिन्दुस्तान के किसानों को लूटने की पूरी तरह से छूट दे रहे हैं। दूसरी तरफ, स्टेट बैंक ऑफ इंदौर, स्टेट बैंक ऑफ बीकानेर और बाकी के जो हमारे रीजनल बैंक्स हैं, जो अपने-अपने क्षेत्रों में बहुत अच्छा काम कर रहे थे, उनको आप कैप्चर करने जा रहे हैं और वह भी केवल इसलिए कि आपको अपना आकार बढ़ाना है। मेरा यह कहना है कि आप अपना आकार नहीं, बल्कि अपना प्रसार बढ़ाने की बात करते, आप प्रभाव बढ़ाने की बात करते और आप incentive बढ़ाते। आप जो नये-नये काम कर रहे हैं, इससे हमारे मध्य प्रदेश को नुकसान होगा। ये बैंक्स हमको इनकम टैक्स भी चुकाते थे, अब उस नुकसान की भरपाई हम किस प्रकार करेंगे? उसकी कोई भरपाई होने वाली नहीं है। इनके employees का यह कहना है कि बड़े सेटअप में हमारे प्रमोशंस वगैरह पर affect पड़ेगा, इसलिए उन्होंने भी विरोध दर्ज कराया था। ये सारी चीजें इसके साथ जुड़ी हुई हैं। अब चूंकि आप इनको merge कर चुके हैं, लेकिन ये जो बिन्दु हैं, इन पर आप ध्यान दें और वहाँ के कर्मचारियों का अहित न होने दें तथा मध्य प्रदेश के हितों का ध्यान रखें। हमारा इलाका चूंकि ट्राइबल है और वह मध्य प्रदेश का आधा क्षेत्र है, वहाँ आपका स्टेट बैंक अपनी ब्रांचेज़ खोलने वाला नहीं है। आप वहाँ के लिए ज्यादा से ज्यादा करें। ऐसा न हो कि आप इसको करके फॉरेन बैंक्स के लिए एक रास्ता बनाने की कोशिश कर रहे हों। यदि आपने यह किया, तो ठीक नहीं होगा। मेरा इतना ही निवेदन है।

SHRI NAMO NARAIN MEENA: Sir, in all, six hon. Members have participated in the discussion. I thank them. I have noted their suggestions and inputs. Sir, hon. Members have raised various concerns. I would like to reply to them. Shri Ramdas Agarwal, Dr. Natchiappan, Shri Tapan Kumar, Shri Pasha and Shri Vikram Verma have raised the question of merger and justification of merger of Indore Bank into the State Bank of India.

Sir, here, I would like to tell the hon. Members that merger with a bigger bank is an on-going process. I would like to inform the House that there were 35 bank mergers since nationalisation of banks in 1969. Out of these, there were 25 bank mergers with public sector banks acquiring private sector banks. In two cases, public sector banks have acquired public sector banks and in eight instances, private sector banks acquired private sector banks. The current policy of the Government on consolidation, leaves the initiative for consolidation to come from the management of the banks themselves with Government playing a supportive role.

1.00 P.M.

Sir, another question was raised why the Indore Bank was merged with the State Bank of India. Sir, the SBI was holding 98.05 per cent of the shareholding of State Bank of Indore and it was substantially owned by it. The State Bank of Indore was the smallest associate bank having majority of its branches — in total, 472 branches — located in Madhya Pradesh and Chhattisgarh. The State Bank of India has total over 13000 branches and 152 international branches and because of the technological advancement in Core Banking Services, the customers of Indore Bank will now have access to the entire network of the State Bank of India. Sir, while considering this merger, it is considered that all the stakeholders — shareholders, customers and employees — will benefit from the proposed acquisition. Thus, the acquisition will be in the overall public interest and it will contribute to all-round growth in business and improved efficiency of operations.

Sir, hon. Member, Shri Ramdas Agarwal, Shri Pasha and some other Members also said that they have the apprehension that there will be no branch expansion. I would like to inform the hon. Members in this House that at the time after the bank nationalisation in 1969, there were about 11900 branches in the country as on March 31, 1971 and today, there are over 86000 branches in the entire country and the expansion is going on. On an average, 4500-5000 branches are being opened in the entire country.

श्री रुद्रनारायण पाणि (उड़ीसा): सर, प्राइवेट ब्रांचेज कितनी हैं, प्राइवेट बैंकों की ब्रांचेज कितनी हैं?

SHRI NAMO NARAIN MEENA: Sir, they are being opened and financial inclusion is on the top priority agenda of this Government. As the hon. Members are aware, the F.M., in his Budget Speech, has assured us that there are 73,000 habitations over the population of 2000 and above; they will be provided banking facilities by providing banking correspondents. And we want to connect all the population, those who are left out, with the banking facilities. Recently, in the month of February, an Abhiyan, *Swabhiman Abhiyan*, was launched by hon. Soniaji, in the country, to connect all households, those who are left out, with the banking system. We are going to connect all the persons, those who are left out. This is an ambitious project, and we are going to achieve this goal.

Sir, another question was raised by Natchiappanji and Vermaji regarding the service-conditions of employees of the Bank of Indore. Sir, the interests of employees of the erstwhile State Bank of Indore will not be adversely affected. Suitable clauses have been incorporated in the Acquisition of State Bank of Indore Order so that the pay and allowances offered to the

officers or the employees of the erstwhile State Bank of Indore shall not be less than the overall pay and allowances as they would have drawn.

Similarly, officers or other employees who have retired shall be entitled to receive their benefits, rights and privileges from the transferee bank, *i.e.* State Bank of India. Further, the Provident Fund, the Gratuity Fund and the Pension Fund or any other fund of the transferor bank shall continue with the transferee bank.

So far, questions were raised about the transfer policy and the welfare of employees. I assure the hon. Members that the welfare of employees of all the banks is being looked after by the bank management, and we will ensure that their interests are fully protected.

Sir, one question was raised about the health of the State Bank of India and other Banks. Sir, here, I would like to clarify that in the priority sector, State Bank of India has achieved 38 per cent and the target of achieving 40 per cent will be achieved in this financial year.

Regarding the health of our banks, they are all doing very well; they are all in profit and are doing a commendable job for the people of this country. Hence, during the global crisis, our banks did excellently well. The credit goes to the Regulator, RBI, and the Banks and their employees. Our banks stood the test of time.

With these remarks, Sir, I commend that the Bill may kindly be passed.

SHRI TAPAN KUMAR SEN: Sir, I want to seek a clarification.

MR. DEPUTY CHAIRMAN: Which clarification? He has given such a detailed reply.

SHRI TAPAN KUMAR SEN: Sir, the hon. Minister has just given the figure of growth of a number of branches from the day of nationalization. Will he kindly enlighten us with the figure of growth of all branches from 2002-03 onwards when the whole concept of merger of the subsidiaries with the State Bank came? So, the State Bank and its subsidiaries taken together, what is the growth in the number of branches after that period?

श्री नंदी येल्लेया (आंध्र प्रदेश): मंत्री महोदय rural areas के अंदर खोला गया ...(व्यवधान)...

श्री उपसभापति: वह तो बता दिया न...(व्यवधान)...

श्री नंदी येल्लेया: लेकिन Urban areas के अंदर एक भी नहीं खोला गया। क्या इस पर कोई ban है? ...(व्यवधान)...

श्री रुद्रनारायण पाणि: सर, राजस्थान का ICICI बैंक...(व्यवधान)...

श्री उपसभापति: नहीं, नहीं, Bank of Rajasthan का ICICI से कोई connection नहीं है।...(व्यवधान)...

श्री नमो नारायण मीणा: सर, माननीय सदस्य ने एक मुद्दा उठाया है कि रूरल एरियाज़ में बैंक नहीं खुल रहे हैं। अभी रिज़र्व बैंक ने जो liberalize policy की है, उसमें ज्यादा से ज्यादा ग्रामीण क्षेत्रों में बैंक खुले, इसके लिए पॉलिसी में यह संशोधन किया है कि पचास हजार से नीचे ...(व्यवधान)... पचास हजार से नीचे की जनसंख्या वाले गांव और कस्बों में ...(व्यवधान)... किसी प्रकार का ...(व्यवधान)...

श्री विक्रम वर्मा: पचास हजार का गांव कहां होता है? ...(व्यवधान)...

MR. DEPUTY CHAIRMAN: He is asking about rural areas.

श्री नमो नारायण मीणा: सर, रूरल एरियाज़ के लिए 1:1 की पॉलिसी है। अभी 86,000 शाखाओं में से मात्र 32,000 शाखाएं रूरल एरियाज़ में हैं, बाकी सब अर्बन एरियाज़ में हैं। तो यह शिकायत है कि ज्यादा से ज्यादा बैंक अर्बन एरियाज़ में खोले जा रहे हैं, रूरल एरियाज़ के लिए अभी जो पॉलिसी बनाई गई है, उसमें कोई लाइसेंस ...(व्यवधान)...

श्री नंदी येल्लेया: सर, अर्बन एरियाज़, न कि रूरल एरियाज़। मैं अर्बन एरियाज़ के लिए बोल रहा हूं।

श्री उपसभापति: अर्बन एरियाज़ में बैंकिंग है।

SHRI NAMO NARAIN MEENA: Sir, 63 per cent branches are in urban areas. There are only 37 per cent branches in rural areas. Our thrust is to open more and more branches in rural areas.

MR. DEPUTY CHAIRMAN: Shri V.P. Singh.

SHRI TAPAN KUMAR SEN: Sir, since 2003 after the whole concept of merger of the subsidiaries with the State Bank of India...(Interruptions)....

SHRI V.P. SINGH BADNORE (Rajasthan): Sir, you have called me.

SHRI TAPAN KUMAR SEN: What is the growth in the number of branches? ...(Interruptions)...

SHRI V.P. SINGH BADNORE: Sir, you have taken my name.

SHRI NAMO NARAIN MEENA: Let me answer this. Sir, the growth was slow in earlier years, but when our Government took over, we started expanding the branches in a large number. Roughly, the average number is 3200 every year since 2004-05. The growth is expanding.

SHRI V.P. SINGH BADNORE: Sir, my clarification from the Minister is this. The Minister is talking about the merger. If there is a merger, it is not a one-way traffic that a bigger bank can take over a smaller bank. It is a two-way traffic. Have the views of the small banks and their employees been taken into consideration? Are they interested in this merger? If they are not interested in this merger, what sort of a work have you done before merging them?

SHRI SYED AZEEZ PASHA: Sir, the hon. Minister says that the subsidiary branches are doing a very commendable job. Then why is this merger? When they are doing a commendable job, let them continue with the commendable job. What is the need of merging them?

MR. DEPUTY CHAIRMAN: Now, no more clarifications. Please answer these two questions.

SHRI VIKRAM VERMA: It is a punishment for them.

MR. DEPUTY CHAIRMAN: Please listen to the Minister. पाणि जी, सुनिए।

SHRI NAMO NARAIN MEENA: I have already clarified the policy of the Government on consolidation. The Government leaves the initiative for consolidation to come from the management of the banks themselves, with the Government playing a supportive role. We do not encourage them as a Government. But if the Boards of two banks decide to merge, it is up to them to merge.

MR. DEPUTY CHAIRMAN: Now, the question is:

That the State Bank of India (Subsidiary Banks) Amendment Bill, 2011, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now, we shall take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill.

*Clause 1, the Enacting Formula and the Title
were added to the Bill.*

SHRI NAMO NARAIN MEENA: Sir, I beg to move:

That the Bill be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: The House is adjourned for lunch for one hour.

The House then adjourned at eleven minutes past one of the clock.

The House re-assembled after lunch at eleven minutes past two of the clock,

MR. CHAIRMAN in the Chair.