

the Indian banks cannot serve a majority even after half a century of bank nationalisation;

(b) whether the panel has suggested paving the way for non-banks to transform themselves into banking entities as existing banks have failed to carry out financial inclusion; and

(c) the details of other salient recommendations made by the panel?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) No, Sir. Reserve Bank of India (RBI) has reported that the said statement does not appear in the report submitted to RBI. The panel has, however, *inter-alia*, recommended formation of payment and wholesale banks.

(c) The salient recommendations of the report are available at RBI's website ([www.rbi.org.in](http://www.rbi.org.in)).

#### **Pension for grameen bank employees**

2060. SHRI RAMA CHANDRA KHUNTIA : Will the Minister of FINANCE be pleased to state :

(a) whether Government has decided to give pension to all the officers and employees of Grameen Bank; and

(b) by when Government would finalize the wage negotiation of the officers and employees working in the banking and insurance sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) The employees of Regional Rural Banks (RRBs) are getting pension under the provisions of Employees Provident Fund (Misc. Provisions) Act, 1952. The Government has in principle decided to allow RRBs to adopt pension at par with Nationalised Banks under a prescribed frame work.

(b) In respect of Banks, wage negotiations take place between Indian Banks Association (IBA) and Employees Unions/Officers Associations of banks. Negotiations for 10th Bipartite Settlement have already started.

In respect of insurance companies, Government has advised Life Insurance Corporation (LIC), General Insurers' (Public Sector) Association (GIPSA), a coordinating body for four public sector general insurance companies and General Insurance Company (GIC) to start wage revision consultation with their employees Unions/Associations.

**Discrepancies in payment of CST compensation**

2061. SHRIMATI SMRITI ZUBIN IRANI : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Government has released compensation to the States for the loss of CST revenue for the year 2010-11 onwards;

(b) if so, whether it is paid as per the guidelines issued on 22 August, 2008 for payment of CST compensation;

(c) whether the claim of CST compensation has been reduced to those States which have raised the VAT rate from 4 per cent to 5 per cent;

(d) whether the Empowered Committee has recommended to the Central Government not to link release of CST compensation with the increase in revenue due to increase in the rate of VAT from 4 per cent to 5 per cent; and

(e) whether Central Government has accepted such recommendation of Empowered Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JESUDASU SEELAM) : (a) to (c) CST compensation has been paid to the States for the year 2010-11 as per the guidelines dated 22nd August, 2008 after deduction of amount of revenue gain to the States due to the increase in lower VAT rate from 4 percent to 5 per cent.

(d) and (e) The recommendation of Empowered Committee is under consideration.