

(b) whether the Association of Bank Employees has expressed their objections to the said merger, the reasons therefor;

(c) whether the Banks have called for Nation-wide strike against this move of Government, the details thereof; and

(d) the stand of Government in view of the Employees Union's strike and the steps being taken by Government to counsel the Unions to explain the advantages of the merger, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) The Central Government has sanctioned the proposal of State Bank of India (SBI) u/s 35(1) of SBI Act, 1955 to enter into negotiations with Subsidiary Banks of SBI for acquiring the businesses including the assets and liabilities. The reasons for merger are *inter-alia* to achieve scale economy by lowering operational cost, reduce vulnerability to geographical concentration risk, supervision risk and compliance risk.

(b) SBI has informed that the Association of employees of SBI have not expressed any objection to the merger. Association of Bank Employees of Associate banks do have objection to the said merger. The reason cited are *inter-alia* dominant lenders in the state economy, loss of identity of the Associate Banks on account of merger. Incidentally Association of officers in Associate Banks have not voiced their opposition to the merger.

(c) SBI has informed that the employee association of Associate Banks has called for strike on 12-13 July, 2016 which was deferred.

(d) SBI has informed the interest of employees of the subsidiary banks will be protected as the pay and allowances offered to the employees / officer of the merging banks shall not be less than the overall pay and allowances that they would have drawn in the merging bank. The subsidiary banks and SBI are in the process of consulting / addressing all the stakeholders including bank employees union/ representative of Associate banks.

Increase in rate of growth

†943. SHRI PRABHAT JHA: Will the Minister of FINANCE be pleased to state:

(a) whether the rate of economic growth has improved significantly during the past two years and at present it is more than estimation;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.

(c) whether it is a fact that inflation is continuously decreasing as a result of continuous surge in the rate of economic growth;

(d) if so, the details thereof;

(e) whether the rate of inflation of some foodgrains has so far been abnormally high; and

(f) if so, the details thereof along with the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) and (b) Economic growth, as measured in terms of rate of growth in Gross Domestic Product (GDP) at constant (2011-12) market prices, increased from 6.6 per cent in 2013-14 to 7.2 per cent in 2014-15 and further to 7.6 per cent in 2015-16. No estimate of GDP has so far been made by the Central Statistics Office for the current year.

(c) and (d) Headline inflation based on Consumer Price Index (Combined), during the year 2012-13 and 2013-14 was 10.2 per cent and 9.5 per cent respectively. It has thereafter moderated significantly to 5.9 per cent in 2014-15 and further to 4.9 per cent in 2015-16. Close monitoring and astute food management policies have helped in controlling inflation notwithstanding the below average rainfall in 2014-15 and 2015-16.

(e) and (f) A large part of the decline in headline Consumer Price Index (CPI) inflation in 2014-15 and 2015-16 owed to the moderation in food price inflation. However, CPI inflation in food-grains was higher during April-June 2016 mainly because of the high inflation in pulses. In 2016-17 (April-June), inflation for pulses stood at 30.8 per cent, while the inflation for cereals was only 2.7 per cent. The major reasons for increase in food grain inflation, *inter alia*, include: shortfall in the production of pulses; and, lower market arrival of Tur and Urad during the current kharif market season and of Masur during current rabi marketing season.

Losses posted by PSBs

944. SHRI NEERAJ SHEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether 20 PSBs have posted cumulative loss of ₹ 14,283/- crore in last quarter of 2015-16;

(b) if so, the details thereof, bank-wise;

(c) the details of losses posted by PSBs in the year 2015-16 along with the losses and profits of Private sector banks, bank-wise; and