

SHRI ANURAG SINGH THAKUR: Sir, the recruitment process was cancelled due to the administrative reasons and no such inquiry was necessitated, as replied by the IRDAI. And, there was no evidence of any wilful wrongdoing. The recruitment was cancelled owing to the administrative reasons, as there was ambiguity in interpreting the experience criteria और मैंने पहले भी कहा कि उसमें स्पष्ट तौर पर नहीं बताया गया था, इसलिए उसको बाद में रद्द किया गया। उस प्रक्रिया को इसलिए खारिज किया गया, ताकि बाद में इस पर मुद्दकमा न हो और ambiguity थी, इसीलिए स्पष्ट तरह से नहीं बताया गया था।

श्री जावेद अली खान: मंत्री जी, इसीलिए आप जांच कराइए।

† جناب جاوید علی خان : منتری جی، اسی لئے آپ جانچ کرائیے۔

MR. DEPUTY CHAIRMAN: Next Question.

Integration of technology platforms in bank mergers

*156. SHRI MANISH GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether in respect of banks mergers, the integration of technology platforms is likely to remain the key challenge, if so, the details thereof;

(b) in what manner IT compatibility and seamless integration is being brought about and in what time-frame in view of different merger entities use different software platforms for their core banking solutions, the details thereof; and

(c) the details of the contours and problems associated with bank mergers relating to IT, HR and product offerings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) Government has approved in-principle amalgamation of ten Public Sector Banks (PSBs) into four PSBs. The amalgamations are aimed at creating strong banks that would have a number of strengths and advantages including, *inter alia*, enhanced scale and business volumes for enabling cost efficiencies for investment in information

†Transliteration in Urdu script.

technology (IT) and human resource (HR) systems and for operational efficiency gains for better customer specificity in product offerings.

To facilitate integration of information technology across the amalgamating banks without disruption, it has been ensured that the banks in each of the four amalgamating groups of banks are on the same Core Banking Solution (CBS) platform. In addition, amalgamating banks were advised to duly factor in and draw up roadmaps for, *inter alia*, converging IT systems and HR, and to put in place institutional arrangements to ensure expeditious integration. After due consideration by the bank Boards concerned, the banks have informed that multi-level coordination and integration committees have been set-up to ensure faster integration across functionalities including, *inter alia*, IT, HR and product offerings.

Further, Government has also adopted a PSB Reforms Agenda for effecting wide-ranging reforms in PSBs, in, *inter alia*, leveraging of IT including through integration of IT platforms, HR development, and improved product offerings. In the area of technology, diverse initiatives have been implemented for digitalised lending, digitalisation of back-office operations for improved efficiency and faster processing, and enhanced ease of living for the customer. To enable specialisation in banks, job families have been introduced, along with online training systems for officers. Customised product offerings like enhanced working capital to GST-registered MSMEs and overdraft facility for Jan Dhan Yojana account-holders have been introduced.

SHRI MANISH GUPTA: Sir, in the merger of banks, retirement is practically involuntary for the employees. The surplus employees have little option. It is expected that, at least, 50,000 bank employees will be out of jobs by the end of next year under VRS packages. Where will they go and how will their families survive? An official study of job losses is as important as job growth in the economy. Has this been done?

श्री अनुराग सिंह ठाकुर: सर, जहां तक बैंक मर्जर की बात है, आज जैसे दस PSBs हैं, वे कुल मिलाकर चार entities में सीमित होकर रह जाएंगे, इससे उनकी लोन देने की क्षमता बढ़ेगी और बाकी कार्यक्षमता भी बढ़ेगी। सर, इसमें यह भी सुनिश्चित किया गया है कि किसी व्यक्ति की नौकरी न जाए। मान लीजिए, यदि तीन बैंक्स का मर्जर हुआ है, तो तीनों में से जिसमें भी सबसे ज्यादा बेनिफिट्स हैं, वे बेनिफिट वहां के कर्मचारियों को मिलेंगे, उस बात को ध्यान में रखकर ही उनके मर्जर करवाए गए हैं।

SHRI MANISH GUPTA: They are already jobless. Now, I come to the second

supplementary. The Government has selected the bank merger candidates on the basis of technological synergy rather than geographical compatibility. After the announced mergers take place, two large banks headquartered in Kolkata, namely, United Bank and Allahabad Bank, will have to curtail their operations. These banks lend heavily to the tea industry and other sectors in the East, namely, the States of Bengal, Assam, Tripura and Meghalaya. This is likely to adversely affect the economy of these States. What initiatives are being taken to counter this?

SHRI ANURAG SINGH THAKUR: Sir, let me first mention about the three Committees in this regard - Narasimham Committee in 1998; Leeladhar Committee in 2008; and Nayak Committee. All of them recommended for the amalgamation of the banks and their mergers. We have taken enough precautions. If you look at the size of the banks, as the hon. Member has mentioned about the Allahabad Bank and the other, I will just give you the figures. The Union Bank's total business is ₹7,41,000 crores.

SHRI MANISH GUPTA: I mentioned the United Bank.

श्री अनुराग सिंह ठाकुर: मैं आपको यूनाइटेड बैंक के बारे में जानकारी दे देता हूँ। If you look at the size of the bank, they work in certain territory. With this amalgamation, their reach will be much larger; their capacity to lend will be much higher and better. In today's time of competition, I think, expansion was very important for these banks. I am proud to say here that it was our Government who went for the Asset Quality Review of the bank loans which were given during the period of 2004 to 2014. We adopted the four-R approach for the better functioning of the banks and recapitalized the banks to get more than ₹ 2,35,000 crore for better functioning and strengthening of the banks. As far as the lending to the tea estate is concerned, let me assure the Members that there would not be any shortage or shortfall for the service of those tea estates. I personally feel that the banks will be further strengthened after the amalgamation of the banks.

SHRI MANAS RANJAN BHUNIA: Sir, through you, I want to ask one specific question to the hon. Minister. The headquarters of three very important banks, *i.e.*, the United Bank of India, United Commercial Bank and Allahabad Bank are located in West Bengal. The Union Government decided to merge the different banks under one umbrella, converting ten banks into four banks. United Bank of India which is

[Shri Manas Ranjan Bhunia]

a heritage bank of West Bengal, it is a sentiment of West Bengal, has been merged with Punjab National Bank and Punjab National Bank has been looted by so many industrialists. Sir, I want to ask as to what prompted the Union Government and the Ministry of Finance, particularly, their Banking Department to merge United Bank of India with Punjab National Bank.

MR. DEPUTY CHAIRMAN: Your question is complete.

SHRI MANAS RANJAN BHUNIA: They have the aim to merge the banks and to function...

MR. DEPUTY CHAIRMAN: You have already asked your question.

SHRI MANAS RANJAN BHUNIA: Sir, after this, Kolkata will not have headquarters of any bank. What are the reasons to deprive West Bengal of this?

MR. DEPUTY CHAIRMAN: Only one question is allowed at a time.

SHRI ANURAG SINGH THAKUR: Sir, I think the overall intention was to create strong and competitive banks that may serve as a catalyst of growth with improved risk profile of the bank. As far as the interest of the employees are concerned, pay and allowances were not less favourable overall. The customers of the merged banks will get access to larger countrywide network and better range of services. Sir, if you look at United Bank of India, Manishji also raised that, the total business of United Bank of India was ₹ 2,08,000 crore, on the other hand, the total business of Punjab National Bank was ₹ 11,82,224 crore. ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: You please speak.

SHRI ANURAG SINGH THAKUR: The total business of Oriental Bank of Commerce is ₹ 4,04,194 crore. Sir, with the amalgamation taking place, the total size will be ₹ 17,94,526 crore, it will be the second largest bank in the country. Sir, with the merger of Andhra Bank and Corporation Bank, Union Bank of India will become the fifth largest entity in the country. What we have kept in mind is the software being used by them. The core banking systems have been kept in mind. All these banks who were using the similar kind of software have been merged accordingly so that there would not be any difficulty for the employees. As far as the sentiment of the East or Kolkata is concerned, that will be taken care of.

SHRI RAJEEV CHANDRASEKHAR: Sir, I wholeheartedly support the effort of the Government at creating fewer but much better capitalized banks. But, my question is this that as the number of banks will come down, there is a real risk that competition amongst banks reduces and therefore the cost of borrowing increases. May I draw the attention of the Government and seek that they do a study or at least ensure that the consequences of mergers do not result in higher cost of borrowings to both corporates and consumers?

श्री अनुराग सिंह ठाकुर: सर, माननीय सांसद जी ने जो विषय रखा है, मैं उसके संबंध में यही कहूंगा कि एक स्थिति तो यह थी, जैसे यहां पूर्व में सांसद ने कहा कि परिस्थितियां थीं कि बैंकों में जो challenges हैं, उनको सुधार करने की बात है। 2014 में किस स्थिति में बैंक हमें मिले थे और 2019 में हमने कहां पर लाकर खड़ा किया है। हम आगे भी सुनिश्चित करेंगे कि इनके जितने कस्टमर्स हैं, उनको पहले से बेहतर सुविधाएं और बैंकिंग फैसिलिटीज़ मिल सकें, इसलिए बैंकों की ताकत को बढ़ाने का प्रयास किया गया है, न कि इससे कस्टमर्स को कोई कमी आए। हम इस बात को सुनिश्चित करेंगे और आरबीआई इसमें पूरी तरह से as a regulator देखता है।

MR. DEPUTY CHAIRMAN: Next Question.

In-house facility of pharmacy for Ayurvedic products

*157. SHRI SAMBHAJI CHHATRAPATI: Will the Minister of AYURVEDA, YOGA AND NATUROPATHY, UNANI, SIDDHA AND HOMOEOPATHY (AYUSH) be pleased to state:

(a) whether Government has in-house facility of pharmacy for Ayurvedic products;

(b) if so, the details thereof;

(c) whether Government has established proper mechanism to test the effectiveness of such products; and

(d) if so, the details of diseases for which Ayurvedic products from Government pharmacies have been found effective and names of such products?

THE MINISTER OF STATE OF THE MINISTRY OF AYURVEDA, YOGA AND NATUROPATHY, UNANI, SIDDHA AND HOMOEOPATHY (AYUSH); (SHRI SHRIPAD YESSO NAIK): (a) to (d) A Statement is laid on the Table of the House.