

17.42 hrs.

**BANKING SERVICE COMMISSION
BILL**

THE DEPUTY MINISTER IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY): Sir, I beg
to move :

“That the Bill to provide for the establishment of a Commission for the recruitment and selection of Officers for appointment to services and posts in public sector banks and for matters connected therewith or incidental thereto, be taken into consideration.”

As the Hon. Members are aware the question of having a centralised agency for making recruitment to posts in the public sector banks had been considered earlier and an Act, known as the Banking Service Commission Act, was passed by Parliament in 1975 to provide for the establishment of a statutory commission for the selection of personnel for appointment to the services and posts in public sector banks. In terms of this Act, the Banking Service Commission was set up on 21st February 1977. However, before the Commission could commence its operations in March 1977, it was decided to abolish the Commission and the Banking Service Commission Act had therefore, been repealed.

Instead of a centralised Commission, Recruitment Boards were set up for a group of banks at various centres for making recruitments to the clerical cadre as well as officers' cadre in the public sector banks.

The working of the Recruitment Boards in the last five years was reviewed by Government. The review has disclosed that the existing system of recruitment of officers for the public sector banks by ten different Boards out of the same candidate population involves avoidable duplication and waste of efforts and resources. It is, therefore, proposed to modify the existing arrangements for recruitment of officers so that there is uniformity of approach, greater objectivity in the process of selection, economy in

expenditure, speedier conduct of recruitment and more judicious placement of officers.

Government, therefore, propose to set up a Central Statutory Commission which would be entrusted with the responsibility of making direct recruitment to the junior scale of officers in all the public sector banks. The Commission would also be responsible for making direct recruitment of officers at other levels as and when these banks desire to go in for direct recruitment at higher levels. It is also proposed that for the present twenty-five per cent of the posts falling vacant in the junior management scale in the public sector banks would be filled in only by direct recruitment through the Commission.

In so far as the recruitment to the clerical cadre in the banks is concerned, since clerical recruitment is essentially on a regional basis and the existing Boards are discharging this function by and large satisfactorily, it is considered desirable not to disturb the present arrangements. It is expected that freed from the responsibility of officers' recruitment, these Boards would be able to devote their exclusive attention to the recruitment to the clerical cadre. It is Government's expectation that this would bring about further improvement in the quality of selection and will speed up the process of selection.

Government has also been considering for some time to bring about uniformity and greater objectivity in promotions to senior positions in the banks. It is, therefore, proposed that the Commission when set up will also be entrusted with the task of making promotions at senior levels, namely, at the level of Assistant General Managers and above in all the public sector banks.

The proposed Commission shall have a full time Chairman and not more than eight members. Fifty per cent of the Members would be persons who have knowledge of or have worked in banks or financial institutions. It is proposed that at least one of the Members shall be from Scheduled Castes or Scheduled Tribes.

Government expects that the setting up of the proposed Banking Service Commi-

[Shri Janardhana Poojary]

ssion would streamline and rationalise the recruitment system for the public sector banks.

I now request that the Bill may be taken up for consideration.

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill to provide for the establishment of a Commission for the recruitment and selection of officers for appointment to services and posts in public sector banks and for matters connected therewith or incidental thereto, be taken into consideration."

Now, Prof. Rup Chand Pal has to speak.

Prof. Rup Chand Pal, Mr. Shamanna wants to speak now as he is leaving Delhi tomorrow. So, can I ask him to speak now ?

PROF. RUP CHAND PAL : Yes.

SHRI T.R. SHAMANNA (Bangalore South) : I am thankful to you for having given me the opportunity to speak first.

MR DEPUTY-SPEAKER : You must thank Prof. Rup Chand Pal.

SHRI T.R. SHAMANNA : I thank him also.

Sir, it is a welcome measure for the reason that many employees of banks have forgotten that they are dealing with other people's money and therefore, it is very necessary that when dealing with other people's money, all care must be taken to see that this is judiciously and properly managed so that the public and the investors and all others are protected in this connection.

The hon. Minister while moving the Bill for consideration has stated that the present system of recruitment to the clerical cadre will continue to be done by the Board. He

has further stated that the Commission will have to do this recruitment for the clerical cadre. That has to be explained in detail as to whether this recruitment will be done by the Commission or by the Board. It will be helpful to us if it is explained.

I happened to be an apprentice in a bank some time back to appear for the Institute of Bankers' examination. It was 30 years ago. There the employees were working so hard that unless the accounts were balanced, they could not leave their seats and no extra DA or anything was paid to them in those days, and the salary paid to a graduate was Rs. 35/- p.m. Now they are getting handsome salaries and the people do not work, and as the Minister himself admitted, the staff must be made to know that they are paid properly and it is their duty to see that they work properly in the best interests of the bank. After all, the interest of the employees has to be safeguarded. But at the same time the employees must have in their mind that they are employees and they have to do justice to the salary that they are receiving.

Now the Commission is being appointed. We expect them to be honest. They should not be guided by caste, regionalism, etc. They should see that the best men are selected from proper places, because crores of rupees are dealt with by these Banks and the people who are upright and who can safeguard the interest of the depositors and who work for the good of the people who carry on the policy of the Government under whom they are serving, should be appointed. Now-a-days the selection by the Commission is not done in a rational manner, not in a just way. Therefore, I strongly urge upon the Minister to see that proper directions are issued and proper rules are framed so that while making selections, people are selected on the basis of merits. Of course, reservation for the Scheduled Castes and Scheduled Tribes on their merit should be taken into consideration. If merit is not given due consideration and appointments are made, in the long run the Banks will suffer a lot. I, therefore, strongly urge that proper rules are to be framed and those be given to the Commission so that right selection is made,

It is proposed that 35% selection will be made from the employees and if necessary in course of time the percentage may be increased. Promotion should not be made automatic. Only those who work hard, those who have proper record, he should be given promotion. Automatic promotion should not be there. If promotion is based on the real result, on the basis of good record, it will be helpful.

This Bill was long awaited because some regulation is necessary. In this Bill no mention has been made regarding recruitment to the Reserve Bank of India. Will this body or a separate body take it up? Rural Development Banks, Export Import Banks, have not been taken into account. As far as this Bill is concerned, it applies only to the State Bank of India and the subsidiaries and the other nationalised Banks. There are other banks of interest. The selection should be made on the proper basis and that should apply to other banks also, particularly the Reserve Bank of India. It is necessary that some regulation is made with regard to the appointments, there also because it is the highest Bank.

It has been made clear that the Member or the Chairman once appointed cannot be appointed again. That is a welcome measure. Five years time is sufficient for the Chairman. Ofcourse, a Member may be appointed as a Chairman. That provision is there because we want an important and experienced man. Explanation has been given that a Member may be appointed as a Chairman.

Sir, now the Bill is to a certain extent comprehensive and is based upon the modalities of other Commissions like Public Service Commission. This has been taken into account and the regulations have also been made. I am quite hopeful that with the experience the Government has gained this Banking Service Commission Bill will go a long way to assist in the proper selection of officers. Any amount of reservation will not do unless proper discipline is enforced. Discipline is a very important thing particularly in these banks because they are being paid handsome salary as is paid to LIC employees also. Therefore,

all steps should be taken to enforce discipline.

Many hon. Members have already congratulated the Minister on enforcing discipline and punctuality. Though he has been attacked and criticised, he has taken some strong measures. So far as discipline is concerned, I strongly urge upon the Government and the Minister, come what may, discipline must be maintained. They should work hard and that must be the motto. Let us not grudge in paying them. But at the same time, they should work hard and we should take all measures to enforce discipline and work. A banking concern cannot be allowed to suffer on account of negligence or carelessness by the bank employees. Therefore, this Commission has to bear in mind the attitude of candidates to be selected. If a proper person is selected, it will go a long way to improve the banking system. Therefore, the Banking Commission should also take into account the nature of the candidate, his attitude and all that.

Apart from selection, I suggest that a training course be conducted for them. In many cases, we find without training they are not able to understand the work properly. In addition to commerce graduates, art graduates and science graduates are also coming to the banking sector. Therefore, after selection, a training course is to be conducted so that they may know well about the work which they are to perform. Therefore, necessary measures for training should also be included in order to make the work efficient and strong.

With these words, I thank you for an opportunity given to me.

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS, SPORTS AND WORKS
AND HOUSING (SHRI BUTA SINGH) :
Mr. Deputy-Speaker, Sir, my submission is that after we go through the call-attention motion, as agreed to yesterday by the hon. House, we will try to dispose of the Bills which have been listed in today's agenda. One is the Bill of Shri Janardhana Poojary

[Shri Buta Singh]

and afterwards, there is a Bill in my name. And then comes the Bill of Shri Vijaya Bhaskara Reddy. They are very small and marginal things and allotted time is one hour, half-an-hour etc.

MR. DEPUTY-SPEAKER : It means, we sit after the Call-attention motion.

SHRI SATYASADHAN CHAKRABORTY (Calcutta South) : Sir, yesterday, the Parliamentary Affairs Minister, Mr. Buta Singh told us that he would be bringing in Anti-Dowry Bill and that was why he required time. But today, as we have noticed and as many hon. Members have mentioned, this is not in the list of business. Since this is so, how are you to extend the time ?

SHRI BUTA SINGH : Any-way, as the hon. Member has mentioned this, I assured him this morning also that we would bring in the Bill. That Bill which is taking the final shape is coming. Tomorrow, we will introduce.

SHRI SAMAR MUKHERJEE (Howrah) : Mr. Deputy-Speaker, the Minister has just now suggested that these Bills may be taken up today. But the speakers from our Party have already left. I was under the impression that after this call-attention motion, there should be no further sitting. So, I asked them to go.

SHRI BUTA SINGH : Yesterday, it was agreed to sit late...

SHRI SATYASADHAN CHAKRABORTY : On this condition.

PROF. RUP CHAND PAL (Hooghly) : After 6 O'Clock, we are having call-attention. That is agreed. Just now, when I rose to speak, the hon. Deputy-Speaker told me, "You can speak tomorrow".

SHRI BUTA SINGH : Sir, we can request them to call their speakers. It was agreed yesterday also that 9th May being the last day, when we are having a discussion on international situation also, we would sit late today.

SHRI SAMAR MUKHERJEE : It was agreed to have some short discussions on those Bills tomorrow. Therefore, I have allowed the Members whom I selected to speak on those two or three Bills, to go away for today. I was under the impression that we will adjourn the House after the Call Attention today.

SHRI BUTA SINGH : Kindly ring them up. They can come.

SHRI ATAL BIHARI VAJPAYEE (New Delhi) : What is the urgency ? We would like to be enlightened by the Minister of Parliamentary Affairs. The Bills to amend the Delhi Rent Control Act, 1958 and the Merchant Shipping Act, 1958 have to go to the other House also.

SHRI BUTA SINGH : The urgency has arisen because the Hon. Speaker has today agreed as a special case to the second Call Attention. Otherwise, this time would have been available to us. It is only to accommodate Shri Atal Bihari Vajpayee that we said "All right. We will have our business shifted to a little late hour." These Bills, are not of that fundamental nature that they will alter the very basis of the parent Bills. Only minor changes are there and every Member knows it. Therefore, it is a question of accommodation. We have accommodated Shri Atal Bihari Vajpayee and I hope he will also accommodate us.

MR. DEPUTY-SPEAKER : I think the House will agree.

PROF. RUP CHAND PAL : These Bills cannot be taken up today.

SHRI NARAYAN CHOUBEY (Midnapore) : These can be taken up tomorrow.

MR. DEPUTY-SPEAKER : They have agreed to take up Call Attention at 6 O'Clock.

SHRI BUTA SINGH : Tomorrow there will be a general discussion on the international situation.

MR. DEPUTY-SPEAKER : Tomorrow there is discussion on the international situation. If we complete our legislative busi-

ness, we can have more time. We can spend our time on that. If these Bills are to be passed tomorrow, it would take three hours.

SHRI BUTA SINGH : It was agreed to by all Members.

MR. DEPUTY-SPEAKER : You will have more time.

SHRI SATYASADHAN CHAKRABORTY : We do not have any business other than these Bills for tomorrow.

MR. DEPUTY-SPEAKER : You forget tomorrow. Tomorrow it will take more time.

SHRI BUTA SINGH : Shri Satyasadhan Chakraborty himself is pressing that Dowry Bill should be there, and that Land Acquisition Bill should also be there.

MR. DEPUTY-SPEAKER : I am of the opinion that if you get more time for international situation, it is good.

SHRI SAMAR MUKHERJEE : I am under the impression that for today the House will adjourn after the Call Attention is over.

MR. DEPUTY-SPEAKER : If we get more time for international situation tomorrow, it would be better.

AN HON. MEMBER : Tomorrow we can sit beyond 6 O'Clock. We can sit late.

MR. DEPUTY-SPEAKER : This Call Attention depends on Shri Atal Bihari Vajpayee. I think he will make a short speech. He will finish it. Then I will have to ascertain the sense of the House.

PROF. RUP CHAND PAL : How long are you going to sit today ?

MR. DEPUTY-SPEAKER : It depends on you. Now the Call Attention is over. You can sit for four hours, or for six hours or for one hour, as you complete the business. You are such capable people. I know.

SHRI SATYASADHAN CHAKRABORTY : If someone decides you cannot sit at all ?

PROF. RUP CHAND PAL : How can you violate the recommendation of the Business Advisory Committee ? They have fixed up some time for the Bill. What is the time fixed for the Bill ?

MR. DEPUTY-SPEAKER : If you go on technicalities, I can say that we can change the decision of the Business Advisory Committee also. The House is supreme. The House can always change decisions. All hon. Members should kindly cooperate with us. We are coming to the end of the Session. We will sit for more time.

We take up Calling Attention and afterwards we take up this Bill and two very small Bills as Shri Buta Singh suggested and we shall complete them. So that we will have more time tomorrow for the discussion on international affairs. I also think that this arrangement is good. Now, it is left to the House. If you want to complete in one hour, you can do it.

We now take up the Calling Attention.
Mr. Suraj Bhan.

18.06 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

Reported delay in replacing sales tax by additional excise duty on cement, paper, drugs, petrol and petroleum products as recommended by the Tripathi Committee

श्री सुरज भान (अम्बाला) : उपाध्यक्ष महोदय, यह कालिग अटैन्शन इतना इम्पोर्टेंट है और वित्त मंत्री श्री प्रणव मुखर्जी यहां नहीं हैं।

वित्त मंत्रालय में राज्य मंत्री (श्री एस० एम० कृष्ण) : आएंगे।

श्री सुरज भान : आएंगे, ठीक है।