

LOK SABHA DEBATES

LOK SABHA

Friday March 2, 1973/Phalguna 11,
1894 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Staff in Nationalised Banks of Orissa

*161. SHRI ARJUN SETHI: Will
the Minister of FINANCE be pleased
to state:

(a) the number of Branches of the
nationalised banks opened in Orissa
after the nationalisation of Banks in
1969;

(b) the number of the newly open-
ed Branches which do not have ade-
quate staff; and

(c) the reaction of Government
thereto?

THE MINISTER OF FINANCE
(SHRI YESHWANTRAO CHAVAN):

(a) to (c). The number of bank offices
in Orissa increased from 100 on the
eve of bank nationalisation to 217 as
at the end of December, 1972. Of the
117 new offices, 47 were opened by the
State Bank of India and 61 by the
nationalised banks. The new bran-
ches are provided with staff considered
to be adequate for the estimated
volume of business. The position is
reviewed periodically by the banks'
managements and additional staff is
provided as and when warranted by
the increase in the volume of business.

SHRI ARJUN SETHI: As regards
part (b) of the question, the hon.
Minister perhaps is not quite aware
that there are number of branches in
Orissa with only skeleton staff. I can

give instances in my own constitu-
ency. There are number of branches,
especially of the United Commercial
Bank of India in these areas with
only skeleton staff. I can quote one
example in my own constituency,
that is, Balasore District, Bhadrak
subdivision. The United Commercial
Bank is the leading bank in the
district. It has provided staff of
three people only, that is, two clerks,
and one peon. We have made num-
ber of requests to the Regional
Manager but they have not taken
steps to provide adequate staff. Is it
a fact that officers of nationalised
banks in rural areas do not take proper
interest publicising benefits of
the banking system so that the people
in the rural areas may know what is
what?

As a result, the banking system is
not gaining popularity in the rural
areas.

SHRI YESHWANTRAO CHAVAN:

As far as the latter part of the ques-
tion is concerned, I share the concern
shown by the hon. Member, because it
is true that the technicalities and
procedures of loan-taking are some-
what becoming difficult for the people
in the rural areas, and it is necessary
that some more efforts are necessary
to educate the people. I think that
it is necessary even to educate our-
selves about these matters, because
these are such complicated proce-
dures. So, I quite agree in regard to
that particular part. We are trying
to see that more steps are taken to
educate the staff of banks so that they
can educate the people, because edu-
cating the people also requires edu-

cation on the part of those who want to educate others.

As far as the first part of the question is concerned, I think one will have to show some patience about the number of staff in the branches, because when they go into a new area, it is not enough that we send the whole paraphernalia of a bank branch, but they will first of all have to go and establish themselves there. Their merely going in fives or tens is not enough. As the work grows, they will have to be there.

There is another difficulty also, which the banks were facing, because it is very important to have a human infrastructure for the working of the banks. We have got to have a large number of people who are trained to work in the agricultural credit system. Bank employees who were until now mostly working in the urban areas and who were trained to have dealings with trade, commerce and industry and big business are now supposed to deal with small farmers, and they do not know what the farmers' economy is, and therefore, they take either a negative attitude or they make mistakes.

Therefore, we have undertaken a very elaborate a big programme of training of bank personnel. I think when we get these trained personnel available, we shall increase the staff.

As far as the particular branch mentioned by the hon. Member is concerned, I shall look into it.

SHRI ARJUN SETHI: May I know whether it is a fact that due to competition amongst these nationalised

banks and their different branches, the rate of deposits is not satisfactory, and on the other hand, the costs are growing at a rapid rate?

SHRI YESHWANTRAO CHAVAN: I have not followed the significance of the question.

AN HON. MEMBER: Expenditure

SHRI YESHWANTRAO CHAVAN: As regard expenditure, deposits etc., the bank's functioning as a whole has to be taken into account. I do not think that trend is there. Possibly, the hon. Member wants to know whether the credit deposit ratio is enough as far as his State is concerned, a point which is often raised by Shri Chintamani Panigrahi also.

There, I would like to plead with the hon. Members that while we take the credit deposit ratio into account, it is much better also to take into account the investment made by the banks in the State. If there is less credit to agriculture, trade etc., then that ratio would be less. At the present moment, we are asking the banks to invest in the States, in the form of investments in loans raised by the State, debenture of electricity boards, in the loans of municipal corporations and other developmental agencies. If we take that into consideration, I would like to tell him that credit plus investment ratio in Orissa was about 123 per cent as compared with deposits as on March 31, 1971.

SHRI C. T. DHANDAPANI: The hon. Minister has just stated that the increase in the number of staff is related to the increased quantum of work, but in the case of many branches of the State Bank of India, while the quantum of work has remained more or less what was some ten years ago, the staff has been increased considerably. May I know whether it is related to the unemployment pro-

blem? May I also know whether the one-man banking system which was introduced in the State Bank some years ago would be continued in the case of the other nationalised banks also?

MR. SPEAKER: The question is specific relating to Orissa.

Your question is too general a question.

SHRI MOHANRAJ KALINGARAYAR: The Minister is ready to answer.

MR. SPEAKER: I know he will be obliging. Shri Panigrahi.

SHRI CHINTAMANI PANIGRAHI: I would like to bring certain difficulties felt by the employees of the branches of these nationalised banks in Orissa. The head offices of most of these nationalised banks are far away; they are not located in Orissa.

MR. SPEAKER: No suggestions. Please put a question.

SHRI CHINTAMANI PANIGRAHI: I agree it is a suggestive question. So I ask whether these regional offices of the banks which have been opened in Orissa could not be given a little more autonomy so far as recruitment of its staff is concerned and the amenities to the staff are concerned. Applications and interview results which were forwarded by the regional offices to the head offices for clearance, are lying there undisposed of and unattended to for the last six, eight and twelve months. Will the hon. Minister look into this aspect and see that the staff are appointed early and from the areas where the Banks are operating.

SHRI YESHWANTRAQ CHAVAN: I would like to explain this very important point, a point which is, I think, near to the heart of every member. Personally, I am trying to take as much interest in it as possible, particularly in regard to the development of banking service in those States which are somewhat backward. As

far as officers are concerned, the recruitment is on an all-India level, but as for the other staff, it is our desire, wish and also advice to the banks that they should try to recruit people more from the areas where the banks are located at least from within the State. That certainly should be the direction in which we would like to go.

In this particular matter, as far as Orissa is concerned, it is one of the States where Government is anxious to show some desired results. Very recently a very senior officer of the banking department was deputed there. We had very detailed useful discussions and some decisions also have been taken and I shall also pursue the matter. If the hon. member wishes to have a clarification point on which he had any doubt can write to me.

SHRI KRISHNA CHANDRA HALDER: The hon. Minister stated that 117 new branches of nationalised banks have been opened in Orissa. Out of these, how many have been opened in rural areas?

SHRI YESHWANTRAQ CHAVAN: About 80.

Loans given by Public Sector Financial Institution to larger and large Industrial Houses.

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*163. SHRI INDRAJIT GUPTA:
SHRI TRIDIB CHAUDHURI:

Will the Minister of FINANCE be pleased to state:

(a) the break-up of the total amount of loans, advances and other financial assistance by way of under-writing or purchase of equity shares, preference shares and debentures given by the public sector financial institutions and nationalised banks to the 'larger' and 'large' industrial houses in the private