

## LOK SABHA DEBATES

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### LOK SABHA

Friday, May 4, 1990/Vaisakha 14, 1912  
(Saka)

*The Lok Sabha met at  
Eleven of the Clock*

[MR. SPEAKER *in the Chair*]

#### ORAL ANSWERS TO QUESTIONS

[*English*]

#### **Merger of Hindustan Commercial Bank Limited with Punjab National Bank**

\*698. SHRI PUNDLIK HARI DANWE:  
Will the Minister of FINANCE be pleased to state;

(a) whether the Hindustan Commercial Bank Limited had been merged with the Punjab National Bank, with the condition of not changing the service conditions of the employees of the Hindustan Commercial Bank Limited;

(b) whether officers of the Punjab National Bank, who were earlier in the Hindustan Commercial Bank Limited, are being paid functional allowance and free leased accommodation which they were getting before the above merger;

(c) whether the officers belonging to the Hindustan Commercial Bank Limited are being given the benefit of past service; and

(d) if the reply to parts (b) and (c) above be in the negative, the reasons therefor and action proposed to be taken by Government in this regard?

THE DEPUTY MINISTER IN THE  
MINISTRY OF FINANCE (SHRI ANIL SHAS-  
TRI): (a) to (d). A Statement is laid on the  
Table of the House.

#### STATEMENT

(a) Yes, Sir.

(b) In the erstwhile Bank (Hindustan Commercial Bank Ltd.) 'C' Grade Officers were posted as Managers/Deputy Managers and while performing such duties, they were entitled to functional allowance and rent free accommodation. These facilities were linked only with the performance of duties as Managers/Deputy Managers by them. On amalgamation with the Punjab National Bank, the 'C' Grade Officers were absorbed in JMGS-I and were not required to perform the duties of Managers/Deputy Managers and thus, ceased to be entitled to functional allowance and rent free accommodation. However, in spite of the above, Punjab National Bank had extended the facility of residential accommodation to such officers of the erstwhile Hindustan Commercial Bank by allowing them to avail of the existing facility till they were transferred from their present posting or sought some alternative accommodation at the same station or till the decision on their fitment in the new scales, whichever was earlier, subject to recovery of 10% of their basic pay in the first stage of the scale. Subsequently, in November 1987, it was decided that such officers may be designated as Asstt. Managers/Offi-

cers in-charge in the zones of the bank in which they were working at that time provided the officers of their length of service in the PNB had become Asstt. Managers Officers In-Charge in the said Zone. On becoming Asstt. Managers/Officer-In-Charge, these officers became entitled to rent free accommodation terms of the rules of the Punjab National Bank.

(c) Yes, Sir.

(d) Does not arise.

[*Translation*]

SHRI PUNDLIK HARI DANWE: My question has not been properly replied. Kindly reply in 'Yes' or 'No'.

[*English*]

SHRI ANIL SHASTRI: Sir, the question asked was whether the Hindustan Commercial Bank Limited has been merged with the Punjab National Bank, with the condition of not changing the service conditions of the employees of the Hindustan Commercial Bank Limited. The (b) part of the question was whether the officers of the Punjab National Bank, who were earlier in the Hindustan Commercial Bank Limited, are being paid functional allowance and free leased accommodation which they were getting before the above merger. The (c) part was whether the officers belonging to the Hindustan Commercial Bank Limited are being given the benefit of past service; and if the reply to parts (b) and (c) above be in the negative, the reasons therefore and action proposed to be taken by Government in this regard. I have answered this by saying that, as per the amalgamation scheme, it was agreed that when the HCB merges with the Punjab National Bank, the salaries and allowances will be protected in the Punjab National Bank. In fact, the 'C' grade officers have been absorbed in the Punjab National Bank in the Junior Management Grade Scale-I which is equivalent to the 'C' grade in HCB. The only difference is that they were earlier performing the duties of managers. But here

they are not doing that and they are not supposed to get rent free accommodation and all that. But what they have done is that for three years, the Punjab National Bank will be giving the equivalent amount to ensure that the salary and allowances are protected.

[*Translation*]

SHRI PUNDLIK HARI DANWE: Why are the officers, who were entitled to certain facilities previously, being denied the same now? What is the reason behind discriminating against them?

SHRI ANIL SHASTRI: I have already stated that there is no discrimination at all. Whatever salary, allowances including the house rent allowance they used to get in their previous service, are being given to them now too. I would also like to add that these officers of the erstwhile Hindustan Commercial Bank Ltd. are being paid an extra amount of Rs. 300-400 by the Punjab National Bank. They are getting Rs. 400 more than what they got in their previous Commercial Bank.

[*English*]

SHRI P. R. KUMARAMANGALAM: Sir, I would like to know from the hon. Minister whether in the process of this merger of the Hindustan Commercial Bank Limited and the Punjab National Bank, the employees' interests in totality have been protected to the extent that all the employees of HCB would get commercial scales and terms and conditions of the Punjab National Bank or would they be treated as a segregated class and not merge in 'all terms and conditions' of the Punjab National Bank.

SHRI ANIL SHASTRI: Sir, as I stated earlier, as per this amalgamation scheme, it was agreed with the Officers' Association also that their salary and allowances will be protected. I can assure the hon. Member that they are even getting more now.

PROF. RAM GANESH KAPSE: Sir, I

will read out the relevant matter as well as the conditions.

"All the employees of the transferer bank other than those specified in the schedule referred to in the succeeding paragraph shall continue in service and be deemed to have been appointed by the transferee bank at the same remuneration and on the same terms and conditions of service."

The remuneration might have been continued, but the same terms and conditions were not given as is clear.

[*Translation*]

A condition has been imposed that as they are not Managers/Deputy Managers, so the bank had extended the facility of residential accommodation to such officers by allowing them to avail of the existing facility till they were transferred from their present posting or sought some alternative accommodation at the same station or till the decision on their fitment in the new scales, whichever was earlier, subject to recovery of 10% of their basic pay in the first stage of the scale.

[*English*]

Where the new conditions have arisen, the posts equivalent were not given. So, you did not adhere to the conditions which you had accepted. That is my contention. What is your reaction?

[*Translation*]

SHRI ANIL SHASTRI: All the conditions have been fulfilled. I would like to say, for the hon. Members information that 68 officers were proposed to be absorbed in the Punjab National Bank under this merger programme. Except 6, services of all of them have been protected and the 6 officers could

not be absorbed because they were not ready to serve outside Delhi and in Delhi, we do not have as many vacancies in P.N.B. They too can be absorbed if they are ready to serve outside Delhi.

[*English*]

They will be put on par along with other officers. Because there are not enough vacancies and they have to be taken at par with officers of the Punjab National Bank. It will be improper that preference is given to HCB officers over the Punjab National Bank officers. So, they have to come up to that level.

PROF. RAM GANESH KAPSE: They did not get it. The merger was done in 1987. Till today what is the position?

SHRI ANIL SHASTRI: Only six officers have not got it because they were not prepared to go outside Delhi.

[*Translation*]

SHRI RAM NAIK: Mr. Speaker, Sir, if an official has been provided with accommodation and, due to certain reasons, he is subsequently being denied that, it clearly means that certain changes have been brought about in the service conditions of that employee. My question is as to what are the reasons behind denying accommodation to the employees who used to avail of such accommodation earlier and whether the Government will provide accommodation to them in future or not?

[*English*]

SHRI ANIL SHASTRI: Sir, the RBI also has upheld the procedure that we have followed. I will still maintain that the Government has ensured that the officers who got affected because of this merger are not put to any hardship. I would like to assure the hon. Members also about this.