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Title: Regarding Disapproval of Banking Regulation (Amendment) Ordinance, 2020 (Ordinance No. 12 of 2020) and Banking Regulation (Amendment) Bill, 2020 (Statutory Resolution negatived and Bill passed).

माननीय अध्यक्ष: हम आइटम नंबर 14 और 15 को एक साथ ले रहे हैं - मनीष तिवारी जी ।

SHRI MANISH TEWARI (ANANDPUR SAHIB): Sir, I beg to move:

“That this House disapproves of the Banking Regulation (Amendment) Ordinance, 2020 (Ordinance No. 12 of 2020) promulgated by the President on 26th June, 2020.”

वित्त मंत्री तथा कॉर्पोरेट कार्य मंत्री (श्रीमती निर्मला सीतारमण): सर, मैं राज्य सभा चेंबर में प्रज़ेंट हूं । ...(व्यवधान)

माननीय अध्यक्ष: मंत्री जी, आप बोलिए, सब आपकी आवाज़ सुन रहे हैं ।

...(व्यवधान)

SHRIMATI NIRMALA SITHARAMAN) Sir, I beg to move:

“That the Bill further to amend the Banking Regulation Act, 1949, be taken into consideration.”

माननीय अध्यक्ष: क्या आप बिल के बारे में कुछ कहना चाहती हैं?

...(व्यवधान)

श्रीमती निर्मला सीतारमण: सर, हम इस बिल को इसलिए ला रहे हैं, क्योंकि पिछले दो सालों से हम लगातार कॉपरेटिव बैंक्स और स्मॉल बैंक्स, जिनके डिपॉज़िटर्स को बहुत तकलीफ हो रही है, उन डिपॉज़िटर्स के प्रोटेक्शन के लिए उनके इन्ट्रस्ट्स के प्रोटेक्शन के लिए और जो कॉपरेटिव सोसायटीज़ बैंक्स के नाते काम करती हैं, वे जिन बैंक्स का नाम उपयोग करती हैं या बैंकर्स या बैंकिंग के काम करती हैं, उनको रेगुलेट करने के लिए और उनके डिपॉज़िटर्स के प्रोटेक्शन के लिए यह बैंकिंग रेगुलेशन (अमेंडमेंट) बिल लाया जा रहा है।

We are trying to bring this Amendment in order to protect the depositors. In the last two years, as hon. Members – Sir, through you I wish to say – would know the depositors in some unfortunate situations in banks or cooperative societies which are operating as banks have been put to hardship because these banks have fallen into bad debts requiring therefore the regulator to bring a moratorium and to solve the problem seems to consume all the time.

यह रिजॉल्युशन इसीलिए एक अमेंडमेंट के द्वारा हमने बजट सेशन के समय पेश किया था। We had introduced this Bill in order to have the Amendment brought in so that depositors' interest will be taken care of. Unfortunately, because during the Budget Session we could not have this Bill passed, we had to bring in an Ordinance and that Ordinance was brought in only because the financial health of many of these cooperative societies which were also performing as banks was becoming very delicate.

मैं सदस्यगण को आपके द्वारा यह जानकारी देना चाह रही हूँ कि कॉपरेटिव बैंक्स के हालात थोड़े गंभीर होने के कारण लॉकडाउन का पीरियड होते हुए भी हम एक ऑर्डिनेंस लेकर आने के लिए मजबूर हुए। कॉपरेटिव बैंक्स के हालात

के बारे में बोलने के समय मैं यह ध्यान दिलाना चाह रही हूँ कि 277 अर्बन कॉर्पोरेटिव बैंक्स की फायनेंशियल स्टेट ऑफ अफेयर्स बहुत ही वीक है ।

अब 277 अर्बन कोऑर्पोरेटिव बैंक्स लॉस रिपोर्ट कर रहे हैं और 105 urban cooperative banks are unable to meet even the minimum regulatory capital requirement. Net worth of 47 urban cooperative banks is negative, and 328 urban cooperative banks are having more than 15 per cent gross NPAs. ग्रॉस एनपीए रेशियो 15 फीसदी का अर्बन कोऑर्पोरेटिव बैंक्स में एनपीए होने के कारण, यह मैं मार्च, 2019 का डेटा बता रही हूँ, ये सब रहते हुए मार्च, 2020 तक का आप डेटा देखिए, पेंडेमिक के द्वारा स्ट्रैस कोऑर्पोरेटिव बैंक में इन्क्रीज हुआ । Gross NPA ratios of urban cooperative banks increased from 7.2 per cent in March 2019 to over 10 per cent in March 2020. Therefore, it was felt that in the interest of the depositors we should have this Ordinance brought in. Now, the Ordinance will have to be replaced so that we are able to have three different things brought in. सेक्शन 3 में अमेंडमेंट हो रहा है, सेक्शन 45 में अमेंडमेंट हो रहा है, सेक्शन 56 में भी अमेंडमेंट हो रहा है । Amendments to Sections 3 and 56 are clearly because बैंक्स के नाम रखते हुए जो भी कोऑर्पोरेटिव सोसाइटीज फंक्शन करते हैं, कॉमर्शियल बैंक्स के लिए जो रूल अप्लाई होता है, वही रूल उनके लिए भी लागू होना चाहिए । By amending Sections 3 and 56 we are making those provisions which are applicable to banking companies, that is the commercial banks, applicable to cooperative banks also so that cooperative banks are equally subjected to better governance and sound banking regulations through the RBI. सेक्शन 3 और सेक्शन 56 के अमेंडमेंट का मोटिव यही है, ऑब्जेक्टिव यही है । सेक्शन 45 में भी अमेंडमेंट हो रहा है, यह क्यों हो रहा है? It will enable the RBI to make a scheme of reconstruction or amalgamation. For example, take the recent Yes Bank reconstruction that happened to protect the interests of the public, the depositors. Without making the bank undergo a moratorium period, if

you are able to reconstruct the bank, if you are able to professionalise their management, and if that power can be given to the RBI, it might help the depositors. मैं आज भी दोबारा वह उदाहरण ले रही हूँ कि पीएमसी बैंक के डिपॉजिटर्स का सॉल्यूशन आज तक नहीं हो पा रहा है। अगर सेक्शन 45 अमेंडमेंट के द्वारा आरबीआई को हम वह पावर सौंप देंगे, जैसे यस बैंक का हुआ, उधर भी मोरेटोरियम के साथ हुआ, मगर बिना मोरेटोरियम और बिना कस्टमर्स और डिपॉजिटर्स को तकलीफ करते हुए, अगर रीकंसट्रक्शन कर सकते हैं तो जल्द से जल्द डिपोजिटर्स के इंस्ट्रुस्ट को हम प्रोटेक्ट कर पाएंगे और यदि उनकी सर्विस लगातार हो सकती है तो यह सेक्शन 45 अमेंडमेंट के द्वारा होगी। That is why we want to have Sections 3, 45 and 56 amended. बिल्कुल डिपॉजिटर्स के इंस्ट्रुस्ट को मन में रखते हुए यह सब हो रहा है। जो-जो कोऑपरेटिव सोसाइटीज बैंक के नाम पर हैं, सिर्फ उनको ये अमेंडमेंट्स वर्तित हैं। यह प्राइमरी एग्रीकल्चर क्रेडिट सोसाइटी के लिए लागू नहीं है।

This shall not apply to the primary agricultural credit societies. This shall also not be applicable to a cooperative society, whose primary object and primary business is providing long-term finance for agricultural development. इन पर भी यह लागू नहीं होगा।

So, let us be clear that we are not doing anything to touch State cooperatives, we are not doing anything to touch primary agricultural credit societies, and we are not doing anything to touch cooperative societies whose primary object and primary business is providing long-term finance for agricultural development.

अगर किसी मैम्बर के मन में यह शक है कि क्या यह पीएमसीएस के लिए वर्तित है, क्या यह कोऑपरेटिव सोसाइटीज, जो एग्रीकल्चरल डेवलपमेंट के लिए काम करती हैं, क्या उनको भी प्रभावित करेगा? मैं आपके माध्यम से यह आश्वासन देना चाहती हूँ कि यह उनके लिए वर्तित नहीं होगा। यह सिर्फ उनके लिए वर्तित होगा, जो बैंक या बैंकर या बैंकिंग का काम कोऑपरेटिव सोसाइटीज

में करते हैं। यह केवल उन पर ही लागू होगा। यह पहली बार नहीं है, जब इस सरकार द्वारा अधिनियम में अमेंडमेंट करने का काम हुआ है। इससे पहले भी सैक्शन 3 और 56 में अमेंडमेंट हुए हैं। इसलिए कोई इस गलतफहमी में न रहे कि यह क्या हो रहा है? इस बार क्यों ऐसा कर रहे हैं? मैं बताना चाहती हूँ कि इससे पहले भी सैक्शन 3 और 56 में अमेंडमेंट हुए हैं। एक बार वर्ष 1968 में, वर्ष 1965, 1984, 1987, 1989 और 2012 में भी इन सैक्शंस में अमेंडमेंट हुआ है। इन्हीं शब्दों के साथ मैं सभा से इस बिल पर विचार करने के लिए आग्रह करती हूँ।

माननीय अध्यक्ष : प्रस्ताव प्रस्तुत हुए :

“कि यह सभा राष्ट्रपति द्वारा 26 जून, 2020 को प्रख्यापित बैंककारी विनियमन (संशोधन) अध्यादेश, 2020 (2020 का अध्यादेश संख्यांक 12) का निरनुमोदन करती है।”

और

“कि बैंककारी विनियमन अधिनियम, 1949 का और संशोधन करने वाले विधेयक पर विचार किया जाए।”

SHRI MANISH TEWARI: Thank you, Mr. Speaker.

Article 123 of the Constitution of India which provides for the power to promulgate ordinances during recess of Parliament has certain very specific trigger phrases and these trigger phrases need to be activated in order to shift the burden of law making from the legislative institutions to the Executive. And that trigger phrase, Mr. Speaker, Sir, is that ‘circumstances exist which render it necessary for him to take

immediate action'. The reference to 'for him' is the reference to the hon. President of India. Therefore, the two key words which need to be triggered before Article 123 can be invoked are 'circumstances' and 'necessary action'.

Unfortunately, Mr. Speaker, Sir, in the instant case, none of those circumstances existed as on the 26th June, 2020 when the said Ordinance was promulgated. At a point in time when our GDP growth rate had been in a free fall for seven quarters preceding the lockdown and when all economic activities during the lockdown had come to a complete standstill, there was absolutely no rationale for promulgating this Ordinance, especially when the Banking Regulation (Amendment) Bill was under consideration in this very House.

The more appropriate way for the hon. Finance Minister would have been that she could have very well withdrawn the Bill when this Session commenced and she could have brought another Bill with all the necessary amendments for the consideration of this House. This resort to the Ordinance route in order to make laws is something which undermines the majesty of the Parliament and it only exacerbates the attack on our legislative institutions.

My second point is that this particular Ordinance falls foul of article 123(3) of the Constitution of India also. The objective of this Ordinance is to bring district central cooperative banks and urban cooperative banks under the control and supervision of the Reserve Bank of India. However, this particular Ordinance falls foul of Entry 32, List 2 of the State List. While I concede that Banking is within the purview of the Union List in terms of Entry 45, the hair-splitting which the hon. Finance Minister has attempted by trying to segregate primary

agricultural credit societies and long-term credit societies from district cooperative banks and implement the same template in the urban areas also, is going to create utter mayhem in the agricultural economy, if not anarchy, because of the symbiotic linkages between the primary agricultural credit societies and long-term credit lending societies and the district cooperative banks.

The final point that I would like to stress and underscore, Mr. Speaker Sir, is that the record of the Reserve Bank of India with regard to being able to pre-empt malfeasance or what is colloquially called 'scams' in the banking sector is very mixed. I do not want to belabour that the Yes Bank, Punjab and Maharashtra Cooperative Bank, IL&FS and Diwan Housing Finance Limited, to name a few, are instances of malfeasance which have taken place when these institutions were under the direct superintendence of the Reserve bank of India. May I humbly submit, Speaker Sir, that the Reserve Bank of India is in itself a conflicted institution by design. It is the regulator of the banks; it is the investment banker of the Government; it is the owner, operator, regulator and player on the bond market; it is the manager of the Government's credit and monetary policies; it is the foreign exchange regulator; and it is the currency regulator and the list goes on and on and it is endless. If there is a need to bring about substantive reform, the need is to unscramble this egg called the Reserve Bank of India and segregate its various functions by spinning them off into different instrumentalities so that the primary function of the Reserve Bank of India as the regulator of the Indian banking system can be primarily discharged. My humble appeal to the hon. Finance Minister is this. Let us leave the cooperative sector alone. If there have been instances of malfeasance in district central cooperative banks and urban local

cooperative banks, there are as many success stories, if not more, which have played themselves out in the past seven decades. State Governments are more than competent to discharge their functions and in a federal polity, this Ordinance, and the Bill which seeks to replace it, is a frontal assault on the federal structure of the Constitution and this will have long-term implications on the democratic polity of India. I once again urge the hon. Finance Minister to withdraw this Bill and let this Ordinance be disapproved by a Statutory Resolution. Otherwise, this House will be witness to another blow which is being dealt to federalism and which, as I earlier stated, would have long-term implications on the polity of this country. I thank you very much for giving me this opportunity.

16.19 hrs

(Shri N. K. Premachandran *in the Chair*)

SHRI S.C. UDASI (HAVERI): Sir, thank you for giving me this opportunity to speak on the Banking Regulation (Amendment) Bill, 2020, which is a Bill further to amend the Banking Regulation Act, 1949.

Sir, the Banking Regulation Act, 1949 has been amended 40 times since its enactment. The basic objective of this Act, when it was first enacted by the Parliament, was to consolidate and amend the law relating to banking. This Act gave the following powers to the Reserve Bank of India:

To licence banks;

- To have regulation over share holding and voting of the shareholders;
- To supervise the appointment of Board and the Management;
- To regulate the operations of banks and lay down instructions for audit;
- To control moratorium, merger and liquidation;
- To issue direction in the interest of public good and banking policy, and
- To impose a penalty on banks, if required.

Till 1965 the cooperative banks were not part of the Banking Regulation Act. The Banking Regulation Act was amended in 1965 to include the cooperative banks under its purview by adding Section 56. The hon. Finance Minister was telling that under Section 56 the cooperative banks were added into the BR Act.

As the economic situation arising from the COVID-19 pandemic has increased the stress, both in cooperative and banking companies, there was an immediate need for a legislation in this regard. The hon. Finance Minister has already said that certain amendments were considered necessary in the said Act to provide for better management and proper regulation of cooperative banks as also to ensure that the affairs of the banks are conducted in a manner to protect the interest of depositors by increasing professionalism and enabling them to raise capital, improve governance, and ensure sound banking under the supervision of the Reserve Bank of India.

This year, the Banking Regulation (Amendment) Act was introduced in the Budget Session but the same could not be passed. In June 2020, the hon. President had promulgated Ordinance No.12 of 2020 but it was withdrawn on the first day of this Session and a new

Bill, Banking Regulation (Amendment) 2020, No.114 of 2020 has been introduced. The earlier Bill was No.56 of 2020. It has now been withdrawn and No.114 of 2020 has been introduced. We are speaking on this Bill right now.

This Bill is to empower the RBI to effectively handle the mishaps or the adversaries in private banks and also in the cooperative banks without any loss of public confidence or disruptions and will allow the RBI to prepare the reconstruction scheme for failed banks without having to first make an order of moratorium on barring deposit withdrawals. This will enable the RBI find suitable suitors for a stressed bank.

The hon. Finance Minister has given the classic example of Yes Bank. Its subsequent rescue has prompted the hon. Prime Minister, Shri Narendra Modi, to strengthen the hands of the RBI on this front.

Coming to this Bill, I would like to tell why this amendment is crucial. We need to go back to see how many cooperative bank scams have happened in India as also various malpractices and their implications in these cooperative banks. You may know, Sir, that the cooperative banks were established in India to facilitate rural credit and to cater to the needs of small farmers and businessmen. They were popular with middle and lower income groups because of the high interest rate they offered as compared to the commercial banks. However, with the passage of time, most cooperative banks lost their purpose. Excessive State control and politicisation further led to their deterioration.

By the year 1990, none of the public and the private sector banks were willing to deal with the cooperative banks and thus, even

otherwise, healthy cooperative banks were facing a tough time. Since the year 2000 to date -- the latest case being the PMC bank -- many cooperative banks have been rocked by scams that exposed the malpractices in these banks. Many of these banks did not adhere to prudential norms prescribed by the Reserve Bank of India. I will give two or three examples. The Madhavpura Mercantile Cooperative Bank scam had invested a huge amount in the equity market which was almost equal to its deposit base, thus, violating the norms of the RBI relating to exposure to the equity market.

Another bank, the Krushi Cooperative Urban Bank had issued loans and advances amounting to five hundred and thirty million rupees as against its deposit base of only three hundred and fifty million rupees. Not only that, most of its loans had not been secured. Similarly, the Charminar Co-operative Urban Bank faced liquidity problem due to the indiscriminate lending to big borrowers against worthless collateral, the land which was given to the bank. More recently, the Nagpur District Central Cooperative Bank was involved in fraudulent dealings in Government securities through brokers.

So, what I am trying to tell you is about the kind of scams and fraudulent things that have happened in the cooperative banks and the latest example being the exposure of PMC bank which had over nine lakh fifteen thousand depositors. The RBI had imposed restrictions on withdrawals. Statutory inspection of the PMC Bank by the RBI revealed a large group exposure of about Rs. 6,226 crore to Housing Development and Infrastructure Limited (HDIL Group of Companies). Of the total exposure to the HDIL Group, only Rs. 440 crore was disclosed to the RBI. The rest of Rs. 5,786 crore remained undisclosed. The *modus operandi* was very simple. There were around twenty-one

thousand bogus accounts through which they manipulated. So, you could not see as to where that money was siphoned off. It had a deposit of Rs. 11,000 crore. As I have said, 9 लाख के ऊपर उसके डिपॉजिटर्स थे ।

I have heard that the All India Reserve Bank Employees Association and also the RBI Housing Association have also kept deposit to the tune of hundred to five hundred crores of rupees in the same PMC Bank. That is the irony. The regulators themselves have put money in such a bank.

My point is this. The cooperative banks have for long been the backbone of rural banking since their inception. They have been doing excellent work in the field of rural and cooperative banking. The recent scams in the cooperative banks have been a jolt to the cooperative banking system.

Now, I come to this Bill. Why is this Amendment crucial? We are bringing certain cooperative banks under the supervision of the RBI as applicable to commercial banks as a part of efforts to protect the depositors of such cooperative banks.

The hon. Finance Minister has already given details. There are a number of cooperative banks in this country. They are around 1,934. The total deposits are to the tune of ten lakh rupees and above and the total loans and advances are to the tune of Rs. 7.5 lakh crore. As has been said by the hon. Finance Minister, during 2019-20, as many as 277 banks have reported losses. The number of cooperative banks having high net NPAs is to the tune of 328 and the number of cooperative banks having negative net worth is around 47.

As per the RBI, over the last two decades, banking licences of about 430 urban cooperative banks have been cancelled across the country in most cases due to their precarious financial position. During the last five years, there were around sixteen urban cooperative banks whose licences have been cancelled.

Now, I come to this Bill. What amendments have been brought in this Bill? I would like to draw the attention of the hon. House to the new provisions. As has been said by the hon. Finance Minister, there are amendments which have been made in Sections 3, 45 and 56.

The main objective of amending Sections 3 and 56 of the BR Act is to extend provisions applicable to commercial banks to cooperative banks as well so that the cooperative banks are equally subject to better governance and sound banking regulation. With this, the interest of the depositors will be protected and professionalism will also come into those banks.

Amending Section 45 will enable RBI to make a scheme of reconstruction or amalgamation, as was done in the case of Yes Bank, to protect the interest of the public, depositors, banking system and to secure proper management of a commercial bank without having to first make an order of moratorium so that the disruption to the financial system may be avoided.

The Bill will also apply to the societies. The Bill also amends Section 3. It will not affect the existing powers of the State Registrars of Cooperative Societies under State laws nor will the changes apply to Primary Agriculture Credit Societies or to the cooperative societies whose primary object and principal business are to provide long term finance for agriculture development. If such society does not use in part

of its name or in connection with its business the words ‘bank’ or ‘banker’ or ‘banking’ and does not act as a drawee of cheques, this amendment has been useful.

The Bill provides for restricting the cooperative banks from lending to their own Directors which was done in the PMC Bank and debarring cooperative bank Directors employed by or having substantial shareholding in the other companies which was also done in PMC Bank and prohibiting them from holding directorship in other banks. Such restriction already applies to Directors in the commercial banks and helps ensure that there is no conflict of interest in board decision making.

For sound financial management, provisions regarding financial statements, audit, unclaimed deposits and effective oversight by the Regulator that are currently applicable to the commercial banks but not to the cooperative banks are now proposed to be made applicable to the cooperative banks as well. Regulatory approval and removal of auditors will enhance the transparency, restore depositors’ confidence, and protect depositors’ hard-earned savings. The Regulator will now be able to make reconstruction scheme in respect of cooperative banks as well in case the depositors or the banks are at risk due to the financial management or government lapses.

Coming to RBI’s power to supersede a bank’s Board in the interest of the public or the depositors or for securing proper management in the bank which is currently applicable in respect of commercial banks and multi-State cooperative banks, it is now proposed to be made applicable in respect of non-multi-State cooperative banks as well with the

stipulation that this may be done in consultation with the State Government concerned.

To facilitate the cooperative banks, by raising capital as less as Rs.25 lakh, you can start a cooperative bank. Currently to assess this capital for cooperative banks, it is limited with this amendment that cooperative banks will be allowed to raise money *via* public issues, private placements of equity or preferential shares as well as unsecured debentures.

While extending this applicability of banking laws already applicable to commercial banks to cooperative banks as well, appropriate provisions have been kept keeping in view the federal structure and democratic function of the cooperatives. There will be no supersession of board without consulting the State Government and where it is necessary in public or depositors' interest to supersede a cooperative bank's board, under the proposed amendment, Section 36AAA is applicable to a cooperative bank. The RBI have to first consult the State Government concerned. There is no such requirement in the case of corresponding action under Section 36 A applicable to the commercial banks.

When it comes to the farmers' cooperation sector person to remain eligible for being a Director, under Section 10A which is proposed to be made applicable to cooperative banks, the Board of Directors of cooperative banks shall consist of persons who have special knowledge or practical experience in respect of one or more specified matters. The specified matters include agriculture, rural economy, and cooperation. This may not be in conflict with the State laws or the State bye-laws. Flexibility to not apply requirements relating to Directors of Banks,

Managing Directors and part-time Chairman, additionally under Section 53A, is proposed to be made applicable to cooperative banks. RBI would have the flexibility to not apply provisions relating to Directors having knowledge or experience in specified matters as proposed in Section 10A, RBI's previous approval for appointment of bank's part-time Chairman or Managing Director is proposed in Section 10B and Section 35B respectively. The concept of 'one member one vote' will be preserved while enabling raising of equity from non-member. This is important.

State cooperative laws provide for equal voting rights for all the members. Based on the principle of 'one member, one vote', under Section 12 is proposed to be made applicable to cooperative banks. While the cooperative banks may issue shares to any person within the area of operation, assignment of differential voting right to such persons has not been proposed unlike in the case of commercial banks where the voting rights are proportionate to shareholding and thus the democratic character of cooperatives could be preserved while enabling them to raise capital from non-members as well.

So, I welcome this Bill and my point is that with the passage of this Bill the confidence of the depositor would get a boost and it will also help prevent further scams, frauds, and malpractices in the banking industry and it will also help bring in financial stability. Also, under the supervision of the RBI, it will strengthen oversight of the lenders. These objectives can be achieved by passing this Bill and I would like to congratulate the hon. Prime Minister and the hon. Finance Minister for bringing such a good Bill which will help in boosting the confidence of the depositors.

Thank you.

SHRI DNV. SENTHILKUMAR S. (DHARMAPURI): Hon. Chairperson, Sir, thank you for giving me this opportunity to participate in the Banking Regulation (Amendment) Bill, 2020.

This Bill proposes to bring the urban cooperative and multi State cooperative banks under the ambit of the RBI and its regulations. I would like to limit my speech to two points. Firstly, the hon. Finance Minister has cited the reason that many cooperative banks have incurred losses and that is one reason for bringing in this amendment; and the other being that the RBI having the power to control the Chairman and re-constitute the bodies of the Board of Directors.

Sir, coming to the first point of incurring losses, I would like differ on this. I would like to give an example of the State of Tamil Nadu where we have 128 cooperative banks which are running very successfully and only nine of them have been reporting losses. Except for those nine cooperative banks, the other cooperative banks in the State which have been making profits have recorded a deposit of Rs. 7000 crore. So, this argument does not hold good. Even to go by the statement of the hon. Finance Minister that 277 cooperative banks are running in losses, if those are in losses then it is because of various natural calamities like famine, drought and so many other reasons where the Government has to step in and empower them. But this is not being done. To take another good example of the Dravidian States, Telangana, Andhra Pradesh, Karnataka and Kerala, which uphold the principle of Dravidianism, Tamil Nadu and Pondicherry have proven successful

models in having these cooperative banks. Why does the Government not take the model from these States and implement them? The State of Tamil Nadu has been a leader in education, health care, gross enrolment ratio, employment, and so many other sectors and, to top it up, in social empowerment. The secret to the Central Government is that if they want to be leaders in any of these fields, it is better for them to follow the Dravidian model and methodologies and implement these processes throughout India which have been brought under the Dravidian regime in Tamil Nadu, especially under the great visionary leader Dr. Kalaignar Karunanidhi.

It was during his tenure that agricultural loan of Rs. 7,000 crore was waived off to benefit the agriculturists. It was also during the tenure of our DMK party leader Thiru. M.K. Stalin that in my district, Dharmapuri, Self-Help Group for women was first initiated and it was successfully shown.

In relation to cooperative banks, we have given an assurance of waiving off the agricultural loans, the jewel loans and the educational loans as and when we come to power. So, this will be seen as an infringement of States' rights and infringement of State's rights has constantly been seen by this Government by coming and taking each and every aspect of it. The Entry 32 of List II states that the cooperative banks lie under the purview of the State Government and the Entry 42 of the Union Government also excludes this list from this. This can be challenged in court based upon these two points saying that the States have the authority to regulate the banks under the Registrar of Cooperative Banks. So, that is the main reason even when this regulation Act was brought in 1965, it was excluded from that List. So,

the State has the power to incorporate a bank, to regulate a bank, and also to wind up the cooperative societies.

As far as second part of empowerment to nominate a Chairman or to re-constitute the bodies is concerned, I would like to say that this Government is undermining the process of democracy for a very, very long time. The RBI is already overloaded with so many other works. Now, in spite of this, if you are going to step in with regulation of even the cooperative banks, there is going to be an overload on the RBI. Incompetence of this Government is seen in the lack of interest in recovering the bad loans from the likes of Mallyas and Modis and to go after the agriculturists to get back their loans.

The recent UPSC successful candidates list raises a few serious doubts. Out of 829 candidates, 476 candidates have studied from one coaching centre called the Samkalp Foundation which has been affiliated to the RSS. So, regulation of independent bodies by officers brought from such foundations also raises a big doubt.

Finally, the country is undergoing a very serious health crisis and to top it up, the economic crisis created by this Government. Now, they are blaming the COVID-19 for their own shortcomings without applying rationalism and placing the burden by saying it is an act of God. I would like to give a warning to this House that this country has crossed 50 lakh cases by today and mark my words, when this Parliament Monsoon Session ends, there will be 65 lakh cases registered in India alone and me being a doctor, I know that there are no more beds in any district, be it in a private hospital or Government hospital. So, I would like to say that the worst is yet to come. The country is short of beds,

oxygen and ventilators. We will have to gear up, otherwise we are facing a very severe crisis.

I strongly oppose this Bill. With these words, I conclude my speech. Thank you for giving me an opportunity to speak.

PROF. SOUGATA RAY (DUM DUM): Thank you for allowing me to speak on the Banking regulation (Amendment) Bill. This Bill has taken some time in coming. It was introduced in this House in March and it is coming now. In the meantime, the Government has enacted an Ordinance and we are also passing the Ordinance.

I support the contention of Mr. Senthilkumar where he mentioned the success of the South Indian cooperative banks and where he said that this Bill is an infringement of the States' rights and also the Registrar of Cooperative Banks is already there in the States to appoint RBI as the total regulator. It is a wrong step. He has also mentioned that RBI is overloaded.

So, the question arises as to why did the Government bring this Bill in a hurry. The main trigger was the collapse of the Punjab and Maharashtra Cooperative Bank. A large number of people who were depositors were put to difficulty and the RBI imposed significant restrictions on withdrawal and suspended its business. Now, these depositors of PMC Bank demonstrated before the Minister of Finance when she went to Mumbai. So, she thought that she must do something. Otherwise, she will have to face demonstrations whenever she goes to Mumbai. That was why, the Bill was brought in a hurry.

The cooperative bank structure in this country is huge. We have almost 1544 Urban Cooperative Banks. We have 352 District Central Cooperative Banks and 34 State Cooperative Banks. The total deposits of all these banks together will be Rs. 5 lakh crore each. Altogether it is around Rs. 10 lakh crore.

Now the Government says that the Ordinance seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to cooperative banks as well. It will provide sound banking regulation, ensure professionalism and enable their access to capital.

The main question is, the RBI has not been the most successful regulator. As Dr. Senthil Kumar pointed out, it is already overloaded and the RBI failed to take preemptive action in the case of Yes Bank where at one time, the depositors were allowed to withdraw Rs. 1000.

What happens with this Bill is that the Banking Regulation Act will enjoy supremacy over cooperative banks. The power of RBI to remove management or draw up plans to merge/dissolve cooperative banks will override the power of the State Registrar of Cooperatives. So, as has been said earlier, it is a clear infringement on the States' rights.

The other point is that the cooperative banks will now be allowed to issue shares, debentures, and other securities. This will allow cooperative banks to access financial markets. This will improve the equity of the banks. It is true but what happens in a joint stock company? People have voting rights according to their shareholding but in a cooperative, one member means 'one share, one vote'. So, we are actually taking away the structure of the cooperatives which has been

built. I agree that there have been some bad apples among the cooperatives. Between 2013-18, 127 banks had to be shut down by the RBI. Most of them were unable to pay their depositors. Four lakh depositors had to be reimbursed through the Deposit Insurance Scheme. As you know, Sir, the Deposit Insurance Scheme covers depositors upto Rs. 5 lakh.

So, basically the concept of the Bill is flawed. Just for one Punjab and Maharashtra Cooperative Bank, you do not take away the powers of the cooperative banks and also, you cannot surcharge the cooperative banks which are functioning well and which have been built with a lot of sacrifice and hard work by their original promoters.

The cooperative movement has been successful in Maharashtra, Gujarat and in South India. Actually, this Government is hampering the cooperative movement.

Lastly, I want to say that three main Sections are being amended. One is Section 3 which keeps the primary agricultural cooperatives outside the purview of this Act. I agree with that part. Then, there is amendment to Section 45 where cooperatives are allowed to issue shares and debentures. They are also amending Section 56. That is Part 5 of the Bill. I do not think that such a Bill was necessary; I do not think that the RBI has proved to be the best regulator in the country; I do not think that the power of the State cooperatives should be taken away. I still think that the Government should try to encourage cooperatives and cooperative banking. Thank you.

SHRI LAVU SRIKRISHNA DEVARAYALU (NARASARAOPET):

Thank you, Sir, for giving me this opportunity. Representing an agrarian dominant Constituency of Narasaraopet in Andhra Pradesh, I have listened to thousands of stories from the people from all walks of life, who have come forward and told us the benefits they got because of our cooperative banks but the hon. Finance Minister's speech, and also the RBI, in its 21st Financial Stability Report, says that the Capital Adequacy Ratio has declined with respect to these cooperative banks, that is, from 13.5 per cent to 9.8 per cent. We have also seen many examples. One of the primary examples everyone was mentioning here was regarding the PMC bank where the depositors have been affected really badly. In September, 2019, we have capped the depositors, who can withdraw the money, only at Rs. 1000. It is a very sad situation. This has happened because of the poor performance wherein the non-performing assets have almost doubled in just one year and also because of bad management with respect to their auditors not actually doing the diligent work they are supposed to do. We have also seen numerous other banks, for example, Mapusa Bank and CKP Bank, the licenses of which were cancelled by RBI because they could not furnish enough details to prove that they can actually run the bank properly. With this perspective, the Government wants to bring all Urban and Multi-State Cooperative Banks under the RBI. It wants to achieve better management. As the hon. Finance Minister was mentioning earlier, in the case of management being deemed unfit, and if the Board of Directors are not doing the job they are supposed to do, RBI can supersede them. In case of re-construction and amalgamation of a bank, just like how we saw with PMC bank, we do not have to cap the withdrawal limits. With this new rule, we can actually encourage people

to withdraw money. The third benefit the Bill provides is the higher capital they can actually raise through giving out equity and unsecured bonds. The YSR Congress Party wholeheartedly welcomes this Bill. We are in full support of this Bill. ...(*Interruptions*) We are very much with this Bill. ...(*Interruptions*) But while supporting this Bill, I also want to impress upon three important points. First, let us not make RBI a one stop solution for every problem that is happening. ...(*Interruptions*) It is because if you see the number of bad loans that have cropped up in the last Financial Year, they have almost gone up by 134 per cent, which amounts almost to Rs. 1.5 lakh crore. ...(*Interruptions*) It was under the watchful eyes of the RBI.

The second suggestion we can give is this. We are always reacting and giving the reforms rather than pre-empting with the reforms. We are actually waiting for something to go wrong, then come up with some law, and try to rectify it. So, we should pre-empt such things and make sure that banking reforms are taken up at the appropriate time.

The third and the most important thing is, the Reserve Bank of India and Public Sector Banks have to appreciate the work done by cooperative banks. The cooperative banks have some advantages as they are very approachable to customers, they are not rigid, and they have rendered extremely good service to the people.

While supporting this Bill, I hope the Government would take these points into consideration. With these words, I thank you for giving me this opportunity.

SHRI GAJANAN KIRTIKAR (MUMBAI NORTH-WEST): Mr. Chairman, Sir, I thank you for giving me this opportunity on the Banking Regulation (Amendment) Bill, 2020. I support this Bill on behalf of Shiv Sena.

Sir, we are the worst sufferers due to the scam that happened in the PMC Bank. Fortunately, I was in the Reserve Bank of India for 25 years. Our Employees Credit Society has deposited an amount of Rs. 200 crore in the PMC Bank. We have faced demonstrations against the PMC Bank and some depositors have also committed suicide in Mumbai. So, we were anxiously waiting for some stringent measures to be taken by the Finance Ministry so as to control the activities of cooperative banks.

There are 1,540 cooperative banks in the country with a depositor base of 8.60 crore having a total saving of about Rs. Five lakh crore. The Bill amends the Banking Regulation Act, 1949 as applicable to cooperative banks. The Bill seeks to protect the interest of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with the Reserve Bank of India in respect of other banks. It also ensures professionalism and enables access of capital to cooperative banks, and so, I welcome this Bill.

The Government has allowed cooperative banks to raise money by way of public issue and private placement. This is a great step as this will increase their access to capital which was limited until now. However, taking into account the present scenario, it would be very difficult for them to raise capital from the market as majority of cooperative banks are not doing well financially. Their NPA percentage

is high and this percentage may, perhaps, increase if thorough inspection of their books is done by the Reserve Bank of India. Then, survival of cooperative banks in the market is difficult and it is also not in public interest. The Reserve Bank of India should carefully study the financial position of such banks who want to approach the market. This will be an additional burden on the Reserve Bank of India. But anyhow, RBI control is very much necessary. In my opinion, only those cooperative banks, which are financially sound and well managed for the next five years should be allowed to approach the RBI for getting permission to enter into the market and this Bill may be amended suitably. I request the Finance Minister to take note of this suggestion.

16.59 hrs

(Shrimati Rama Devi *in the Chair*)

I also welcome the provision which gives power to the Reserve Bank of India to bring a scheme for reconstruction or amalgamation without imposing moratorium. We have seen how the Yes Bank scam occurred. But this facility was not provided to cooperative banks in the past and that is why the PMC Bank has escaped out of that clutch. I think it is advisable to restrict the entry of new cooperative banks and explore the possibility of merger of few big cooperative banks in line with commercial banks.

17.00 hrs

This will reduce the burden on RBI and strengthen the cooperative sector.

I welcome the step taken towards supersession of the Board of Directors where it is in the public interest for RBI to supersede the

Board and to protect depositors. However, the Bill adds that in case of a cooperative bank registered with the Registrar of Cooperative Societies of a State, the RBI will supersede the Board of Directors after consultation with the State Government concerned. In my opinion, this will delay in the decision-making due to dual control. RBI should be given powers to deal with the situation independently.

Also, the Act restricts the cooperative banks from making loans or advances on the security of its own shares and debentures. I welcome it. However, the same can be considered as a collateral security for the loans and advances taken by the shareholders. The Bill may be amended suitably.

Further, it prohibits the grant of unsecured loans or advances to its Directors and to private companies where the bank's Directors or Chairman is an interested party. So, I welcome the same.

The Act also specifies conditions as to when unsecured loans or advances may be granted, and specifies the manner in which the loans may be reported to RBI.

The Bill states that 'every co-operative bank shall, before the close of the month succeeding that to which the return relates, submit to the Reserve Bank, a return in the prescribed form and manner showing all unsecured loans and advances granted by it to companies in cases other than those in which the cooperative bank is prohibited under Sub-Section (1) to make unsecured loans and advances in which any of its Directors is interested as Director or managing agent or guarantor.'

Though the Act prohibits the grant of unsecured loans, there are several other ways of granting advances to the Directors, adopted by the cooperative banks. Hence, the reporting of all unsecured advances granted to the Directors, their relatives, associates, firms and companies should be reported to RBI. The Bill may be amended accordingly.

The Bill retains a provision requiring a Scheduled Cooperative Bank to maintain assets with a value not exceeding 40 per cent of its total demand and time liabilities within India. I welcome this.

Finally, in view of the Bill, the urban and multi-state cooperative banks being governed by the respective Cooperative Societies Act of the State concerned, will additionally come within the jurisdiction of RBI. This appears to be a parallel or an overlapping jurisdiction; and there is no identified dichotomy in their respective jurisdiction. Requisite measures need to be taken to protect the interest of the depositors. However, I welcome the Bill.

With these words, I conclude. Thank you very much.

डॉ. आलोक कुमार सुमन (गोपालगंज): धन्यवाद सभापति महोदया, मैं आपका आभार व्यक्त करता हूँ कि आपने मुझे The Banking Regulation (Amendment) Bill, 2020 पर अपनी बात रखने का मौका दिया। जैसा कि हम जानते हैं कि देश में द बैंकिंग रेगुलेशन एक्ट को वर्ष 1949 में इनैक्ट किया गया था ताकि हम सभी बैंकों के नियम को मजबूत और उनका विस्तार कर सकें। इस एक्ट के पार्ट-5 में यह प्रावधान है कि हम को-ऑपरेटिव बैंक्स में भी नियमानुसार सेक्शन-56 के तहत कुछ फेरबदल कर सकते हैं।

बैंकिंग क्षेत्र में विकास और समय के साथ बदलाव को ध्यान में रखते हुए आज आवश्यक हो गया है कि इस एक्ट में जो भी प्रोविजन्स को-ऑपरेटिव बैंक

से संबंधित हैं, उनको और मजबूती से लागू किया जाए। इस बिल में यह व्यवस्था है कि को-ऑपरेटिव बैंकों के कार्य में ऐसी व्यवस्था हो, जिससे जमाकर्ताओं की हितों की रक्षा हो, बेहतर विकास हो और सारे बैंकों के साथ-साथ को-ऑपरेटिव बैंक्स का भी विकास का स्तर बना रहे। इस बिल में यह प्रावधान है कि रिजर्व बैंक ऑफ इंडिया के माध्यम से को-ऑपरेटिव बैंक्स में प्रोफेशनलिज्म, कैपिटल मुहैया गवर्नेंस और साउन्ड बैंकिंग व्यवस्था लाई जाएं। महोदया, the Banking Regulation (Amendment) Bill, 2020, *inter-alia* provides to amend Section 3 so as to make the provision of the said Act not applicable to a Primary Agricultural Credit Society, that is, PACS. देश में को-ऑपरेटिव बैंक्स को दो कैटेगरीज में बाँटा गया है। एक अर्बन को-ऑपरेटिव बैंक्स और दूसरा रूरल को-ऑपरेटिव बैंक्स। रूरल को-ऑपरेटिव बैंक्स में स्टेट को-ऑपरेटिव बैंक्स और डिस्ट्रिक्ट सेन्ट्रल को-ऑपरेटिव बैंक्स हैं। रिजर्व बैंक के डाटा 2019 के अनुसार आज पूरे देश में अर्बन को-ऑपरेटिव बैंक्स की संख्या कुल 1544 हैं। इसी प्रकार नाबार्ड के डाटा 2019 के अनुसार स्टेट को-ऑपरेटिव बैंक्स और डिस्ट्रिक्ट सेन्ट्रल को-ऑपरेटिव बैंक्स की संख्या क्रमशः 34 और 363 है। जैसा कि RBI के डाटा मार्च, 2019 के अनुसार Urban Co-operative Banks में 4,84,315.85 करोड़ कुल जमा राशि है और नाबार्ड में कुल जमा राशि 5,05,859.16 करोड़ रुपये है। Urban Co-operative Banks में 3.5 परसेंट से 4 परसेंट तक सेविंग बैंक अकाउंट्स पर तथा 4 से 7.25 परसेंट तक टर्म डिपोजिट पर इंटरेस्ट देते हैं। वर्ष 2019 के अनुसार 34 स्टेट को-ऑपरेटिव बैंक्स में से 30 बैंक्स लाभ में चल रहे हैं। इसी प्रकार 363 डिस्ट्रिक्ट सेन्ट्रल को-ऑपरेटिव बैंक्स में से 303 बैंक्स लाभ में चल रहे हैं। पूरे देश में 3 स्टेट को-ऑपरेटिव बैंक्स और 60 डिस्ट्रिक्ट सेन्ट्रल को-ऑपरेटिव बैंक्स घाटे में है। महोदय, PACS न केवल किसानों की ऋण जरूरतों को पूरा करने बल्कि उनकी गैर-ऋण आवश्यकताओं को पूरा करने के लिए वन स्टॉप शॉप ईकाई के रूप में विकसित करने का प्रयास किया गया है, इसके साथ नाबार्ड देश भर में PACS बहु सेवा केन्द्रों में विकसित करने के लिए इन्हें वित्तीय सहायता प्रदान कर रहा है।

महोदया, हमारे माननीय मुख्यमंत्री श्री नितीश कुमार जी ने PACS का विस्तार करने के लिए हर तरह के उपाय किए हैं ताकि ग्रामीण किसान भाइयों को अधिक से अधिक लाभ मिल सके। नये PACS बनाए गए, समय से इसका चुनाव हुआ जिसके कारण PACS मेम्बर्स की संख्या बढ़ी और यह सोसायटी किसानों के फसल के उत्पादन में लाभप्रद साबित हुई तथा रख-रखाव सही से हुआ। PACS को बढ़ावा देने के लिए माननीय मुख्यमंत्री जी ने 17 जिलों में 22 को-ऑपरेटिव बिल्डिंग्स बनवाने के लिए 56.35 करोड़ रुपये अलॉट किए हैं। इसके अलावा बिहार सरकार ने हर PACS को 15 लाख रुपये कृषि उपकरण के लिए अलॉट किए हैं, जिसमें 10 लाख भारत सरकार का और 5 लाख राज्य सरकार का है।

महोदया, मेरा संसदीय क्षेत्र गोपालगंज एक कृषि प्रमुख जिला है। यहाँ और आस-पास के जिलों में गन्नों की खेती बहुत ही महत्वपूर्ण है। मेरे संसदीय क्षेत्र में चार चीनी मिलों में से दो चीनी मिल चालू हालत में है और दो बन्द पड़ी हुई हैं। अगर सरकार CSR फंड का कुछ हिस्सा बन्द पड़ी चीनी मिल के लिए देती है और साथ-साथ एथनॉल के उत्पादन की व्यवस्था करती है तो इससे लाखों किसान भाइयों एवं युवाओं को रोजगार मिलेगा।

सभापति महोदया, मैं इसी के साथ THE Banking Regulation (Amendment) Bill, 2020 का समर्थन करते हुए अपनी बात समाप्त करता हूँ।

SHRI PINAKI MISRA (PURI): Thank you, Madam, Chairperson. The obvious lacuna in the regulation of the cooperative banks came to the fore with the collapse or rather egregious collapse, I may add, of the PMC Bank in Maharashtra. The investigations into the PMC scam have shown the grossest possible financial mismanagement and, obviously, complete breakdown of internal control mechanisms. Violating all banking norms, the PMC had 73 per cent loan exposure to simply one

entity which was masked through 21 fictitious accounts until a whistleblower blew the whistle.

The hon. Finance Minister, in her Budget Speech of 2020, said that she is soon going to bring an Act to strengthen and professionalise cooperative banks, basically, in order to protect the interests of depositors and to strengthen cooperative banks by improving governance and oversight which was sorely and long overdue. The idea behind allowing the RBI is to initiate the reconstruction or amalgamation of a bank without an order of moratorium. Therefore, this Ordinance and, now, the current Bill, obviously, seeks to avoid any disruption of the financial system.

This cleanup of the co-operative bank space is obviously very welcome and my Party heartily supports the hon. Finance Minister in her endeavour.

The fact that the RBI managed to, within 13 days, get the Yes Bank moratorium out of the way and released funds, we are particularly happy. It is because Shree Jagannath Puri Temple Trust had, in fact, invested some moneys in the Yes Bank. That money was immediately returned. Therefore, much reviled as the RBI is, I must compliment the RBI for what it did in the Yes Bank case. We are grateful to the RBI and the Finance Minister, indeed, for the very prompt action that they have taken which is, of course, in stark contradistinction to what has happened in the PMC Bank where after so many months the moratorium continues. I have done this before. I will, once again, beseech the hon. Finance Minister to take certain proactive steps that, I am sure, she can as advised both by law and by the powers that be, to ameliorate some of

the grievances of the PMC Bank depositors who are in dire straits. A number of suicides have happened and it is one of the saddest episodes in chapters in modern Indian history. Therefore, I once again urge you to kindly take proactive steps to ensure some immediate relief for the PMC Bank account holders.

While supporting this Bill, there are a couple of issues that require consideration. Therefore, I would like to flag those before the hon. Finance Minister. As per the RBI's Trends and Progress in Banking Report, 1544 urban co-operative banks account for very-very minimal 1.6 per cent out of the 97,792 co-operative banks. In fact, 96,248 rural co-operative banks account for almost 65 per cent of the assets of co-operatives which are, of course, controlled by the respective State Government's legislation. Therefore, the RBI control here, which is being sought to be brought about, will be gaining control over a very small fraction of co-operative banks. I understand the Finance Minister's dilemma in this matter.

I am mindful of the fact that certain issues have been flagged with regard to the federal structure. Entry 32 of List II clearly says that the co-operative societies would be governed by the State List, while Entry 45 of List I governs banking. Therefore, there has always been this sort of duality of control. Unfortunately, this duality of control seems to also obtain even under the new regime. It is because this is going to be one of the regulatory issues that will come up. It needs to be clarified by the hon. Finance Minister as to what role the State Government's Registrar of Cooperative Societies will play once this Bill is passed and whether there will be any overlap in regulation with the RBI as that will create even a greater problem, I guess.

The other issue, of course, is that the co-operative banks really catered to the local needs. The personal connect is a key characteristic of their mode of operation. Therefore, centralisation of power with the RBI now, particularly with regard to management decisions, may obstruct this key characteristic of personal connect. How the hon. Finance Minister wishes to go forward in this matter is something that may be of some consideration.

Be that as it may, it is a welcome first step, hon. Chairperson. Therefore, I commend the hon. Finance Minister for having been proactive in this matter, for having brought this. Let us not raise the bogey of why an Ordinance was necessary. I believe, when it was not certain at all as to when Parliament would be able to meet in the near future, an Ordinance therefore was necessary. If ever an Ordinance under Article 123 was needed, I think this is one of those cases. Therefore, the Congress Party flagging the issue of why an Ordinance was brought about, I think, is a needless criticism.

I thank you very much, Madam Chairperson.

SHRIMATI SANGEETA AZAD (LALGANJ): Thank you, Madam Chairperson, for allowing me to speak on the Banking Regulation (Amendment) Bill.

The Banking Regulation Act, 1949 is the primary law that regulates the banks in India. However, the banking sector in India has witnessed multiple large-scale frauds many of which have arisen as a result of governance issue within the banks. The Banking Regulation (Amendment) Ordinance was promulgated accordingly on 26th June, 2020 in pursuance of

the commitment of Government of India to ensure safety of depositors across the bank.

Our Party BSP and our National President Behan Kumari Mayawati Ji welcomes this Bill with a few suggestions. The amendment made in this Ordinance is a welcome step in ensuring greater transparency and better governance of the cooperative banks. But putting such cooperative banks under complete supervision of RBI creates a potential risk of misuse of such powers by the RBI and the Central Government.

The management of cooperative banks has traditionally been under the domain of local members of State Governments. Now, the RBI would have all the powers to take control of the management of these banks which will cause conflicts between RBI and the State Governments for political issues. The Bill raises questions of crossholding depositors within these cooperative banks in some States. Cooperative banks typically hold deposits for other credit societies and also housing societies as local law mandates that the societies must compulsorily keep their deposit with such banks.

In spite of such crisis, the Bill only tackles regulation of paid up share capital and securities by cooperative banks and does not address the issue of crossholding of deposit which is one of the structural problems with the cooperative banks.

Lastly, the Government should look into converting the cooperative bank into small finance bank to regulate the institution and increase the banks reach to small depositors in the rural and semi-rural areas.

I would request the Government to consider my proposed suggestions. I welcome the Bill. Thank you.

SHRI KOTHA PRABHAKAR REDDY (MEDAK): Madam, thank you very much for giving me an opportunity to speak in this House today on this very important subject.

As the House is aware, banks play an important role and it is part of our life. As the House is aware that in future, there is a need to set up more banks and financial institutions including corporate banks in rural areas to meet the various demands of the people from different fields like agriculture, business and also to meet the aim of financial inclusion.

In the past, our country had a great bank track record but nowadays, it is seen that the general public have lost confidence in the banks due to the policies adopted by the Government. There is a need to restore the confidence of the general public in the banks.

As the House is aware, the banks are the backbone for the development of various sectors and for the overall growth of the nation - from the industries to the employment and provide invaluable services.

Providing more powers to the RBI for regulating cooperative banks is a welcome step in the backdrop of Punjab and Maharashtra Cooperative banks scam, Yes Bank scam and other bad experiences. There is a need to bring cooperative banks and non-banking financial institutions also on par with the developments in the banking sector through better management and the proper regulation of the cooperative banks to ensure that affairs of the cooperative banks be protected in the interest of the depositors and will also strengthen the nation's economy.

Another major serious problem is overdue loans of the cooperative banks which have been continuously incurring losses which till now is not corrected.

Large amounts of overdues restrict the recycling of the funds and adversely affect the lending and borrowing capacity of the banks. It is better that RBI can supersede to give consolations to the State Governments, if any cooperative bank is under stress. There is a need to strengthen the cooperative banks by increasing professionalisation, by improving excess imbalance and also by improving the capital governance and ensuring sound banking through the Reserve Bank of India. Audit for all banks may be made from time to time.

With these few words, I would like to conclude my speech. We are supporting the Bill. Thank you, Madam.

SHRI BENNY BEHANAN (CHALAKUDY): Madam, I totally oppose the Bill. While introducing the Bill, the hon. Finance Minister explained that this Bill is for the betterment of the depositors and to strengthen the rural economy but actually this Bill is totally against the depositors and it will destroy the rural credit system.

The Bill is against the provisions of the Indian Constitution. Hitherto, the co-operative society and the co-operative banks in each State were registered and managed by the State laws.

The RBI appointed a Committee in 1951 to study the co-operative movement under the Chairmanship of A.D. Gorwala. The Committee submitted a report in 1951 with a conclusion, 'co-operation has failed in India but it must succeed'. This report is called the Magna Carta of the co-operative sector, which makes a structural change in the co-operative history of India.

The co-operatives all over the world are functioning on a set of principles as promulgated by the International Co-operative Alliance. Democratic member control and autonomy and independence are the two cardinal principles of them. As per the proposed amendment, the RBI will supervise all the co-operative banks, whether it is primary, urban, district, Central or apex.

The RBI will supersede the elected Board of Directors and appoint a Chairman to the Board of Directors. This Bill shows the Government's interference against democracy and it violates the co-operative principle. The co-operative societies all over the world are found to obey the co-operative principles and ensure democratic management.

As per the Montague-Chelmsford Administration Reforms of 1919, co-operation has become a State subject. That means, each State can prepare its own laws for the administration of the co-operatives in their State. As per the proposed amendment, the UPA Government recommended a uniform law for all the States in the country. The Parliament has passed a model law and sent it for approval of the respective State Governments, after making amendments, if any. As co-operation is a State subject, the Central Government has no such power to insist on a common law for the whole country. As the economic, social, educational and cultural policy of each State is entirely different from one another, it is practically impossible to implement a common law throughout the country.

The Central Government could administrate and manage only multi-state co-operative organisations formed as per the Multi-State Co-operative Societies Act. Through the proposed amendment, the Central Government is trespassing into the powers of the State Government and

the autonomy and independence of the co-operatives in the State. So, this amendment is against the federal system.

Up to 1981, the rural credit facility of the country was managed by a Department in the Reserve Bank by the name ARDC. Then, to strengthen agriculture and the rural credit structure of the country, NABARD was formed. NABARD was managing and controlling the rural credit structure, especially the co-operative banks. But a reversal action is seen by centralizing the entire credit and banking activities of the co-operative sector into the RBI.

Is the Government of the opinion that NABARD is not managing the credit structure properly? Then, why is the RBI stepping into the shoes of NABARD?

The co-operative institutions in our country are the backbone of Indian rural economy. As commercial banks are reluctant to provide adequate credit to rural people, their credit requirements are met by the co-operative societies. NABARD is the national level refinancing agency for rural credit. Until 1982, it was performed by NARDC. But when the RBI takes over the entire credit and banking activity under the co-operative sector, NABARD has no role to play. Then, why is there an institution called 'NABARD'?

Section 3 of the Amendment Bill is detrimental to the interests of all primary co-operative banks of Kerala State. In our State, the primary service that the co-operative banks are doing is banking business under the direct control of the State, District and State Co-operative Banks. That system has been functioning successfully for the last so many years. It is the backbone of the rural economy of the State. The entire rural public and farming community is benefited by the primary service

of co-operative banks. Through the proposed amendment, they cannot use the name, bank, banker or banking.

Why are you killing a successful institution which is functioning well in our State? The proposed amendment under Section 12(1) to make public issue of shares and private placement is against the very co-operative principle.

A loanee, who is taking loan from a cooperative society, will have to keep a small percentage of the loan amount in this society. It is called share linking. This is the equity of the institution. After closing the loan, the member is entitled to withdraw his shares as per the conditions imposed by the State Government. But now through this amendment, in clause 12 (2), a shareholder is prevented from withdrawing his shares in a society. What is the justification for this amendment?

A scheme for moratorium rescheduling or restructuring of loans is the prerogative of the respective institution under the directions of the State Government. But now the Central Government is usurping the powers of the State Government. The power to declare moratorium of any kind or waiver is to be vested with the State Government. It is pertinent to note that even after repeated requests of the apex court, the Government has not informed its opinion regarding the payment of interest and compound interest for the deferred amount under moratorium scheme now declared.

The objective of the cooperative movement is the upliftment of the poor. The members are the supreme authority in a cooperative society. This Bill says that the RBI is the supreme authority. This Bill destroys our cooperative spirit and cooperative sector. This is against the

democracy, the cooperative principles and the view of the international cooperative alliance.

Before concluding, I would like to quote what Pandit Jawaharlal Nehru said. He said:

“The idea of cooperation is something much more than merely an efficient and economic way of doing things. It is economic, it is fair, it equalises and prevents disparities from growing. But it is something ever deeper than that. It is really a way of life.”

Therefore, I request the Government not to destroy the concept of Pandit Jawaharlal Nehru. With these words, I once again oppose the Bill and request the hon. Finance Minister to withdraw the Bill. Thank you.

SHRI TEJASVI SURYA (BANGALORE SOUTH): Thank you, Madam, Chairperson. I speak in support of this Bill introduced by the hon. Finance Minister.

Today this House is addressing an issue of eminent importance that will positively impact the lives of more than 20 crore depositors of urban cooperative banks, district central cooperative banks and State cooperative banks, whose lives and lifesavings were under jeopardy because of a regulatory twilight zone.

That cooperative banks are in a precarious state owing primarily to unprofessional management and non-compliance with modern banking practices is beyond dispute. When these banks crumble under their own weight, helpless depositors are left to fend for themselves without much effective legal redress. We have seen how in the recent past thousands of depositors primarily from the modest middleclass background and the lower middleclass background have been defrauded. The PMC Bank case in Mumbai and Sri Guru Raghavendra Cooperative Bank case in my own constituency of Bengaluru are cases in point. This is a result of proper lack of regulatory oversight of cooperative banks by the RBI. For all these years, despite cooperative banks performing solely banking functions, they were not fully accountable to the RBI.

However strangely, the Opposition does not seem to be keen on cleaning up the mess in this sector and their opposition to these reforms stands on shaky and spacious grounds. The first opposition is on the ground that this Parliament lacks legislative competence to enact this Bill and that this is against the federal structure. The argument does not hold water for the following reasons.

Madam, the third proviso to Article 243 ZL, Clause 1 states that provisions of the Banking Regulation Act, 1949 applies squarely to all cooperative banks. Speaking on this, the constitutional bench of the Supreme Court in many judgements, the latest being the constitutional judgement in Pandurang Ganpati Chaugule vs Vishwasrao Patil, as recently as May 2020, stated that the constitutional provision itself makes a distinction between a cooperative bank and other cooperative societies and applied the law enacted under Entry 45 of List-I of the Seventh Schedule to the Cooperative Banks. It thereby sets at rest all

controversy concerning applicability of the Banking Regulation Act of 1949 to banks run by cooperative societies.

It also made it clear that such banks are governed under Entry 45 – List I of the VII Schedule.

The proposed Bill only refers to such societies which are solely performing banking functions and it is to be noted that incorporation powers are still with the State Registrars. Therefore, it requires the scheme envisioned by the Supreme Court.

It is also pertinent to note that just like how banking companies are registered under the Companies Act, but are governed under the BR Act, the cooperative societies performing solely banking functions will be incorporated under the respective State's Cooperative Societies Act, but will be governed in their banking functions and connected management functions by the BR Act. Therefore, this area of law is no more *res integra* and I would want to urge the Members of the Opposition, many of whom are learned lawyers, to appreciate the Supreme Court's reasoning on this.

Madam, the second ground of attack is that the proposed amendment debilitates the cooperative banks and dilutes their fundamental cooperative features, but we must first understand how cooperative banks are different from other cooperative societies which are not involved in banking. Cooperative banks are strictly not cooperative in nature as they mobilise funds not only from among their members but also from the general public. This is not the case with other cooperative societies. This is the reason why cooperative banks are barred from performing non-banking functions. Also, cooperative banks are controlled by shareholders who are also members of the society, but

depositors are not always members of the society. Therefore, a non-member depositor is not permitted to participate in the decision-making or borrow his money although it is his funds that are at stake. This places cooperative banks in a class different from that of other cooperative societies. This is the reason why it has been repeatedly held that all cooperative banks must come under the supervision of the RBI.

Madam, all these years the biggest problem before the cooperative banks and their administration was the problem of dual control. While urban cooperative banks came under State RCS and the RBI, district central cooperative banks came under the NABARD and the RCS. The Madhava Rao Committee on UCBs in 1999 had highlighted the problems of this dual control regime. I would want to quote a few lines from the report. It said:

“Perhaps the most significant factor which adversely affects the performance of urban cooperative banks and prevents timely and adequate remedial action to prevent sickness is the dual control over the urban cooperative banking sector. The Committee is convinced that unless the dual control is replaced by unitary control, it will not be possible for a healthy urban cooperative banking sector to subsist. This unitary control must recognise that whereas the cooperative character of UCBs may be controlled by the Registrar of Cooperative Societies, its banking functions must necessarily be under the sole control of the RBI.”

This is precisely what these amendments propose to do. In that regard, in 1999, the Madhava Rao Committee had made recommendations that the BR Act must be amended. Sadly, for all these years, it was not done and to even bring these monumental reforms, it took a Narendra Modi Government in office.

From the perspective of the depositor, a bank is a repository of trust. The moment a financial institution uses the word bank, the depositor presumes that it is supervised and guided by the RBI and therefore, his deposits are safe. He does not understand nor does he know that multiple legislations cover the field of banking and cooperative banks. This dual control regime, therefore, placed depositors of different banks on different pedestals which created a peculiar practical as well as a constitutional problem. Nothing highlights this anomaly better than the recent redressal of the Yes Bank by the timely intervention of the Central Government, the Finance Minister and the RBI by facilitating a speedy reconstruction of the Yes Bank while depositors of both PMC Bank as well as Sri Guru Raghavendra Sahakara Bank continue to be in distress because of the moratorium placed on the respective banks even to this day. This was because the law, that is, the BR Act permitted the RBI to restructure and reconstruct banking companies while not allowing for the same in respect of cooperative banks. This was a gross violation of the Fundamental Right to Equality of depositors. I must thank the Finance Minister, Nirmala Sitharamanji, for bringing this issue to a closure. Very recently, she had met the depositors of Sri Guru Raghavendra Sahakara Bank in Bengaluru and had assured all of them that appropriate legislative measures would be taken immediately to address this big legal anomaly.

Madam, it is also pertinent to note that the amendment to Section 45 of the BR Act will henceforth allow reconstruction of banks without the imposition of a moratorium thereby avoiding disruptions and panic in the financial system.

It was appalling, rather surprising that a few learned Members from the Opposition said that law and legislation must not apply to

cooperative banks and that they must be let alone, that there must be no law that must apply and regulate their functions.

Banking is a very sensitive issue. This is a space which cannot be let to have any statutory vacuum. Even ancient civilisational India was aware of this necessity and had framed appropriate rules in the *dharmashastras*. I would want to quote only one sentence from the *Manusmriti*. In the *Manusmriti*, a few thousand years ago, the law-givers then had envisaged,

“Yo nikshepam narpayati, yascha anikshipya yachate, tavubau choravat shashyav dhabyava tat samam dhamam”.

This means, a borrower who does not repay his loan and a banker who does not repay a depositor, both are thieves and must be punished.

Therefore, Madam, since long the importance of regulation on banking matters was stressed. However, in respect of cooperative banks, because of non-implementation of the RBI suggestions, resulted in a clique of persons controlling cooperative banks in different States, resulting in huge losses to depositors and, therefore, consequent losses for the common man in the banking system.

Let me just give one small example before I conclude. Half of the deposits of the PMC Bank is alleged to have been borrowed by the Chairman of the Bank. In the case of the Guru Raghavendra Bank, only 27 borrowers have borrowed upwards of Rs. 927 crore and have contributed to more than 70 per cent of the total NPAs.

The reforms that are proposed today will put an end to the conflict of interest of the promoters and usher in modernity, professionalism and progressive banking practices in the cooperative sector.

The most other important aspect of the reforms that is being proposed is the auditing of the cooperative banks. Cooperative banks have often been found to cook books to suppress their maladministration. Even the creation of fake deposits, ever-greening of the NPAs, fictitious loan creations and false profit and loss statements are found at the time of emergence of scams.

Again, in the instant case of Guru Raghavendra Bank, I would like to say that it had paid an excess of Rs. 70 crore as income tax by presenting false profit and loss statements even when the Bank was suffering real losses.

It is also important to note that the instant reforms are addressing one other pressing problem of cooperative banks, that is the difficulty of raising capital. In the case of companies and commercial banks, capital can be transferred from one person to another, but is not refunded to the shareholder. But in a cooperative society capital is refunded to a member if he or she so demands. Also, because there is no scope for appreciation in the value of share capital of a cooperative bank, mobilisation of capital is a problem. Therefore, these reforms propose suitable provisions to make additional avenues for cooperative banks to raise additional capital. At the same time, it must be appreciated that the new avenues for raising capital are being provided without compromising the fundamental cooperative principle of 'one member one vote'.

I would want to say in conclusion that even the provisions related to the removal of the Board of a cooperative bank have been made mandatory with the consultation of the State Government. This is in line with the constitutional principle of cooperative federalism.

Contrary to the argument that the Opposition is making, these reforms will not only strengthen the cooperative banks across the country but will also revive the confidence of the small depositors, the micro business owners in the formal banking system, as in many cases it is the local cooperative bank that is the base of banking system in India.

Our Government, under the leadership of our hon. Prime Minister, Shri Narendra Modi, has always tried to protect the interest of the most vulnerable sections of the society. These reforms today which are historic in nature will help the States try towards achieving Mahatma Gandhi's goal of enabling and empowering the weakest of the weak and the poorest of the poor.

I thank hon. Finance Minister, Shrimati Nirmala Sitharaman, for bringing this very important Bill. Thank you so much for the opportunity, Madam.

***SHRI SUNIL DATTATRAY TATKARE (RAIGAD):** Thank you, Madam Chairperson. The Union Government has brought this Banking Regulation (Amendment) Bill 2020 for the better management and proper regulation of co-operative banks and I rise to speak on it. Maharashtra has been a guiding force for the entire nation in the field of co-operative movement.

Late Dhananjayrao Gadgil, late Yashwantrao Naik, late Vasant Dada Patil, and Shri Sharad Pawar ji have played a very important role in the overall agricultural and industrial development of Maharashtra as well as of this country, and we have been witnessing it for the last so many years. Yesterday, we discussed here the issue related to the APMCs and my friend Shri Rao Saheb Danveji mentioned about the exponential growth of agriculture sector in our country. But, this is not shown in the price rise for agricultural produce. During 2004-2014, while serving as a Union Agriculture Minister Shri Sharad Pawar ji took certain steps to improve import-export policy and that paved the way for further overall growth in agriculture sector. It was strengthened by Co-operative banks which came forward to give monetary assistance to the farmers.

In Maharashtra, District co-operative banks, state co-operative bank were formed. Whether it is the Pune District Co-operative Bank or the Satara District Co-operative Bank, these banks are led by hon'ble Sharad Pawar ji and these banks provide loans to the farmers by charging 0% interest. These banks are playing a pivotal role in the financial sector of rural Maharashtra by providing timely help to the needy and poor farmers. Of course, some cases have come to light which brought bad name to the co-operative movement. So, the Government has to take a stand to protect the depositors.

This is going to help the process of merger. Now, the Reserve Bank of India will regulate and control the activities of Co-operative Banks and at the same time, it is expected that some positive and constructive measures should also be taken. The 97th Constitutional

Amendment was carried out through the Banking Ordinance and in part 5, Article 43 (B) was incorporated after Article 43 (A) which reads as:-

“The State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of co-operative society”

It is understood that democratic control is necessary in every co-operative society. But on the basis of the amendment carried out in 2020, any person who is not a member of that society, can be appointed as the chairman of the bank. I want to mention here that this is totally contrary to Article 43 (B) and invalid. This ordinance proposes that the capital infused by the founding members of the bank, would not be returned back to them. I know that some frauds of larger amount come to light and that is why RBI has to come forward with this kind of regulations and I welcome it. But, while giving additional powers to the RBI, we should take cognizance of the banks which are working efficiently. Hence, we should not politicize this issue and the banks should not be targeted on the basis of political linkage. The Pen Co-operative Bank in my Raigad district was established in the year 1935. It got banking license in 1986. It has a capital of around 613 crore. Rs. 178 crore was the recovery. It has got more than 1 lac depositors and it was working efficiently and transparently. But an administrator has been appointed for this bank. If Government wants to merge it, it should be merged with a financially strong bank. I would like to request the Union Government that these issues should be considered seriously. Jai Hind, Jai Maharashtra.

माननीय सभापति: श्री गौतम सिगामणि पोन – उपस्थित नहीं ।

SHRIMATI NUSRAT JAHAN (BASIRHAT): Thank you so much, Madam. We are clearly opposing the Bill.

With regard to amendment of Section 12 by inserting Section 12 (1), we would like to say that these provisions go against the tenets of cooperative movement and cooperative societies registered under the West Bengal Cooperative Societies (WBCS) Act, 2006, as amended.

Raising of shares by way of public issue or private placement is not provided for in the WBCS Act, 2006. It is a corporate concept where ownership is determined by the number of shares held. The WBCS Act, 2006 provides for 'one-member, one-vote'. There is also a prescribed ceiling on holding of shares under the WBCS Act. Moreover, there is no provision for issuing unsecured debentures by the cooperative societies in the WBCS Act. Also, as per WBCS Act, bonds cannot be issued without the prior approval of the State Government, but this Banking Regulation Ordinance provides for public issue or private placement of bonds. Therefore, it takes away the rights of the State Government.

Secondly, with regard to amendment of Section 12 by inserting Section 12 (2) (i) and Section 12 (2) (ii), the inserted Section 12 (2) (i) states that : “No person shall be entitled to demand payment towards surrender of shares issued to him by a cooperative bank.”. As per the inserted Section 12 (2) (ii), a cooperative bank shall not withdraw or

reduce its share capital except to the extent and subject to such conditions as RBI may specify. Our views on this is that the privileges of the members may be compromised. Moreover, the redemption of shares to the State Government will not be possible either. Thus, *inter alia*, the State cannot subscribe to a cooperative bank's share capital. On the other hand, Section 12 (2) (ii) imposes more restrictions on the freedom of cooperative banks.

Lastly, with regard to the amendment of Section 56 by inserting Sub-Sections 56 (a) (iv) and 56 (a) (v), as per this inserted provision 56 (a) (iv) references to the provisions of the Companies Act, 1956 except in Part III and Part IIIA shall be construed as references to the corresponding provisions, if any, of the law under which a cooperative bank is registered. As per the inserted provision 56 (a) (v) references to 'Registrar' or 'Registrar of Companies' shall be construed as references to 'Central Registrar' or 'Registrar of Cooperative Societies', as the case may be, under the law under which a cooperative bank is registered.

Our views on its implication is that cooperative banks may be converted into joint stock companies. This would make them lose their cooperative character. For the above stated concerns, the amendments made by inserting Sub-Sections 12 (1), 12 (2) (i), 12 (2) (ii), 56 (a) (iv) and 56 (a) (v) may kindly be removed from the Bill. Thank you so much for giving me the opportunity.

SHRI JAYADEV GALLA (GUNTUR): Madam, I thank you for giving me this opportunity to speak on this piece of legislation, which

has come before this House in the backdrop of the Punjab and Maharashtra Cooperative (PMC) Bank scam.

The Bill aims, as per the Statement of Objects and Reasons, to improve cooperative bank's management and regulation, infuse professionalism, better governance and sound banking practices so as to protect the interests of the depositors. So, I welcome this Bill. Since the time at my disposal is very limited, and I have no luxury to go into the cooperative movement, how cooperative banks came into existence, kinds of cooperative banks, their functioning, etc. I will make just a few quick points for consideration of the hon. Finance Minister.

Madam, I am from the Telugu Desam Party. As the Finance Minister has aptly demarcated in the Bill that Banking Regulations and Guidelines of the RBI are to be strictly followed by the cooperative banks and gives the authority to the Registrar of Cooperative Societies to deal with administrative issues. The cooperative banking system in our country was set up on a cooperative basis and belongs to its members. But if you closely observe the PMC scam, there was collusion between the bank officials and HDIL. Almost 77 per cent of the loan was given to HDIL holding companies which became NPA and the PMC Bank has gone bankrupt.

Here, the point I wish to highlight is, according to the RBI norms of exposure, the bank's exposure to a group of connected companies is capped at 25 per cent and 15 per cent for individual companies. But this was violated. I did not find any such cap in this Bill also. So, I would like to know from the hon. Minister, how is she going to implement this norm in the cooperative banks, who will monitor this, may kindly be explained. Madam, in 2017, when Shri Arun Jaitley was the Minister,

this very House had given its approval for inserting two Sections 35 (aa) and 35 (ab) to the parent Act. The main objective was to strengthen the hands of the RBI to address stressed assets in the banking system. I am sure these two sections are also applicable to the cooperative banks but whether they are going to be prospective or retrospective is not very clear. I suggest making them applicable retrospectively to cover the PMC scam, which I think is the largest scam in the cooperative banking sector.

Secondly, I wish to know the results of the implementation of Sections 35(aa) and 35 (ab) in the last three years. The cooperative banks are still at the beginning of the cooperative movement. They are not following the modern practices of banking, such as, net banking, mobile banking, online banking, e-banking, ATM banking, and other electronic banking ways and lagging behind in adopting advanced and new technology in the banking sector. So, the hon. Minister may kindly explain how she is going to address this. I suggest for the consideration of the hon. Minister to provide a special grant for modernising the cooperative banks in the country.

With these observations, I support the Bill.

ADV. A.M. ARIFF (ALAPPUZHA): Madam, on behalf of the CPI(M) Party, I wish to register my strong protest on the decision of the Government to bring cooperative banks under the Banking Regulation (Amendment) Bill, 2020.

It is highly objectionable that the Bill, which would be debated in Parliament, was hastily enacted into law, by including the provision to grab the powers of the States. What was the urgency to bypass the legislative power of this Parliament? It is undoubtedly a death bell to the cooperative sector of the country, though the hon. Finance Minister tried to defend by saying that the decision will be applicable only to cooperative institutions using the words 'bank', 'banker', and 'banking'. In Kerala, both land mortgage banks and primary agricultural credit societies are using the word 'bank' along with their names even before the enactment of the Banking Regulation Act, 1965.

Hence, they may be allowed to use the word 'bank' along with their names. Hon. Finance Minister is saying that the Government's intention is to protect the interests of the depositors and the public at large through this amendment. But what is the truth? The truth is that this amendment will only lead to unnecessary restrictions on the availability of credit facilities to the common people. By the destruction of the cooperative sector, people will be thrown into the hands of the Shylocks and blade mafia.

Moreover, in Kerala, we have been given the insurance protection for all the deposits. Likewise, you can come up with an amendment to give insurance protection for all.

Yesterday, the hon. Finance Minister gave a list of ailing cooperative banks in the country as a whole but I want to remind this august House that the other side of the story is that we should not forget that thousands of primary cooperative banks and urban cooperative banks are functioning efficiently across the country. These cooperative

banks are the only solace of the common people from the clutches of the money lenders and the so-called new generation banks which are only bothered about making profits, profits and profits.

At the same time, some technical issues will arise due to the amendment. The cooperative banks are now permitted to issue preference shares along with their equity shares giving preferential treatment to a particular class of shareholders. It is against the principle of cooperation. The cooperative banks are allowed to issue shares at premium. Members take shares of a cooperative bank, not for trading but to get the service of the bank to get more than the face value of the shares from members against the principle of equity. Giving shares to non-members is against the spirit of cooperation. Members of cooperative banks are not permitted to withdraw their shares.

As per Section 36 AAA, the Reserve Bank can supersede the Board of Directors of a cooperative bank. It will result in dual control and can be seen as an encroachment upon the powers of the States as envisaged under entry 32 of the 6th Schedule to the Constitution.

Section 53 of the B. R. Act permits the Central Government to exempt the class of societies from the provisions of the B. R. Act. Hence, the Central Government may exempt the Primary Agricultural Credit Societies (PACS) of Kerala from the provisions of the B. R. Act. So, I request the hon. Finance Minister to withdraw the Banking Regulation (Amendment) Bill or otherwise, send it to a Select Committee.

SHRI SAPTAGIRI SANKAR ULAKA (KORAPUT): The main aim of the proposed Bill is to increase professionalism and improve governance among the cooperative banks. The introduction of the Ordinance was necessitated by primarily two cases, the Mapusa Urban Cooperative Bank of Goa Ltd. and the CKP Cooperative Bank Ltd. in May 2020. If you look at this particular Ordinance or the Bill, the main reason is the PMC Bank crisis. Let me revisit what happened in the PMC Bank. Around 9,24,000 depositors and 50,000 shareholders of the Punjab & Maharashtra Cooperative Bank in seven States were on moratorium because of the mismanagement of the management. The PMC Bank failure is not a typical banking failure but a fraud committed by the PMC management. The Bank did not classify the loans as non-performing advances despite non-payment. This is purely because of lack of supervision of the RBI.

There are about 63 persons who succumbed to death, including 3 suicide cases. The Government should be accountable for the deaths. Finally, the Government woke up and came up with this Amendment. Let me briefly take up some key issues in the Bill which I would like to highlight. Firstly, the Reserve Bank is being vested with more regulatory responsibilities and the RBI's record of regulating banks and some NBFCs is mixed. There is no justification to make the RBI the regulator of district cooperative banks and urban cooperative banks.

Secondly, if the Ordinance becomes the law, all the key financial intermediaries will come under the control of the Central Government. There will be more centralisation. We should strive for decentralisation empowering the States. I am really surprised as to how some regional parties are supporting the Bill where the power from the States goes to the Central Government, the power to change the final structure of

cooperative banks that enables control with crony capitalists, like everything else that the Government has been doing. The Airport *Baba* who has been buying airports across the country will come into this cooperative bank also.

The role of the State Governments is undermined. The Bill undermines the ability of the State Governments to regulate the cooperative banks by allowing the RBI to have greater control. The disbursement of social welfare schemes to cooperatives might be disrupted.

18.00 hrs

Coming to continuance of dual regulatory system, the RBI will have greater regulatory powers with respect to banking guidelines while the Registrar of Cooperative Societies remains responsible for administration, contrary to the spirit of financial inclusion. Multiple regulatory factors will bog down the functioning of the cooperative mechanism.

There are misguided assumptions that all cooperative banks cannot function as commercial banks. Therefore, bringing cooperative banks under the ambit of the parent Act will limit the capacity as voluntary credit societies.

There is a concern about scheme for reconstruction. The enhanced powers of the RBI to initiate a scheme for reconstruction or amalgamation could lead to a scenario wherein the actual objective or function of a bank could be eroded. The cooperative banks are often set up by a particular group of professionals with certain objectives of catering to a community or guild. It is a cause for concern that they may be merged in such a manner that the resulting entity would have no

correlation with the original cooperative bank. A fishermen-promoted cooperative could be transferred to the hands of fish traders or non-fishermen.

Let me quote from what the hon. Finance Minister said in her Budget Speech.

Kai nel aruthuk kavalam koline

Arivudai vendhan neri arindhu koline

Parivu thapa edukum pindam nachin

Yanai pukka pulam pola

Thanum unnan, ulagamum kedume

This is from the same poem which the hon. Minister read out during her Budget Speech. It means, “A few mounds of rice from paddy that is harvested from a small piece of land would suffice for an elephant but what if the elephant itself enters the fields and starts eating.” ...
(Interruptions)

The Government has unleashed the elephant against cooperative federalism ...*(Interruptions)* It is very unfortunate. I would appeal to the Government to withdraw the Bill or send it to a Select Committee.

SUSHRI SUNITA DUGGAL (SIRSA): Hon. Chairperson, Madam, I am highly thankful to you for affording me this opportunity to speak on the long-awaited and long-desired Banking Regulation (Amendment) Bill, 2020. The Bill seeks to replace the Banking Regulation (Amendment) Ordinance, 2020. It seeks to protect the interests of depositors by amending Sections 3, 45 and 56 of the Act.

First of all, we should have a look at the Banking Regulation Act, 1949. The Banking Regulation Act, 1949 is a law that regulates banking firms in India. It was passed as the Banking Companies Act, 1949. It came into force from the 16th March, 1949. It was changed into the Banking Regulation Act, 1949 from the 1st March, 1966. The Act empowers the Reserve Bank of India to issue licences to commercial banks; regulate shareholders, shareholding and voting rights; supervise the appointment of Boards or management; control moratorium, merger and liquidation; regulate the operations of banks giving instructions for audit; issue instructions to banks in the interest of public welfare and banking policy; and impose penalty on banks if required.

The changes made in the Banking Regulation Act, 1949 through the Banking Regulation (Amendment) Bill, 2020 are particularly to Sections 3, 45 and 56. The Banking Regulation Act, 1949 will not apply to primary agricultural credit societies and cooperative societies whose principal business is long-term financing for agricultural development. I need a clarification from the hon. Minister as to what it says about the cooperative land mortgage banks. Other provisions say that these societies must not use the terms bank, banker or banking in their name or in connection with their business. In the case of cooperative land mortgage bank, the term bank is used. But it is not as such in banking business, you can say, and acts as an entity that clears cheques.

Regarding issuance of shares and securities by cooperative banks, the Bill envisages that cooperative banks may issue equity shares, special shares at face value or at a premium, preference shares to its members or to any other person residing within their area of operations. The Bill states that no person shall be entitled to demand payment for

the surrender of shares issued to him by the cooperative bank. In addition, a cooperative bank cannot withdraw or reduce its share capital, except as directed by the RBI.

Regarding supervision of Board of Directors, the Act states that RBI can supersede the Board of Directors of the multi-State cooperative bank for up to five years within certain conditions, that is, in the public interest or to protect depositors.

Regarding power to give exemptions to cooperative banks, the Bill states that the RBI may exempt cooperative banks from certain provisions of the Act through notification. These provisions are related to employment, the qualification of the Board of Directors, and the appointment of a Chairman. RBI will decide who will get relaxation in employment.

The Banking Regulation Act, 1949 states that cooperative banks cannot open a new place of business or change the location of the banks outside the village, town, or city in which it is currently located without the permission from RBI. The Banking Regulation (Amendment) Bill, 2020 discards this provision. It is expected that due to the change in the Banking Regulation Act, 1949, political interference in the appointment of officers of the cooperative banks of the country will be reduced and their working style will change, which will increase the confidence of the general public in the banking system of India. So, what is the rationale behind the amendment?

In 1904, the Cooperative Credit Society Act was enacted to encourage the cooperative movement in India. The cooperative movement was started in the country with a view to empower farmers, workers, and other not so privileged sections of the society. The model

was simple. The cooperative institutions will be owned and managed by the farmers, workers and it will also work for their welfare. In a sense, the idea was that collective strength of less fortunate persons will sail them through the oceans of economic opportunity. Unfortunately, gross mismanagement, neglect, and plain corruption, you can say, have almost destroyed the whole cooperative system in the country, and the classic example, as everybody has already mentioned, is PMC.

So, 73 per cent of the funds have been given to only one entity. It is the moral responsibility of the State Government to ensure that the cooperative banks functioning within the State are not risking the depositors' money and engaging in fraudulent practices. They need to have monitoring practice in place to protect the interests of the depositors. Furthermore, due regard should have been given to the jurisdiction of the Registrar of Cooperative Society for smooth regulation and coordination between RCS and RBI.

More than 9 lakh depositors are in deep difficulty in PMC, as everybody knows. A look at the financial position of the cooperative banks shows that – this is a sorry state of affairs – out of 1,934 number of cooperative banks, total deposits are Rs. 10.10 lakh crore and loans and advances are Rs. 7.52 lakh crore. And out of these, as the Finance Minister has already told that there are 592 cases of cooperative banks having high net NPA ratio, of more than 6 per cent. So, figures have already been given. I just want to add that in fact these figures do not reveal the true picture as most of the cooperative banks do not follow prudential accounting norms and conventions and, therefore, do not reflect their true picture. This situation is very scary as poor farmers' and workers' monies put at high risk, as is evidenced by the fact that as per RBI over the last two decades banking licence of about 430 urban

cooperative banks have been cancelled across the country due to their precarious financial position in most cases. Therefore, the amendment is urgently required in this regard. ...(*Interruptions*) I am completing in one minute.

HON. CHAIRPERSON: Shri Asaduddin Owaisi Ji.

SUSHRI SUNITA DUGGAL: Dual supervision means no supervision. I will only take one minute, Madam. ...(*Interruptions*)

SHRI ASADUDDIN OWAISI (HYDERABAD): Hon. Chairperson, Madam, thank you for giving me this opportunity. The hon. Minister, while introducing the Bill, started by saying that this Bill is being brought to protect the urban cooperative banks and the depositors.

18.10 hrs

(Shri Kodikunnil Suresh *in the Chair*)

My question to the hon. Minister, when she stands up to reply, is this. The RBI's FSR report of December 2019 says that the State-run banks account for 89.8 per cent of frauds by value; private banks account for 9.2 per cent; and foreign banks, 0.4 per cent. This says a lot about the internal controls in the State-run banks. What is the Government doing? Their hollow claim has been badly exposed by the RBI report itself. My second question to the hon. Minister is this. The Punjab National Bank was hit with Rs. 23,000 crore and we know Mr. Nirav Modi fled and no heads have rolled so far. The third question is about the Modi Government's real concern about PMC Bank which the hon. Minister mentioned. When it came to Yes Bank, the SBI

immediately infused funds into Yes Bank. Why is this stepmotherly treatment there for PMC? Sixty people have committed suicide. What is the interest that Government had with Yes Bank and that same love is not shown towards PMC Bank? What kind of administrator is working in PMC Bank for last one year? The hon. person has not been able to sell the yacht which is stuck in Sri Lanka; two aircrafts are stuck at Mumbai airport. This is the love of this Government for PMC Bank's depositors who are suffering day in and day out.

My third question is this. The Bill talks about issue of equity preference shares by way of public issue and private placement. Are you trying to say that now SEBI will interfere in it? Please enlighten all of us.

My fourth question to the hon. Minister is this. The RBI is being given power as claimed by the Government. If that is the case, why did Yes Bank, PNB, IL&FS and Franklin Templeton happen in March 2020? What was RBI doing? What was this Government doing? How did they allow all these four important things which happened right under the rule of Mr. Modi?

My fifth question is this. Since demonetization, the financial industry slowly and steadily started collapsing and showing how regulation by RBI, SEBI and NABARD is completely absent. The banks are now suffering. I feel one of the reasons is this unplanned Tughlaq-like decision of demonetization.

My sixth question is this. The above frauds reported by banks have increased by 28 per cent. Who is responsible for this? My colleague Shri Syed Imtiaz Jaleel, the hon. Member of Parliament from Aurangabad, is right when he told me that the Bank of Maharashtra

should not be privatized because it is running in profit. The Government should not do it.

The last point which I want to know from the hon. Minister when she stands up to reply is this. The Modi Government has this habit of weakening the federalism and encroaching upon the State List. You know for a fact what a State subject is and what the Central List is. Why is it that you bring such legislation? What are your designs? Why do you want to weaken the federalism of this country which is the basic structure of the Constitution? We know for a fact what is Schedule 7, Entry 32 and Entry 42 are. Hon. Members have spoken on it and I do not want to highlight it.

My last point is about the proportional voting rights. If they buy equity shares in cooperative society, it is a known fact that one member has one vote. Are you going to overrule that? Is it not a fact that in 2006, the Vishwanathan Committee recommended that cooperative banks should be allowed to raise capital through non-voting shares?

These are the important points to which I hope the hon. Minister will definitely reply. For God's sake, I do not want the hon. Minister to say that all these cooperative banks, Nirav Modi, Mehul Choksi, PNB, Franklin Templeton etc. were acts of God. These were not acts of God. They happened because Mr. Modi is ruling the country and because of the misgovernance and because of the act of themselves.

SHRI K. NAVASKANI (RAMANATHAPURAM): Thank you very much, Sir, for giving me this opportunity. I stand to oppose this Bill.

The Seventh Schedule of the Constitution mentions cooperative societies as a State subject, under Item No.32 of the State List, and it excludes them from the jurisdiction of the Centre, under Item No.43 of the Union List. Thus, this Ordinance can be seen as an overreach by the Centre.

The Bill seeks to address the lack of professionalism in cooperative banks, which is leading to unfair practices, and which can be stopped by strengthening the regulatory power of the RBI over them at par with the provisions for commercial banks. However, in recent times there have been several reports of fraudulent practices being carried out in several large commercial banks themselves, both private and public. While strengthening the powers of the RBI over cooperative banks, it is also important to ensure that the supervisory role of the Central Bank is enhanced and kept uncompromised. Only then can the purpose of the Bill and its provisions to prevent malpractices among the cooperative banks be fully realised. Stress must be laid on proper implementation of the said provisions. Thank you, Sir.

SHRI N. K. PREMACHANDRAN (KOLLAM): Thank you Chairman, Sir, for affording me this opportunity to speak on the Banking Regulation (Amendment) Ordinance as well as the Banking Regulation (Amendment) Bill, 2020. I fully support the Statutory Resolution moved by Shri Manish Tewari, and I strongly and vehemently oppose the Banking Regulation (Amendment) Bill, 2020, moved by the Finance Minister.

Before opening my remarks, I would like to appreciate that the hon. Finance Minister is very patiently sitting in the other Chamber of

the House, and is giving a very good message to the whole Parliament and to the country, that Madam is sitting along with other hon. Members in the other Chamber. I could witness it. I want to place my appreciation on that good gesture.

I oppose the Bill, and the reason for opposition is that it is having far-reaching consequences for the cooperative sector. It is encroaching into the powers of the State Government in general and the cooperative sector in particular. We are having a federal Constitution. The mover of the Statutory Resolution, Shri Manish Tewari, has rightly pointed out the federal principles of the Constitution. Banking is within the purview of the Union List, but at the same time, the cooperative sector is in the State List. So, States should be taken into confidence. I would like to know from the hon. Minister whether the State Governments were consulted. When you are encroaching into a subject which is within the purview of the State List in Schedule II, whether the State Governments were taken into confidence before making a legislation on a subject in which the State Government is also having the authority to legislate. Though banking is in the Union List, I fully agree that the cooperative banks are in the State List.

The cooperative sector in India has played a very pivotal, important, role in the banking industry. There are 1,540 cooperative banks in the urban sector. A number of Members have already spoken about 8.6 crore depositors with total savings deposit of about Rs 4.85 lakh crore. In my State of Kerala, we are having a rich experience of successful functioning of the cooperative sector. You may see that more than 50 per cent of the credit societies in India are in Kerala. The poor and marginalised sections of the society are mainly depending on the cooperative banks for their immediate needs.

Cooperative societies and banks provide big relief to the common people. My suggestion is that the cooperative sector of banking and the cooperative sector of financing should be promoted and encouraged.

Sir, I come to the provisions of the Bill. The hon. Finance Minister has rightly stated in the House that the Bill mainly proposes three major amendments to the Banking Regulation Act of 1949. There are only three amendments. You have to see that there are so many amendments within the clause or within the section of Section 56. Sections 3, 45, and 56 are the three provisions which are proposed to be amended. By virtue of amendment to Section 3 of the Banking Regulation Act of 1949, this is not applicable to the primary agricultural credit societies. Suppose if it is having the name of bank or banker or withdrawal of cheque or something, definitely that will come within the purview of the Banking Regulation Act and that will become a big problem for the banks. I know about a bank in my constituency. The hon. Chairperson is well aware of the S.N.V. Regional Cooperative Bank. It is one of the best lead banks in South Kerala. It is facing a criminal prosecution only because of the reason that it is using the word 'bank'. So, that has to be reviewed. Let me conclude within two or three minutes.

HON. CHAIRPERSON: Please conclude.

SHRI N. K. PREMACHANDRAN : Now, I come to Section 45. The RBI is having the authority to make a scheme for protecting the interest of the public in the event of reconstruction and amalgamation without declaring a moratorium.

Now, I come to amendment to Section 56. The applicability of the Banking Regulation Act is extended to all cooperative banks. Section

36AAA was only applicable to multi-State Cooperative Banks. But now, it is made applicable to all the banks.

My point is that the Reserve Bank of India is a regulator and it is becoming the entire authority of all the cooperative banks. The Reserve Bank of India is having so many functions. They are burdened with so many functions.

HON. CHAIRPERSON: Please conclude. There are a number of hon. Members to speak.

SHRI N. K. PREMACHANDRAN: I am speaking within the purview of the Bill. I am not going out of it. How can the Reserve Bank of India have the administrative control over all these primary cooperative societies which are using the term bank or banker or drawing of cheques? So, my suggestion is that kindly send this Bill to the Parliamentary Standing Committee and review may be done so as to protect the cooperative sector in the country.

With these words, I conclude.

SHRI P. RAVEENDRANATH KUMAR (THENI): Hon. Chairperson, Sir, thank you. I am speaking to support the Banking Regulation (Amendment) Bill, 2020.

I take this opportunity to appreciate our hon. Finance Minister, Shrimati Nirmala Sitharaman, who has taken the next step by providing more power to the Reserve Bank of India in order to regulate urban and multi-State cooperative banks and thereby, intends to prevent banking scams in future.

I welcome this Amendment Bill for strengthening the urban cooperative banks by increasing professionalism, improving governance, and ensuring sound banking rooted through the Reserve Bank of India. There is a very popular saying that “With great power comes great responsibility”. In the Bill, there are provisions to increase the regulatory capacity of the RBI duly bringing more technical innovation in regulatory and supervisory concept of urban and multi-State cooperative banks.

I would like to ask a question to the hon. Finance Minister. The Reserve Bank of India will approve the cooperative banks to issue shares by way of public issue or private placement. Due to this, the subscribers of these shares will have the voting rights and they will also occupy the Board of Directors. By merely subscribing to a share, a person who is not participating in the business of a cooperative society, will become a member in the Board of Directors. I would request the hon. Finance Minister to clarify as to what the measures are taken by the Government to protect and build the spirit and principles of cooperation among the cooperatives.

Sir, the cooperative movement in Tamil Nadu is well-guided, protected, monitored, and controlled by the Tamil Nadu Cooperative Societies Act, 1983 and Tamil Nadu Cooperative Societies Rules, 1988. Our hon. Chief Minister, Shri Edappadi K. Palaniswami has already written a letter to the hon. Finance Minister regarding some provisions related to this Bill.

I would hereby request the hon. Finance Minister to ensure that all the above potent steps quoted in this amendment Bill will be

implemented as quickly as possible without affecting the sovereignty of the State Government of Tamil Nadu.

SHRIMATI NAVNEET RAVI RANA (AMRAVATI): During the presentation of Union Budget 2020-21 in the Lok Sabha on 1st February, 2020, hon. Finance Minister, Shrimati Nirmal Sitharaman, underlined that the Banking Regulation Act would be amended to strengthen cooperative banks. I am happy that the Finance Minister has brought this amendment Bill. It is because for the last one year एक साल से लगातार कॉर्पोरेटिव बैंक के लिए महाराष्ट्र और अन्य जगह से भी देश में बैंकों के लिए कम्प्लेंट्स आ रही थी, क्योंकि इनके जो अध्यक्ष और ट्रस्टी मेंबर्स थे, जो लोन इन्टेन्शनली दे रहे थे, बीस करोड़ रुपये देकर लोन लेकर उस पर खुद का इन्ट्रेस्ट दिखाते थे। जब वह बोलता है कि हम डूब गए हैं, उसको सिर्फ पांच करोड़ रुपये निपटा कर बैंक को लॉस में ला देते हैं। बैंक एकाउंटहोल्डर्स को बड़े पैमाने पर डुबा दिया गया। मैं पिछले एक साल से फाइनेंस मिनिस्टर के यहां कम्प्लेंट्स देती आ रही हूं । I am very happy that the PMC Bank, Mumbai City Cooperative Bank and Yes Bank इत्यादि बैंकों ने देश के एकाउंटहोल्डर्स को नुकसान पहुंचाया है। जो देश को मजबूत करने के लिए बाहर निकलते हैं और जो कॉर्पोरेटिव बैंक का काम था कि फार्मर्स को सपोर्ट करना है और जो फार्मर्स के सपोर्ट के लिए है । जब से बैंक आए हैं, तब से फार्मर्स को सपोर्ट करते आए हैं । लेकिन for the last many years, the banks have been seen डिफाल्टर्स और वे बड़े लोगों को ज्यादा सपोर्ट करके बैंकों को बढ़ावा देते हैं । फाइनेंस मिनिस्ट्री ने कहा है कि आरबीआई के अंदर चाहे महाराष्ट्र हो या कोई भी राज्य हो, जितने भी कॉर्पोरेटिव बैंक हैं, इनके अंदर में

लाकर बैंकों पर कंट्रोल होना बहुत जरूरी है । ऐसे बहुत सारे बैंक एकाउंटहोल्डर्स हैं, जो गरीब, मजदूर और काम करने वाले फार्मर्स हैं ।

मैं बहुत दिनों से यह मुद्दा लगातार फाइनेंस मिनिस्टर और राज्य मंत्री के ध्यान में भी लाती रही हूं। अगर रिजर्व बैंक का इनके ऊपर होल्ड रहा, जितनी भी कॉर्पोरेटिव बैंक हैं, जो अपनी मनमानी राज्य और जिले में कर रही हैं, उनके हाथ हंड्रेड परसेंट खुला न देकर आने वाले भविष्य में रिजर्व बैंक इनके ऊपर होल्ड रखकर काम कर सकता है । फार्मर्स, गरीब लोग और अच्छे लोगों को लोन मिल सकेगा और उनकी मदद हो सकेगी न कि सिर्फ बड़े लोगों का जिनको फायदा पहुंचाने की कोशिश कई कॉर्पोरेटिव बैंक कर रहे हैं। जैसे महाराष्ट्र की पीएमसी बैंक और मुंबई सिटी कॉर्पोरेटिव बैंक ।

मैं मिनिस्ट्री का दिल से धन्यवाद करना चाहूंगी। मैं फाइनेंस मिनिस्ट्री के राज्य मंत्री जी से एक विनती करना चाहती हूं, जिन्हें छह महीने का समय ईएमआई लोन देने के लिए दिया गया है, आपसे रिक्वेस्ट करना चाहती हूं कि बहुत सारे लोग अपने बिजनेस में डूब चुके हैं, इस समय को छह महीने या एक साल बढ़ाया जाए ताकि देश के लोगों को पर्सनली हैल्प कर सकें। मैं इतनी ही विनती करती हूं ।

SHRI THOMAS CHAZHIKADAN (KOTTAYAM): Respected Sir, I oppose the Bill for amending the Banking Regulation Act, 1949.

The hon. Minister was telling in this House that this Bill is to safeguard the interest of depositors. I would like to inform the Minister that there are several lakhs of people who are depending upon primary cooperative societies which are known as primary cooperative banks in Kerala. This Bill is against the interest of those people who depend on the primary cooperative societies.

In Kerala, there are 14 district cooperative banks, 1692 primary agricultural credit societies which are known as banks, 16 licensed urban cooperative banks, and 20 multi-State cooperative societies. The primary agricultural credit societies and urban cooperative banks together have more than 4500 branches and they have a deposit of more than Rs.1 lakh crore in societies.

These cooperative societies are the backbone of Kerala's rural economy and are responsible for weakening the influence of the moneylenders in the rural areas.

Sir, all the primary cooperative societies are known as primary cooperative banks in Kerala. Now, it is being proposed that the cooperative societies should not use the term 'bank', 'banker' and 'banking' without permission from the RBI. This move will destroy the well-established cooperative banking network in the State. The Central Government is ignoring the interest of several lakhs of people who are dependent on these societies.

Section 12, proviso (1) of the Bill ...(*Interruptions*) provides for RBI consultation with the concerned State in the case of a cooperative bank registered with Registrar of Cooperative Societies of a State. Here, the word 'consultation' is vague because the State cooperative societies come under the purview of a State law as was mentioned earlier and also has been mentioned in Item 32 in list 2 of the Constitution. Therefore, such a provision will violate the provision of the Constitution. The opinion given by the State Government on such consultation with RBI should be made binding.

As per the provisions of the Bill, if the cooperative societies come under the purview of the Central Bank, the provisions of the

amalgamation under Section 45 of the parent Act can be misused and it will break the backbone of the people in the rural areas.

By giving the examples of PMC, this Government is running away from its accountability and responsibility by amending this Act ...
(Interruptions)

Thank you.

SHRI GAUTHAM SIGAMANI PON (KALLAKURICHI): Hon. Chairperson, Sir, thank you for giving me this opportunity to participate in the discussion on the Banking Regulation (Amendment) Bill, 2020.

The provisions of this Bill empower the Reserve Bank of India to monitor and regulate cooperative banks all over the country. The Bill proposes to provide powers to the RBI to suspend business and prepare a scheme of reconstruction and amalgamation during the period of moratorium.

Sir, the nation already knows the size and volume of business under the purview of RBI and further burdening it with extraordinarily huge network of cooperative banking system is, in no way, going to do any good. The RBI is not a large organisation with extensive office networks and this additional work of regulating the cooperative banks is not going to be effective and fruitful.

There are so many grave issues, like COVID-19 pandemic, unemployment and lower GDP, now for the Government to deal with and what is the need for bringing this Bill now when 80 per cent of the cooperative banks are doing very well, particularly in the Southern States? The voting in cooperative banks is thoroughly localised and monitored by district level banking authorities, but still there is room for

improvement. In what way a remote handling by RBI going to help in this matter? At best it can help in re-constituting the Boards, with BJP party leaders and cadres, as is reportedly happening in the State of Gujarat. The present Bill is in line with obsessive centralising efforts of the BJP Government. This extraordinary obsession is destroying every institution brought under its ambit. This move against the cooperative banks is likely to have serious repercussions. This present amendment Bill is yet another attempt to curb the power of the States. RBI, as a regulator, is struggling with large scale financial irregularities, involving private banks, and has not proved its effectiveness in any way. In fact, RBI itself is struggling to maintain its autonomy.

Finally, the cooperative credit banks provide all the important financial credit oxygen to the suffocating farmers community and an attempt, by bringing in a regulatory mechanism, should not be made to put an end to this. Centralisation of powers is, in no way, an effective method of governance. It, in fact, makes governance impossible and ineffective. I strongly oppose the Bill.

Thank you.

DR. K. JAYAKUMAR (TIRUVALLUR): Hon. Chairperson, Sir, I rise to oppose the Banking Regulation (Amendment) Bill as well as the Ordinance. The hon. Finance Minister seeks the approval of this House to amend the Banking Regulation (Amendment) Act, 1949. This Bill was earlier introduced in the Lok Sabha on March 03, 2020 but was not taken up for discussion.

Giving some reasons is not acceptable. They are not realistic. This Ordinance was promulgated by the President on June 26, 2020. I do not know what went wrong where, in a double hurry, she had withdrawn the Bill in the beginning of the first day of this Session and again on the same day, within four hours, she re-introduced the Bill in this House. I do not understand why such a hurry and what for.

Presently, the Cooperative Banks are under the State Governments. In the last six years, we are seeing that this Government is bent upon bringing Bills after Bills, amendments after amendments simply to divest powers from the State Governments and it is bent upon converting the State Governments into a Tehsildar office, where this Government will remain like a Collector and the Tehsildar has to do everything with folded hands. This is what is happening even everywhere and in every part.

The Government claims that it wants to bring the cooperative banks at par with the developments in the banking sector through better management and proper regulation in them. This is the reason given on paper. But seeing the past actions of the Government, the hidden agenda of this Bill to bring State Cooperative Banks under RBI is to take away the deposits, the reserves from these Banks, as has been done in the case of Reserve Bank of India itself. This Government has taken Rs. 1.76 lakh crore in August, 2019 to enable big business houses to take funds from these banks in the name of their involvement in agriculture sale and marketing.

HON. CHAIRPERSON: Please Conclude.

DR. K. JAYAKUMAR: Yes, I will finish it. These things are being done.

As regards better management and proper regulation, I beg to differ here. This Government has merged several banks. What had happened to them? Even after merging these banks, no tangible result has come. ...(*Interruptions*). The State Bank of India, the largest bank in the world has gone into debt. ...(*Interruptions*)

SHRIMATI SUPRIYA SADANAND SULE (BARAMATI): Sir, it is very unfortunate that the discussion on conversion of the Ordinance into the Bill has become a defaming of the cooperative banks. I would just ask a few pointed questions to the hon. Finance Minister because she has always been very patient with me whenever I have reached out to her with the PMC issues.

My first question to her is this. This Ordinance was brought out in the month of June. It has been over three months. If you brought this Ordinance out to help the PMC people, what have you achieved in the last three months to help every depositor of the PMC bank? This is my pointed question to her if she is generous enough to answer it.

My second question is this. What is the timeline? Thanks to this Bill, will every depositor will get his or her money back? I want a committed timeline? The whole idea of changing this is that every depositor gets the money. So, how many months does she commit officially on the floor of this House to this nation that every depositor of PMC bank will get their money.

Rs. 6,500 crore is the capital infusion required. So, will it be a long-term interest free loan? 80 per cent depositors have not got their money, only the small depositors have got their money. So, how are you

going to infuse this Rs. 6500 crore under this new ruling and by when? Again, I want a timeline and we really need a date.

Talking about properties, there was a proposal to sell the properties so that these depositors get their money. You will be surprised to know that the RBI went to court and stalled this decision. So, what is the position of this Government under this law for this?

There is an administrator being put in. Now, RBI has suggested this administrator. Why was PMC treated like this because IL&FS had a very young and dynamic person to turn it around. So, why is PMC constantly treated differently by this Government? This is something they really need to explain to all of us.

There is a merger or a resolution specialist on board. The proposal was given over one year ago. If this Government is so committed to improving the lives of these depositors of PMC banks, why are they not agreeing when the proposal was given one year ago for a resolution specialist on board? 60 people have died, three people have committed suicide, and nine lakh families are affected because of this PMC. So, what is the timeline? I reiterate and I repeat my question by when will you get this resolved? Everything is moving to RBI. Does RBI have a magic wand or a pill? It is because somehow IL&FS, ICICI, Nirav Modi, Mehul Choksi and other commercial banks have all been under RBI but I have not seen financial discipline there. So, it is just unfair to say about cooperative banks. Sir, I repeat my question because I am happy to see her in flesh and blood. I want to repeat and ask as to when will PMC Bank get their money. It will be very kind of you if you could give us a date and a timeline for PMC Bank.

श्री राहुल रमेश शेवाले (मुम्बई दक्षिण-मध्य): धन्यवाद महोदय, बैंकिंग विनियमन (संशोधन) विधेयक, 2020 को जो 14 सितंबर, 2020 को लोक सभा में पेश किया गया है, वह बैंकिंग विनियमन अधिनियम, 1949 में संशोधन करने के लिए है। अधिनियम बैंकों के कामकाज को नियंत्रित करता है और लाइसेंसिंग, प्रबंधन जैसे विभिन्न पहलुओं पर विवरण प्रदान करता है। यह विधेयक 26 जून, 2020 को घोषित बैंकिंग नियमन (संशोधन) अध्यादेश, 2020 को प्रतिस्थापित करने के लिए है।

अधिनियम कुछ सहकारी समितियों जैसे कि प्राथमिक कृषि ऋण समितियों और सहकारी भूमि बंधक बैंकों पर लागू नहीं होता है। इसके अलावा, इन सहकारी समितियों को अपने नाम के साथ या उनके व्यवसाय के संबंध में, बैंक, बैंकर या बैंकिंग शब्दों का उपयोग नहीं करना चाहिए या चेक को मंजूरी देने वाली ईकाई के रूप में कार्य करना चाहिए तो फिर सहकारी समितियों और सहकारी भूमि बंधक बैंको को आरबीआई द्वारा नियंत्रित करने संबंधी योजना का क्या महत्व रह जाएगा और खाता धारकों या कर्ज धारकों के इंटरैस्ट को कैसे सुरक्षित किया जाएगा?

महोदय, 26 जून को केंद्र सरकार द्वारा इस अध्यादेश को लाने का मकसद सभी सहकारी और प्राइवेट बैंक को आरबीआई की छतरी के नीचे लाने का था तो पीएमसी बैंक के मुद्दों पर, जिसके डिपाजिटर्स मेरी कांस्टिट्यूंसी में हैं, को सुलझाने और एक सौहार्दपूर्ण समाधान के लिए आरबीआई क्यों देरी कर रहा है? वे दिल्ली उच्च न्यायालय को हलफनामा सौंपकर सहकारी बैंक की पूंजी संरचना की व्याख्या कर रहे हैं। वास्तव में यह हास्यास्पद है। पीएमसी बैंक का कोई उचित समाधान अभी तक नहीं हो पाया है और अकाउंट धारको को कोई राहत नहीं मिली है। पीएमसी बैंक घोटाला नवंबर, 2019 में हुआ। एक साल बीत जाने पर भी आरबीआई इस मामले में कोई उचित समाधान नहीं निकाल पाया है, यह दुखद है। सुवर्ण सहकारी बैंक का भारतीय विदेशी बैंक में विलय हो

गया है । मराठा मंदिर को-ऑपरेटिव बैंक और दक्षिण भारतीय को-ऑपरेटिव बैंक का सारस्वत को-ऑपरेटिव बैंक में विलय हो गया है तो फिर आरबीआई को पीएमसी बैंक के विषय में भी इसी तरह कोई कदम उठाने में क्या दिक्कत है? पीएमसी बैंक विलय की सभी शर्तों को पूरा करता है तो पीएमसी बैंक का भी किसी राष्ट्रीयकृत बैंक में विलय कर देना चाहिए, जिससे खाता धारकों को राहत मिल सके, जैसा कि स्टेट बैंक ऑफ इंडिया ने यस बैंक को बचाने में सहयोग दिया। वे एलआईसी, आईडीबीआई, एचडीएफसी आदि हितधारकों से फंड जुटा सकते हैं या वे छोटे भुगतान बैंक में बदले जा सकते हैं। महोदय, देशव्यापी लॉकडाउन के कारण पीएमसी बैंक के जमाकर्ताओं को बीते 6 महीनों में बहुत मुश्किलों का सामना करना पड़ा है। हालांकि आरबीआई ने पैसा निकालने की लिमिट बढ़ा दी थी तो भी मुश्किलें समाप्त नहीं हुई हैं । सभी समस्याओं का समाधान पीएमसी बैंक का विलय होने पर ही होगा जिससे जमाकर्ताओं को राहत मिल सकती है ।

महोदय, महाराष्ट्र के इंडस्ट्री मिनिस्टर का कथन है कि राज्य के 65 प्रतिशत एमएसएमई से लाभ प्राप्त करने वाले केंद्रीय सरकार की रिवाइवल पैकेज में कवर नहीं होते हैं तो महाराष्ट्र राज्य के लोगों को तो 'आत्मनिर्भर भारत योजना' का कोई लाभ नहीं मिलने वाला है और फिर मोरेटोरियम योजना में ब्याज के ऊपर ब्याज से वैसे ही आम जनता की कमर टूटने वाली है तो फिर मोरेटोरियम का क्या लाभ मिला है? मैं कनक्लूड कर रहा हूँ ।

महोदय, अधिनियम के तहत, आरबीआई अधिस्थगन के तहत एक बैंक रखने के बाद अपने उचित प्रबंधन को सुरक्षित करने के लिए या जमाकर्ताओं के हित में बैंक के पुननिर्माण या समामेलन के लिए एक योजना तैयार कर सकता है ।

श्री मनोज कोटक (मुम्बई उत्तर-पूर्व): महोदय, आपने मुझे इस महत्वपूर्ण विधेयक पर बोलने का अवसर दिया, उसके लिए मैं आपको धन्यवाद देता हूँ। आपने बैंकिंग रेगुलेशन अमेंडमेंट बिल के ऊपर बोलने के लिए मुझे मौका दिया

और मैं यहां पर इस बिल का पुरजोर समर्थन इसलिए करता हूं, क्योंकि हमारे यशस्वी प्रधान मंत्री जी ने और वित्त मंत्री जी ने छोटे निवेशकों का ध्यान रखा है। पहली बार उनके लिए किसी ने सोचा है। इस देश में ऐसा वातावरण बना है। मैं अपने साथियों की बात सुन रहा था, जिन्होंने को-ऑपरेटिव सेक्टर की दुहाइयां दी हैं। मैं महाराष्ट्र राज्य के मुंबई जिले से आता हूं। सहकारी क्षेत्र में और बैंकिंग क्षेत्र में सबसे आगे महाराष्ट्र राज्य है। मेरे साथी शिव कुमार उदासी जब लिस्ट पढ़ रहे थे कि किन-किन बैंकों ने छोटे निवेशकों का पैसा डुबाया है तो उस लिस्ट में बहुत सारे नाम ऐसे थे, जिन पर पिछली सरकार को योजना लाने की जरूरत थी, लेकिन उस सरकार द्वारा किसी प्रकार का अमेंडमेंट नहीं लाया गया।

मैं हमारे प्रधान मंत्री जी और वित्त मंत्री जी का अभिनन्दन करता हूं कि उन्होंने छोटे निवेशकों का ख्याल करके, आज यह बिल यहां पर हमारे सामने लाए हैं। छोटे निवेशकों की संख्या, कोऑपरेटिव बैंक्स के खाताधारकों की संख्या साढ़े आठ करोड़ के करीब है, साढ़े दस लाख करोड़ रुपये जितना डिपॉजिट्स हैं और साढ़े सात लाख करोड़ रुपये जितने एडवांसेज इन बैंकों ने दिए हैं। यह एक ऐसा सबसे बड़ा क्षेत्र है, जिसमें आम आदमी का पैसा सुरक्षित रहे, इसके बारे में प्रधान मंत्री जी ने और वित्त मंत्री जी ने ख्याल किया है कि आम आदमी का पैसा कैसे सुरक्षित रहेगा।

18.46 hrs

(Hon. Speaker in the Chair)

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यहां पर पीएमसी बैंक की बात काफी लोगों ने कही है। मैं भी मुंबई से प्रतिनिधित्व करता हूं। जिस मुंबई क्षेत्र में सबसे ज्यादा आत्महत्याएं हुईं या जिसे कहें कि जहां सबसे ज्यादा अफेक्टेड लोग हैं, वह मेरी कांस्टीट्यूंसी में है। इन सभी लोगों का भरोसा आज सरकार के ऊपर इसलिए है कि केवल केन्द्र की सरकार इसका निराकरण कर सकेगी, क्योंकि, मान्यवर, जो भी नेता यहां बोल रहे थे, इन्होंने चिट्ठियां तो वित्त मंत्री जी और प्रधान मंत्री जी को ही लिखी हैं कि

आप पीएमसी के खाताधारकों को राहत दिलाइए। इस बिल के माध्यम से हम देखते हैं कि सेक्शन 3, 45 और 56 में अमेंडमेंट के ऐसे प्रावधान किए गए हैं, जो आज तक बड़ी बैंकों, कॉमर्शियल बैंकों के लिए प्रावधान थे। अब उन प्रावधानों को कोआपरेटिव बैंकों पर भी लागू किया जाएगा, उनको भी इसके दायरे में लिया जाएगा। कोआपरेटिव बैंक के अंदर केवल रेगुलेटर बैठा देने से या केवल रेगुलेटर के आने से खाताधारकों का पैसा वापस नहीं मिलता है, उसके रिकंस्ट्रक्शन और डिमर्जर से लेकर सारे प्रावधानों के अंदर, वहां जो रेगुलेटर बैठा है, उसे पावर देने की आवश्यकता थी। सेक्शन 3, 45 और 56 में जो अमेंडमेंट्स हो रही हैं, वे अब रेगुलेटर को पावर देंगी कि आने वाले दिनों में यदि इस तरह का स्कैम होता है तो मोरेटोरियम पीरियड की राह न देखे बगैर उन खाताधारकों का पैसा उनको सुरक्षित वापस मिले। यह इस बिल का प्रावधान है। इसलिए यह बिल समर्थन का पात्र है, क्योंकि इतना अच्छा प्रावधान अगर वित्त मंत्री जी और प्रधान मंत्री जी ने देश के छोटे निवेशकों के लिए किया है तो यह सरकार की मंशा दिखाता है कि कोआपरेटिव सेक्टर और सहकारी क्षेत्र में जिन छोटे निवेशकों के पैसे हैं, उनको सुरक्षित रखने का काम, चौकस रखने का काम अब इस सरकार ने किया है। यह बिल इसे दर्शाता है। ये स्कैम्स किस तरह हुए? इन सारे डायरेक्टरों ने अपने बैंकों के डायरेक्टरों को ही ज्यादा लोन देकर, बैंकों के डायरेक्टरों या उनके रिलेटिव्स को ज्यादा लोन दे देकर इन बैंकों को डुबोने का काम किया। जिन डायरेक्टरों ने इन कोआपरेटिव बैंकों को डुबोने का काम किया है, यह बिल उनके ऊपर लगाम कसने का काम करेगा। जब यह बिल पास हो जाएगा, उसके बाद जिन डायरेक्टरों की शेयर होल्डिंग अदर कंपनीज में होती है, उनको भी लोन न देने का प्रावधान इस बिल के माध्यम से, इस रेगुलेशन के माध्यम से मिलता है। जब रेगुलेटर ज्यादा पावर के साथ काम करेगा, तो इस देश में साढ़े आठ करोड़ छोटे निवेशक इस सरकार से आश्वस्त हैं, इस बिल के माध्यम से आश्वस्त हैं कि हमारा पैसा अब कोआपरेटिव बैंक में सुरक्षित है।

इसलिए मैं इस बिल का समर्थन करता हूं और मैं सदन के सभी सदस्यों से प्रार्थना करता हूं, विपक्ष के सदस्यों से ज्यादा प्रार्थना करता हूं कि आप छोटे निवेशकों का हित देखिए, सरकार एक मंशा के साथ यह बिल लाई है, आप इस

बिल का समर्थन कीजिए। जो अच्छा काम करते हैं, उनको डरने की जरूरत नहीं है, लेकिन जो बुरा काम करते हैं, उन पर लगाम लगाने के लिए यह बिल जरूरी है। धन्यवाद। जय हिन्द ।

माननीय अध्यक्ष: भगवंत मान जी, बिना मास्क के मत बैठा कीजिए। आपको मैं आज मौका दे रहा हूं, अब आपको कल मौका नहीं मिलेगा ।

श्री भगवंत मान (संगरूर): खेती का बिल आ रहा है ।

माननीय अध्यक्ष: नहीं, आज ही मौका मिलेगा। आज ही डिसाइड कर दिया, आप बोल लीजिए ।

श्री भगवंत मान: सर, खेती के बिल पर बोलना पड़ेगा, पंजाब एग्रेरियन स्टेट है ।

माननीय अध्यक्ष: आपको एक दिन पहले ही बोलने का मौका दे दिया ।

श्री भगवंत मान: सर, बहुत-बहुत धन्यवाद ।

सर, एक-एक करके राज्यों के अधिकार छीने जा रहे हैं, यह बिल भी उसी दिशा में एक कदम है । देश की जीडीपी आज माइनस में है, सिर्फ खेती का सेक्टर ऐसा है, जिसमें जीडीपी पॉजिटिव है, उसे भी खेती से संबंधित बिलों के जरिए खत्म किया जा रहा है । जो कोआपरेटिव बैंकों की जनरल बॉडी है, क्या वित्त मंत्री जी यह बताने का कष्ट करेंगे कि क्या उनके साथ कोई सलाह हुई है? आरबीआई पहले ही ओवरबर्डन्ड चल रही है। जिन बैंक्स का एक-एक करके दिवाला निकला है, वे भी आरबीआई के अंडर ही थीं । मैं यह कहना चाहता हूं कि नोटबन्दी के नुकसान से लोग भी अभी तक उबरे नहीं हैं । लोगों का बैंकों पर से यकीन उठ गया है। उनको पता नहीं चल रहा है कि पैसा कहां रखें? अगर वै पैसा घर पर रखते हैं तो नोटबन्दी करके ...* ले जाते हैं और अगर बैंकों में रखते हैं तो नीरव मोदी ले जाते हैं। लोगों को समझ नहीं आ रहा है कि करें तो क्या करें । भगवान भरोसे सरकार चलते सुनी थी, लेकिन सरकार द्वारा पहली बार कहते देखा गया है कि it is an act of God, यह भगवान भरोसे है ।

माननीय अध्यक्ष : आप सदन में बोल रहे हैं। सदन के नेताओं के बारे में कभी ऐसी टिप्पणी मत करा करें ।

...(व्यवधान)

माननीय अध्यक्ष : श्री बापट जी, आप बोलिए ।

...(व्यवधान)

श्री भगवंत मान : महोदय, मैं कोई अनपार्लियामेंटरी बात नहीं कह रहा हूँ । नीरव मोदी का सभी ने जिक्र किया है । मेहुल चौकसी, विजय माल्या का जिक्र किया गया है ।...(व्यवधान)

श्री गिरीश भालचन्द्र बापट (पुणे): अध्यक्ष जी, आज सदन की बालकनी में से एक जनप्रतिनिधि बात कर रहा है। मेरे पास बहुत मुद्दे हैं, लेकिन समय के अभाव के कारण मैं एक बात सीतारमण जी के समक्ष रखना चाहता हूँ । पुणे में एक रूपी बैंक है । इस बैंक को श्री लोकमान्य तिलक जी ने लोगों से एक रुपया लेकर शुरू किया था । आज इसके पांच लाख डिपोजिटर्स हैं। आज तक अमालगामेशन का प्रस्ताव तथा अन्य कई चीजें पेंडिंग है । मैं बैंक के डिपॉजिटर्स और बिल का समर्थन करता हूँ । माननीय सदस्यों ने बहुत लम्बे भाषण किए हैं, लेकिन यदि इस बिल के बारे में यदि एक वाक्य में कहना होगा तो डिपोजिटर्स को अभय देना इस बिल की आत्मा है । मैं इस बिल का सपोर्ट करता हूँ और आपको तथा सीतारमण जी को धन्यवाद देते हुए अपनी बात समाप्त करता हूँ। जय हिंद, जय महाराष्ट्र ।

SHRI M. K. RAGHAVAN (KOZHIKODE): Hon. Speaker, Sir, I thank you for giving me this opportunity.

Sir, I strongly object to the provisions of this Bill moved by the hon. Finance Minister. The Bill neglects the historical contributions

made by the cooperative sector to Indian banking. Traditionally, Indian banking has its genesis not in the western style institutions, rather on shrenis and merchant guilds. These shrenis and guilds can be categorised as the earliest forms of money lending institutions of our country and were similar to modern day cooperative banking.

This Bill is against the spirit of cooperative federalism and Article 43B of the Constitution of India. Not only that; this Bill does grave injustice to many primary agricultural cooperative societies and credit societies by asking them to drop 'bank' from their name. I wish to remind this august House that the successive transformation of rural areas of my State Kerala largely happened due to the large contributions of cooperative banks.

Section 12 of this Bill is highly controversial. It deals with issue and regulation of paid-up share capital and securities by cooperative banks. By way of this section, the shares become transferable. Anybody can purchase shares from the market and advise the bank to transfer the shares to their names in the books of bank. It may tilt the control of the Board in subsequent elections.

Sir, two more sections that prove the over-arching powers of RBI over cooperative banks are Section 36AA and 36AAA. So, I would like to say to the hon. Minister that before taking a hasty decision the Government should take into consideration the role being played by our rural banks in the expansion of rural credit. The Government should also note that these cooperative banks form the capital base for our micro and medium scale industries.

Therefore, I request the Government to abandon this hasty decision and to withdraw the Bill or to send the Bill to the Standing

Committee. With these words, I conclude my speech.

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR): Mr. Speaker, Sir, I shall be extremely brief in my deliberations. Long years back, Mahatma Gandhi exhorted the people of India that drops of water make the ocean. The reason for this is that there is complete cooperation and cohesion. This is the basic concept of cooperative banks in our country.

माननीय अध्यक्ष : आपका गला खराब हो रहा है, इसलिए मैं कहूंगा कि आप अपनी बात समाप्त कीजिए ।

श्री अधीर रंजन चौधरी: महोदय, मैं अपनी बात समाप्त कर रहा हूँ ।

माननीय अध्यक्ष : मुझे कोई दिक्कत नहीं है, मैं तो आपके खराब गले की वजह से कह रहा हूँ ।

श्री अधीर रंजन चौधरी: सर, मुझे कोई दिक्कत नहीं है ।

Sir, capitalist world stands for 'I' मतलब कि 'मेरे लिए'; communist world stands for 'us' but the cooperative world stands for 'we' मतलब-'हमारा' । यह 'हमारा' का जो कॉन्सेप्ट है, इसको बचा कर रखना जरूरी है । सर, मैं सिर्फ दो-चार मुद्दे उठाना चाहता हूँ । हमारी माननीय मंत्री जी पूछना चाहती हैं कि नेशनलाइज्ड बैंक्स और कोऑपरेटिव बैंक्स के एनपीए में फर्क क्या है? फ्रॉडुलेंट ट्रांजैक्शंस नेशनेलाइज्ड बैंक्स में कितने होते हैं और फ्रॉडुलेंट ट्रांजैक्शंस कोऑपरेटिव बैंक्स में कितने होते हैं? Sir, there is a hidden agenda behind bringing this legislation, which is to convert the cooperative banks into private sector banks. Since, 1993, RBI has been persisting on this objective. सर, मैं मंत्री जी को दो छोटी चीज के बारे में बताना चाहता

हैं। By allowing the RBI to have a greater role, the disbursement of social welfare schemes through cooperative banks might be disrupted as this has functioned successfully because of the financial autonomy of the cooperative banks under the States. कोऑपरेटिव की ऑटोनॉमी खतरे में है। Sir, multiple regulatory factors will bog down the functioning of the cooperative mechanism. In fact, this dual regulation has led to the regulatory gap rather than efficiency.

ये कहते हैं कि प्रोफेशनलिज्म लाएंगे, लेकिन बोर्ड ऑफ डायरेक्टर्स को प्रोफेशनलिज्म कैसे दे सकते हैं, क्योंकि बोर्ड ऑफ डायरेक्टर्स कोई पॉलिटिकल पार्टी का लीडर होगा, कोई लोकल इंप्लूएंशियल पर्सन होगा। आप इसको कैसे प्रोफेशनलाइज्ड करेंगे? आपके पास इसके लिए क्या मैकेनिज्म है? इसकी कोई जानकारी इस बिल में नहीं है। खास कर यह बिल मिसगाइडेड एजम्पशन पर लाया गया है। All cooperative banks cannot function as commercial banks. Therefore, bringing cooperative banks under the ambit of the parent Act will limit their capacity as voluntary credit societies even. In the PMC crisis, a lot of illegal lending still took place, which was unobserved by the RBI. So, commercial activities must be closely monitored at a grass-root level with equal interest from the RBI. There must be an intermediary to oversee this process.

Sir, various flaws have been observed in this legislation. So, I would urge upon the hon. Minister to withdraw this kind of a legislation, which is simply detrimental to the cooperative sector of our country, which has been nurtured over the centuries by the common people of our country. The genesis of the present banking system lies with the cooperative sector of our country.

Thank you, Sir.

माननीय अध्यक्ष : माननीय सदस्यगण, अगर सदन की सहमति हो, तो सदन का समय इस विधेयक के पारित होने तक बढ़ा दिया जाए ।

कई माननीय सदस्य : हां ।

माननीय अध्यक्ष : माननीय मंत्री जी ।

श्रीमती निर्मला सीतारमण: अध्यक्ष महोदय, अगर आपकी अनुमति हो तो मैं खड़े हो कर बोल सकती हूं ।

माननीय अध्यक्ष : नहीं ।

श्रीमती निर्मला सीतारमण : माननीय अध्यक्ष जी, ठीक है ।

माननीय अध्यक्ष : अगर मैंने आपको अनुमति दे दी तो अधीर रंजन जी और बालू जी भी रोज खड़े होकर ही सदन में बोलेंगे ।

SHRIMATI NIRMALA SITHARAMAN: Sir, I wish to thank all the 32 Members, who have participated in the discussion on this Bill. I am not reading the complete list क्योंकि सभी माननीय सदस्य को यह जानकारी है कि कितने वरिष्ठ माननीय सदस्यों ने इसमें भाग लिया है । So, I am not reading the complete list. But I thank each one of the hon. Members for having gone through this Amendment Bill in such great detail and also given their valuable inputs.

19.00 hrs

Sir, I want to make it very clear that this Bill does not provide for regulation of cooperative banks by the Central Government. इस बिल के अमेंडमेंट का यह मतलब नहीं है कि केन्द्र सरकार सभी को-ऑपरेटिव बैंकों पर निगरानी रखेगी। अमेंडमेंट इसके लिए नहीं है, गलतफ़हमी नहीं होनी चाहिए ।

दूसरा, यह को-ऑपरेटिव बैंकों को आज क्या हो गया है, आप क्यों रेगुलेशंस करके इन्हें आरबीआई के हाथ में सौंपना चाह रहे हैं? सर, क्षमा कीजिए को-ऑपरेटिव बैंकों का रेग्यूलेशन आरबीआई के द्वारा वर्ष 1965 से ऑलरेडी हो रहा है। हम कुछ नया नहीं कर रहे हैं, लेकिन जो कुछ भी नया कर रहे हैं, वह डिपॉजिटर्स के हित में कर रहे हैं।

This Bill does not regulate the cooperative banks. The amendment is not for the Central Government to take over cooperative banks or to control the cooperative banks. It is not for the first time that this regulation of extending some powers to the RBI is happening. Since 1965, cooperative banks are already being regulated by the RBI. सर, मैं दूसरा पॉइंट रखना चाहती हूँ, क्योंकि बहुत सारे वरिष्ठ मेंबर्स ने तरह-तरह से इसका जिक्र किया है। “तीसरा, यह स्टेट के अधिकार का उल्लंघन है, आप कैसे इस पर पैर रख रही हैं, यह स्टेट फेडरलिज्म को रिस्पेक्ट नहीं करता है, वगैरह-वगैरह”। पार्लियामेंट की कॉम्पिटेंसी इस विषय को लेजिस्लेट करने की बिल्कुल है, क्योंकि हम बैंकिंग की एक्टिविटी को रेगुलेट करना चाह रहे हैं, जो कि एंट्री नं. 45 में है। हम कुछ भी नया नहीं कर रहे हैं। हमारे पावर में बैंकिंग को रेगुलेट करने के लिए जो है, हम उसका ही उपयोग कर रहे हैं। Entry 43 of the Central List talks about regulation of banking. मैं इसका जिक्र इसलिए कर रही हूँ, क्योंकि 45 और 43 में भी बैंकिंग और रेगुलेशन ऑफ बैंकिंग की पावर डेफिनेटली सेंट्रल लिस्ट में है। हम किसी स्टेट लिस्ट पर, we are not encroaching upon the State List. ...*(Interruptions)* You should have the patience to listen to people who are answering your questions. ... *(Interruptions)* प्रोफेसर साहब सुनने की आदत भी सबमें होनी चाहिए।... *(व्यवधान)*

स्पीकर सर, मैं आपके द्वारा यह सबमिट करना चाहती हूँ कि ऑर्डिनेंस पर बार-बार बात हो रही है, ऑर्डिनेंस पर चर्चा हो रही है। अब हम बिल पर चर्चा करने के लिए आपकी अनुमति मांग रहे हैं। यह बिल पेश हुआ है, बिल पेश होने के बाद वह ऑर्डिनेंस के रूप में नहीं, बल्कि नए बिल के रूप में आएगा।

इसलिए यह चर्चा बिल पर ही है । ऑर्डिनेंस का प्वाइंट ऑफ व्यू लाना इन एडिशन हो सकता है, मगर अभी चर्चा बिल पर है। वरिष्ठ सदस्य श्री एन. के. प्रेमचन्द्रन जी ने बहुत ही अहम मुद्दा उठाया है । He raised a very relevant point and I am duty-bound to answer. He wants to know whether the States were consulted as cooperatives are in the State List.

सर, मैं आपके द्वारा माननीय सदस्य को जवाब देना चाहती हूँ । Consultation with States is required only for Union legislation on the items of Concurrent List. Those items which come in the Concurrent List require consultation with the State Governments. But here, this Bill is in exercise of the Union's legislative power under the Union List. We are not touching the Concurrent List. If I am touching the Concurrent List, yes, I have to do the consultation. But I am doing it on a Union List item, Seventh Schedule read with Article 246. Therefore, consultation with the States is not necessary.

Then, it was said: "You presented a Bill during the Budget Session. You should have come here now. In between, what was the need to get an Ordinance?" Absolutely, there was a need for an Ordinance. Several Members have very nicely highlighted that because of COVID, the uncertainty being what it is, one was not even sure when the next Session of Parliament would be. In the meanwhile, the protection of the depositors is of critical importance. I am sure, many of the well-meaning hon. Members contacted me or the MoS about the depositors who were suffering in many of these co-operative banks. I myself have received the representation from the Guru Raghavendra Co-operative Bank in Bengaluru, the place where I live in Bengaluru. The constituency Member of Parliament, my Member of Parliament, my representative Member of Parliament, Tejasvi Surya spoke very well clearly explaining what is the difference. He and I have received

representation from depositors in Guru Raghavendra Co-operative Bank, for whom also, like the PMC Bank, till today, there is no solution given. They are trying and trying and trying; and so were the Punjab and Maharashtra Co-operative Bank members who met me in Maharashtra in Mumbai. Several times after that, several eminent Members – Supriya Sule is one of them – have really, with a very heavy heart come to say: “Can you not get something done quickly?”. Even today, she has given a very heartfelt appeal. We do not want such things to happen that hurt the depositors. We want to make sure that there is some kind of a provision with which the RBI can do it.

Here, much before I go into the details, I would like to recall because many of the Members have duly said कि इस देश में को-ऑपरेटिव बैंक्स का रोल महत्वपूर्ण है । They have done excellent work. We cannot undermine them. I am fully with you. We cannot undermine and we do not want to undermine. We certainly want to support the co-operative movement. But if the cooperatives are doing banking function, several eminent Committees have said, there is a need to regulate them. There is a need to regulate them so that it is much more professionally run and, professionally, the depositors are handled.

Again, I am sorry to refer to one Member so many times. When the deposit collection of a co-operative bank goes outside of its members, it has got to be brought in through a regulation. It has been explained by so many Members. Therefore, it is not as if we have forgotten the success story of the co-operative movement. हम याद रख रहे हैं कि को-ऑपरेटिव मूवमेंट का इस देश में क्या रोल है । रूरल एरियाज में रूरल डेवलपमेंट में इनकी क्या भागीदारी है, ये सब मुझे याद है । हम उनको अंडरमाइन नहीं कर रहे हैं । फिर भी हमें एक सच्चाई का सामना तो करना पड़ेगा । In the last two decades, 430 co-operative banks have been

delicenced and they have gone into liquidation. पिछले दो दशकों में 430 को-ऑपरेटिव बैंक्स के लाइसेंस रद्द किए गए हैं और उनका परिसमापन भी हुआ है। को-ऑपरेटिव बैंक्स का अहम रोल है, लेकिन हम यह भी नहीं भूल सकते हैं कि इतने सारे को-ऑपरेटिव बैंक्स लिक्विडेशन की ओर भी गए हैं ।

आप बैंकिंग में इसको विपरीत, ऑपोज़िट देखिए। This is not to say they are not under stress. Cooperative banks are under stress. There are some banks which are under stress but not a single commercial bank. दो दशक की इसी कालावधि में not a single commercial bank, whose depositors are protected by the banking laws to the full extent of the BR Act, has gone into liquidation. हम यह भी भूल नहीं सकते हैं। Therefore, while I acknowledge the important contribution that cooperative banks have done for this country and are still doing, it is necessary in the interest of the depositors and also the banks themselves that we need some banking laws also to extend to the cooperative banking activity. हम कोऑपरेटिव सोसायटी के बाकी कारोबार में कुछ नहीं कर रहे हैं, सिर्फ इस लिमिटेड परिधि में हम बैंकिंग में जो कर रहे हैं, उसके लिए ही यह अमेंडमेंट हम लेकर आए हैं ।

I want to add one thing. I would like to quote the line from the Banking Laws (Application to Cooperative Societies) Bill. यह वर्ष 1964 में कहा गया था।

“The deposits and working funds of cooperative banks are now so large that the extension of the more important provisions of the Banking Companies Act, 1949 and of certain other allied provisions of the Reserve Bank of India to these banks will be in public interest.”

This was said in 1964. There is more said but I am not going into the details. So, we should remember that it is not as if suddenly, we have

come up with something and that is being construed as if we are stepping into the terrain of the States. Not at all.

Why was this Ordinance brought in June? After the Budget Session, it had to come in because for the financial year 2019-20, the annual financial data was made available before June. When we saw the June data, it showed clearly that there is an increase in the gross NPA ratio of the urban cooperative banks from 2018-19 it was seven per cent; it had come to 10 per cent.

So, to stress further, due to the coronavirus, we were worried that many of the cooperative banks would become fragile. So, we wanted to also make sure that this legislation is brought in.

Senior Member Shri M.K. Raghavan asked why we you are asking these cooperative banks to drop the name 'bank'. We are not asking them to drop their names. They can still continue to have the name 'bank' but function like a bank, govern like a bank and be sure that their depositors are not going to suffer like a bank. Therefore, for better governance, we need to have a banking regulation.

There were concerns about the Registrar of Cooperative Societies and also the role of the bank. About section 32 which Prof. Saugata Ray also said 'that did you have a look at it', yes, we have had a look at it. So, the incorporation and regulation are also being done by the Cooperative Society, cooperative banks, State Registrar of Cooperative Societies and powers are not being taken away. They are still doing what they are doing. We are not encroaching into their area.

There were a number of questions. यह पूछा गया कि क्या मेंबरशिप स्ट्रक्चर को बदलेंगे? इसमें मेंबरशिप स्ट्रक्चर को नहीं बदल रहे हैं । The State

co-operative laws define that and it is going to continue like that. The State co-operative laws are not being touched under this present Bill. I know a lot of Members spoke about equal voting rights. The provision of equal voting rights for all members based on the principle of one member, one vote remains unaffected. Let me be clear on that. I hope I make it very clear. यह वन मैम्बर, वन वोटिंग का प्रावधान अभी भी जारी है। We are not touching that.

Are you not overloading the RBI? This question has been repeatedly asked. I just want to make sure that we recall, for the benefit of this House, the preamble of the RBI Act, Section 45L(1). It says “Reserve Bank of India Act provides for the RBI and recognises the RBI as the statutory body and it is statutorily constituted to operate and empowered to regulate the credit system of the country to its advantage. एंटायर कंट्री के क्रेडिट सिस्टम को रेगुलेट करने की अथॉरिटी, as per the preamble of the RBI Act, is with the RBI. So, when we are bringing this Bill, our standards are that the Registrar of Co-operative Societies regulate the co-operative societies as a whole, while the RBI shall be regulating the banking activities of the co-operative societies only. So, the distinction is very clear.

Hon. Member, Benny Behanan from Kerala raised a lot of questions and said that the high-level committee had said something; and we are going against it. I just want to say that the high-powered Committee on Urban Co-operative Banks, 1999, which was chaired by a former Chief Secretary of the Government of Andhra Pradesh has very clearly made the recommendation. Of the several recommendations, I want to bring to your notice only three points very quickly. That Committee is of the opinion that the Reserve Bank of India should be vested with such a power; it is, therefore, recommending that Section

36AA—some Members did refer to that—of the Banking Regulation Act, as applicable to the banking companies, may also be extended to the urban co-operative banks. That was one observation that Committee gave.

Again, another observation that Committee has given is that it recommends that Section 45 of the Banking Regulation Act should be suitably amended to extend to urban co-operative banks sub-sections 4, 5 and 6 and also all other provisions of Section 45 of the BR Act as are incidental to or connected with the carrying on banking business, which is what we are doing now. So, it is not suddenly a thought but it is something which has been suggested.

Sir, there were very many questions from several Members. Hon. Members namely, Pinaki Misra and Jayadev Galla, have all asked questions. I will just touch upon one or two of them. But given the consideration of time, I will just highlight one point for each of them. Jayadev Ji had raised the issue of the large exposure framework. The large exposure framework is issued by the RBI in exercise of its regulatory powers. As such, this already applies and it does not require any amendment through the Bill. So, that has to be a kind of clarification given. There were other points also. But I am not getting into the details. I may write a separate reply to the Members of Parliament on some specific details.

Sunita Duggal raised this question about land mortgage banks and whether it will apply to them. Simple, anywhere where 'bank' is being used, it will apply. Land mortgage banks use the word 'bank'. Therefore, if they retain this word, they will be governed by this Act.

However, if they do not use the word 'bank' and restrict themselves to their mandate of 'long-term agriculture development credit', they will not come under the Bill's purview as per the amendment that we have been talking about.

Hon. Member, Nusrat Jahan also talked about capital requirement. Capital is necessary for safety of the banks and the depositors. Unlike cooperative societies that do not do banking, cooperating banking societies need to have capital at least as per the regulatory minimum requirement in order to carry safe banking. Therefore, regulatory capital for banking includes not only share capital which has a high cost for the bank but also capital in the form of bonds, which are cheaper for the banks. Therefore, allowing cooperative banks the power to issue bonds will only be in the interests of the banks and also for the depositors.

Sir, I am almost finished. I just want to add one more thing. Dr. Jayakumar felt that as if the State Governments are being treated like *tehsildars*. Even a *tehsildar* will not be treated in the way he, the hon. Member, imagined under Modi's Government. Everybody will be treated with respect.

In response to the way in which the Member spoke and said, 'you are treating the State Governments like *tehsildars*', I would like to say that we treat everybody with respect. After all the Prime Minister says about himself that he is a *Pradhan Sewak*. We do not undermine anybody. But yet if depositors are suffering, we have to stand with them.

किसी की कमजोरी को हम बर्दाश्त नहीं करेंगे। डिपोजिटर्स को सेफगार्ड करने के लिए ही यह कानून लाया जा रहा है। इसलिए इसके बारे में गलतफहमी किसी के मन में नहीं रहनी चाहिए।

“Thiru Jayakumar avargalukku naan solla virumbuvadhu ennavendral naangal yaariyum avamadhikkavillai; yaariyum kuraivaga pesavillai; yellorudaiya nalan kurithuthan naangal ithai seigindrom. Adhanal naangal Thasildaarai treat seivadhubol Maanilangalai treat seigirom endru solladeergal; Pirathamare thannai oru sevagan endru sollum indha naatil yaariyum tharakkuraivaga nadathum arasu idhu illai.”

I would like to say to Hon. Member Shri Jayakumar that we have not shown disregard for anyone; never talked ill of any one; rather we are doing this for the welfare of everyone. Therefore, you please don't say that we are treating the States like Tahsildars. In a nation where the hon. Prime Minister is calling himself as a servant, the Government here will not show disrespect to anyone.

Sir, finally, therefore, amendments to Sections 45, 56 and 3 are all required in the interests of the depositors. I would not want to take more of your time.

Thank you very much, Sir, and thank you all the hon. Members.

श्री बालूभाऊ उर्फ सुरेश नारायण धानोरकर (चन्द्रपुर): धन्यवाद अध्यक्ष महोदय, मैं आपके माध्यम से माननीय मंत्री महोदय से दो प्रश्न पूछना चाहता हूँ। ये प्रश्न महाराष्ट्र से संबंधित हैं। पीएमसी बैंक के डिपॉजिटर्स को उनका पैसा कब वापस मिलेगा? मंत्री महोदय ने यह अपने भाषण में स्पष्ट नहीं किया है। मेरा दूसरा प्रश्न है कि पीएमसी बैंक के डिपॉजिटर्स के लिए यह बिल लाया गया है। मंत्री महोदय यह बताएं कि यह बिल लागू होने के बाद वह क्या कदम उठाएंगे ताकि डिपॉजिटर्स को उनका पैसा वापस मिल सके?

माननीय अध्यक्ष : प्रश्न यह है :

“कि यह सभा राष्ट्रपति द्वारा 26 जून, 2020 को प्रख्यापित बैंककारी विनियमन (संशोधन) अध्यादेश, 2020 (2020 का अध्यादेश संख्यांक 12) का निरनुमोदन करती है।”

प्रस्ताव अस्वीकृत हुआ।

...(व्यवधान)

माननीय अध्यक्ष : प्रश्न यह है :

“कि बैंककारी विनियमन अधिनियम, 1949 का और संशोधन करने वाले विधेयक पर विचार किया जाए।”

प्रस्ताव स्वीकृत हुआ।

माननीय अध्यक्ष : अब सभा विधेयक पर खण्डवार विचार करेगी।

खण्ड 2 नई धारा 3 का प्रतिस्थापन

माननीय अध्यक्ष : श्री टी. एन. प्रथापन।

...(व्यवधान)

माननीय अध्यक्ष : श्री एन. के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 2 और 3 प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN : Sir, I am moving my amendments.

I beg to move:

“Page 2, line 10,--

omit “does not”. (2)

Page 2, line 11,--

omit “does not”. (3)

माननीय अध्यक्ष : अब मैं श्री एन. के. प्रेमचन्द्रन द्वारा खंड 2 में प्रस्तुत संशोधन संख्या 2 और 3 को सभा के समक्ष मतदान के लिए रखता हूं ।

संशोधन मतदान के लिए रखे गए तथा अस्वीकृत हुए ।

माननीय अध्यक्ष : प्रश्न यह है:

“कि खण्ड 2 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खण्ड 2 विधेयक में जोड़ दिया गया ।

खण्ड 3 धारा 45 का संशोधन

माननीय अध्यक्ष : श्री टी. एन. प्रथापन ।

...(व्यवधान)

माननीय अध्यक्ष : प्रश्न यह है:

“कि खण्ड 3 विधेयक का अंग बने ।”

प्रस्ताव स्वीकृत हुआ ।

खण्ड 3 विधेयक में जोड़ दिया गया ।

खण्ड 4 धारा 56 का संशोधन

माननीय अध्यक्ष : श्री एन. के. प्रेमचन्द्रन, क्या आप संशोधन संख्या 5 से 9 को प्रस्तुत करना चाहते हैं?

SHRI N. K. PREMACHANDRAN: Sir, I am moving my amendments.

I beg to move:

“Page 3, line 17,--

for “no person”
substitute “a person”. (5)

Page 3, line 19,--

omit “not”. (6)

Page 3, lines 20 and 21,--

for “except to the extend and
subject to such conditions as
the Reserve Bank may
specify in this behalf”
substitute “on application of the share
holder”.
(7)

“Page 3, line 35,--

for “in consultation with the”

substitute “with the consent of”. (8)

Page 3, lines 36 and 37,--

omit “seeking its comments, if any, within such period as the Reserve Bank may specify”.

(9)

माननीय अध्यक्ष : अब मैं श्री एन. के. प्रेमचन्द्रन द्वारा खंड 4 में प्रस्तुत संशोधन संख्या 5 से 9 को सभा के समक्ष मतदान के लिए रखता हूं।

संशोधन मतदान के लिए रखे गए तथा अस्वीकृत हुए।

माननीय अध्यक्ष: प्रश्न यह है:

“कि खण्ड 4 विधेयक का अंग बने।”

प्रस्ताव स्वीकृत हुआ ।

खण्ड 4 विधेयक में जोड़ दिया गया ।

खण्ड 5 विधेयक में जोड़ दिया गया ।

खंड 1, अधिनियमन सूत्र और विधेयक का पूरा नाम विधेयक में जोड़ दिए गए ।

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माननीय अध्यक्ष : माननीय मंत्री जी, अब प्रस्ताव करें कि विधेयक पारित किया जाए ।

SHRIMATI NIRMALA SITHARAMAN: I beg to move:

“That the Bill be passed.”

माननीय अध्यक्ष : प्रश्न यह है:

“कि विधेयक पारित किया जाए ।”

प्रस्ताव स्वीकृत हुआ ।

माननीय अध्यक्ष : अब सभा की कार्यवाही गुरुवार, दिनांक 17 सितम्बर, 2020 को तीन बजे तक के लिए स्थगित की जाती है।

19.27 hrs

The Lok Sabha then adjourned till Fifteen of the Clock on Thursday, September 17, 2020/Bhadrapada 26, 1942 (Saka)

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* English translation of the speech originally delivered in Punjabi.

* English translation of the speech originally delivered in Tamil.

* Not Recorded.

* * English translation of the part of the speech originally delivered in Bengali.

* English translation of the Speech originally delivered in Marathi.

* Not recorded.

* English translation of the Speech originally delivered in Marathi.

* Not recorded as ordered by the Chair.

* ... * English translation of the part of the Speech originally delivered in Tamil.