

Title: Introduction of the Banking Companies (Acquisition and Transfer of Undertakings) and financial Institutions Laws (Amendment) Bill, 2000.

1211 hours

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I beg to move for leave to introduce a Bill further to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Industrial Development Bank of India Act, 1964, the Export-Import Bank of India Act, 1981, the National Bank for Agriculture and Rural Development Act, 1981 and the National Housing Bank Act, 1987.

MR. SPEAKER: Motion moved:

"That leave be granted to introduce a Bill further to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Industrial Development Bank of India Act, 1964, the Export-Import Bank of India Act, 1981, the National Bank for Agriculture and Rural Development Act, 1981 and the National Housing Bank Act, 1987."

...(Interruptions)

MR. SPEAKER: Shri Basu Deb Acharia has given a notice to oppose the introduction of this Bill.

...(Interruptions)

MR. SPEAKER: नौ दिन से पार्लियामेंट भी तो नहीं चली है। आप बैठ जाइये।

...(व्यवधान)

*** Published in the Gazette of India Extraordinary Part-II-Section 2 dated.13.12.2000**

SHRI BASU DEB ACHARIA (BANKURA): Sir, I oppose the introduction of Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Bill, 2000.

With this piece of legislation, the Government wants to undo what was done earlier, in 1969. In his Budget speech, the Finance Minister stated that even after reducing Government's equity to 33 per cent, the Government's control will not be diluted and also the nationalistic character of the banks will not be diluted.

I would like to refer to the Preamble of the Constitution here. It says:

"We, the people of India, having solemnly resolved to constitute India into a sovereign socialist secular democratic republic ... "

MR. SPEAKER: Shri Basu Deb Acharia, this is the introduction stage. You may have only to say why you are opposing the introduction of this Bill. But you have started the discussion.

SHRI BASU DEB ACHARIA : Sir, this is unconstitutional. If this Bill is enacted, the nationalised banks will be denationalised. What the Government wants to do with this piece of legislation is this. The socialistic character, which is enshrined in our Constitution, will be diluted. Hence, this is unconstitutional.

MR. SPEAKER: Okay. Now, Shri Lakshman Seth.

SHRI BASU DEB ACHARIA : What is the contention of this Government?

MR. SPEAKER: No, please.

SHRI BASU DEB ACHARIA : Sir, I have many more points.

MR. SPEAKER: Shri Basu Deb Acharia, this is the introduction stage. You have to only give the technical points as to why you are opposing this Bill. You need not give the details of the Bill here.

SHRI BASU DEB ACHARIA : Why does the Government want to bring this Bill? What has been stated in the Statement of Objects and Reasons is this.

"The Central Government decided that national banks which are in a position to do so may be allowed to approach the capital market to raise fresh equity to make the shortfall in the capital requirements."

Why are they being denationalised?

MR. SPEAKER: Shri Lakshman Seth.

SHRI BASU DEB ACHARIA : Why have the nationalised banks been opened to the multinational companies?

श्री विजय गोयल (चांदनी चौक) : अध्यक्ष महोदय, क्या यह पूरा भाग देने के लिए खड़े हुए हैं ?

â€¦(व्यवधान)आप तो रुल्स एंड रेग्युलेशन्स जानते हैं। â€¦(व्यवधान)

श्री बसुदेव आचार्य : आपको क्या हो रहा है ? â€¦(व्यवधान)

MR. SPEAKER: Shri Basu Deb Acharia, at the time of discussion, you can raise all these points.

SHRI BASU DEB ACHARIA : Why does the Government propose to allow multinational companies in the banking sector of our country?

MR. SPEAKER: This will not go on record. Now, Shri Lakshman Seth.

(Interruptions) â€¦ *

SHRI BASU DEB ACHARIA : Sir, what is this? Let me finish it.

MR. SPEAKER: How much time will you take?

SHRI BASU DEB ACHARIA : I will take some more time. I have given a notice to oppose this.

MR. SPEAKER: There are eight more hon. Members in the list.

श्री विजय गोयल : इससे महत्वपूर्ण डिस्कशन पर हमने बात करनी है। â€¦(व्यवधान)

* Not Recorded

SHRI BASU DEB ACHARIA : This is a very important Bill. This Bill is against the interests of our country.

In 1969, private banks were nationalised because they were monopolised by certain capitalists of our country.

MR. SPEAKER: Shri Basu Deb Acharia, this is not correct.

...(Interruptions)

MR. SPEAKER: This will not go on record. Only Shri Lakshman Seth's speech will go on record.

(Interruptions) â€¦ *

SHRI LAKSHMAN SETH (TAMLUK): Sir, I oppose the introduction of this Bill because this Bill proposes to reduce the Government's share to 33 per cent. Subsequently, it means privatising our banking system because the private parties will enter the banking system. Hence, our self-reliance will be at stake. The main spirit of our Constitution is to protect the interests of the people and country's self-reliance. If this Bill is passed, our self-reliance will be seriously affected. So, we cannot accept this Bill. We cannot accept the introduction of this Bill. The capital market will be totally sold out to the private parties.

As you know, after nationalisation of the banks, the functioning of the banks has improved. Banks have improved their functioning at the cost of its employees and officers. Not only that, they are making so much profit. Deposits are also growing day by day. So, I could not find any reason why the Government is reducing its share to 33 per cent. ...(Interruptions) The private sector will enter into this important sector and our self-reliance will be severely affected. That is why, I oppose the introduction of this Bill.

* Not recorded

SHRI MOINUL HASSAN (MURSHIDABAD): Sir, I will take two or three minutes to oppose the introduction of this Bill. My first point is it is against the interest of the nation, national economy as well as the banking industry. This Bill is trying to bring down the Government's equity below 51 per cent, thereby privatising the banking sector. This is a Bill of retardation and not of reform. It will put the country's wheels backward.

Secondly, if this Bill is passed, the private monopolists will utilise the entire deposit of the common people for

pumping funds into their business only. Thirdly, The Government has claimed that even if the paid up capital is reduced, the national character will be maintained because the Government of India will appoint the Managing Director and Chairman. But out of the fifteen Directors, ten Directors will be from the private sector. So, there is a majority for the private sector. They will pressurise the Chairman and Managing Director. So, ultimately the banking industry which is our people's industry and national industry, will go to the private hands. In this regard, I rise to oppose the introduction of this Bill. ...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I am on a point of order under Rule 376 sub-clause 2. Please hear me first. Now, the matter which is before the House involves some policy decision. The House is to discuss a substantive Motion under Rule 184 regarding the sustainability of this Government. When this matter is before the House, is it proper for the Government to introduce a Bill concerning policy? ...(*Interruptions*) I have given a notice under Rule 184. ...(*Interruptions*)

Is it proper for the Government to go ahead with the Bill when a substantive motion is pending before the House? This is my simple question....(*Interruptions*)

MR. SPEAKER: You are now raising a point about the supplementary business.

SHRI VARKALA RADHAKRISHNAN : Can the Minister move a Bill involving policy decision when a substantive motion is pending before the House? You may do it as you like but I would raise my objection.

MR. SPEAKER: There is no point of order.

DR. RAM CHANDRA DOME (BIRBHUM): I oppose the very introduction of the Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Bill....(*Interruptions*)

MR. SPEAKER: Under the guise of raising the point of order, some Members want to take the time of the House.

DR. RAM CHANDRA DOME : I would like to oppose the very introduction of the Bill because the very intention of this Bill is against the Constitution of India. It is against the interest of the people of our country....(*Interruptions*)

MR. SPEAKER: This will not go on record.

(*Interruptions*) *

SHRI VARKALA RADHAKRISHNAN : You may decide it the way you like but as a Member of this House, I have a right to raise my objection.

MR. SPEAKER: You have already raised it.

DR. RAM CHANDRA DOME : If this Bill is passed by this House, our largest banking industry will go in the hands of not only the private parties of our country but also trans-national companies. They will take control of our banking sector. So, I urge upon the Government not to introduce the Bill. I vehemently oppose the very introduction of the Bill.

SHRI SURESH KURUP (KOTTAYAM): Sir, I oppose the introduction of this Bill because this Bill is a retrograde and an unconstitutional step. This is unconstitutional in the sense that this is against the Directive Principles enshrined in our Constitution. Apart from the fundamental rights, our Constitution contains Directive Principles which though not cognizable in any court of law should be the fundamentals for our Governments.

* Not recorded

Sir, in enacting these Directive Principles, the intention of the Constituent Assembly was that the legislature and the executive should take this into consideration and then form the basis of our governance. In 1970 when the banks were nationalised, it was a right step towards realising this goal. I am not saying every aspiration of the people, which arose during that time, was realised but during this period alone the banks went to the rural areas and gave credit to the rural sector. Mass banking system started in our country during that period. Today, if our country is self-sufficient in food, the credit should, to a large extent, go to the nationalised banks which went to the rural sector and gave credit to the poor people of our country. By privatising the banks, the Government is going 20 or 30 years back. During the last 14 years, 17 private sector banks have been taken over by the nationalised banks bearing ample testimony for their efficiency.

MR. SPEAKER: What is the technical point which you are objecting?

SHRI SURESH KURUP : We should bear in mind that ours is a country of poor people. The measures we take should benefit the poor people. I do not know in what way this measure will benefit the poor in this

country....(*Interruptions*)

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Sir, though we are not speaking, we all oppose the very introduction of this Bill....(*Interruptions*)

MR. SPEAKER: Shri Kurup, please take your seat.

...(*Interruptions*)

MR. SPEAKER: This will not go on record.

(*Interruptions*) â€¹ *

MR. SPEAKER: How can you speak without the permission of the Chair?

...(*Interruptions*)

MR. SPEAKER: This will not go on record.

(*Interruptions*) â€¹ *

* Not Recorded

SHRI K. FRANCIS GEORGE (IDUKKI): Sir, on behalf of the banking community, I oppose the introduction of this Bill. I belong to the banking community so I would very humbly appeal to the Finance Minister to desist from introducing this Bill.

MR. SPEAKER: Shri George, your notice was received at 10.40 a.m. So, it is a time-barred notice. Even then I have allowed you.

SHRI K. FRANCIS GEORGE : Sir, several days have passed since I gave notice.

MR. SPEAKER: I am informing you that your notice was received at 10.40 a.m.

SHRI K. FRANCIS GEORGE : Sir, I thank you for this. Sir, rather than on a technical point, I think, we should take into consideration the larger interest of the country especially when you take a very major step like this which affects the economy of our country.

Sir, the argument put forward by the Government for introducing the Bill is without any substance. Several of my colleagues have mentioned about it. So, I do not want to go into all the details. But if the Government takes a decision to disinvest from 51 per cent to 33 per cent, what further control the Government is going to have over these so called nationalised public sector banks? So, there is no doubt that the Government will lose its control. Merely appointing a Chairman or a Managing Director, the Government will be having no further control over these banks. These public sector banks have played a very vital role in the forward march of our nation. Our rural credit delivery system and everything is going to be in shambles. The ordinary employees of the banking community would be the most affected persons. Sir, what protection the Government is proposing to give to the employees? So, all these things will have to be taken into consideration by the Government as well as by the Finance Minister.

SHRI RUPCHAND PAL (HOOGLY): Sir, I oppose the introduction of the Bill not only because it is a retrograde step but also because this Government has no authority or mandate of the people to bring such a piece of legislation. Sir, the nationalisation of banks in 1969 had been done with a specific purpose. The ground realities prevailing at that time and the ground realities of today have not changed basically. The social obligation was not being fulfilled by the private sector. Sir, while examining these banks, we have seen that even today there are a number of foreign banks and other banks which are not even fulfilling the directives of the government to lend to the priority sectors like small industries, agriculture, and others. The situation has not changed at all. In such a situation, the Government is bringing this Bill only to serve the interest of the wilful defaulters who owe these nationalised banks more than Rs.58,000 crore. It is shameful on the part of the Government to serve these wilful defaulters who should instead be put behind bars and punished for just looting the public money by taking the loans from these banks and not paying them on time. These wilful defaulters are determined to deprive the public money of the public sector banks which they have taken.

Thirdly, this Government is out to serve not only the foreign banks but also the private banks. We find that from behind the screens and wings, the foreign operators are out to buy their shares through their outfits. There are reports that the foreign bank and the foreign financial institutions are out to buy majority shares of these banks.

Although one per cent limit has been given, there are umpteen number of ways, through their operations, to have control over the banks.

When we discuss this Bill, we shall come to that. But even at the stage of introduction, we oppose it because it is against the legislative competence of the Government, it is against the fundamental rights of the people, the Directive Principles of the Constitution, our social goals of justice and a self-reliant economy. I oppose this Bill and I think that the Government would withdraw it and not introduce this Bill. ...*(Interruptions)*

SHRI PRIYA RANJAN DASMUNSI : Through you, Sir, I only convey to the hon. Finance Minister that he may withdraw this legislation straightway without introducing the Bill. 1969 was the golden lettered time in the history of Indian democracy. All the banks were nationalised at that time.

MR. SPEAKER: You are a senior Member. You are not supposed to break the rules.

SHRI PRIYA RANJAN DASMUNSI: A new era had dawned to defend the interests of the poorest of the poor. That is why I request the Minister to please withdraw this Bill.

श्री मुलायम सिंह यादव (सम्मल) : अध्यक्ष महोदय, देश को बेचा जा रहा है। यह कोई मामूली बात नहीं है। (व्यवधान) यह पहली सरकार है जिसने देश की अचल सम्पत्ति को भी बेचना शुरू कर दिया है और बैंकिंग भी अपने हाथ में ले रही है। माननीय मंत्री जी, चाहे आप पर जितना भी दबाव हो, मेरा आपसे आग्रह है कि आप इसे वापस लीजिये। (व्यवधान) पूरे देश को बेचा जा रहा है।

MR. SPEAKER: This will not go on record.

(Interruptions) *

SHRI SOMNATH CHATTERJEE (BOLPUR): What is the urgency? * *(Interruptions)*

श्री चन्द्रशेखर (बलिया, उ.प्र.) : अध्यक्ष महोदय, इन बैंकों के राष्ट्रीयकरण की एक लम्बी कहानी है। सन् 1968 में ऑल इंडिया कांग्रेस कमेटी ने एक प्रस्ताव पास किया था और उसके लिए कांग्रेस में एक आंदोलन चला था। सौ सदस्यों ने इस संसद में उस समय के अध्यक्ष श्री कामराज जी को एक मैमोरेंडम दिया था और उसकी प्रतिलिपि श्रीमती इंदिरा गांधी जी को दी थी। उससे पहले मैंने विभिन्न विश्वविद्यालयों के कुछ प्रोफेसरों को इस विषय पर अध्ययन करने के लिए कहा था और अध्ययन करके एक पुस्तिका निकाली थी जिसमें बैंकों के राष्ट्रीयकरण को देश के विकास के लिए और गरीब जनता और गरीब इलाके के विकास के लिए आवश्यक बताया था। इतनी बातों के बाद बैंकों का राष्ट्रीयकरण हुआ था। आज अचानक सरकार उस राष्ट्रीयकरण को मिटाना चाहती है। न किसी से इस पर चर्चा हुई है न किसी के साथ इस पर बातचीत हुई है। सरकार का एक तरीका बन गया है और राष्ट्र की सम्पत्ति को बेचने में सरकार जरा भी हिचक नहीं करती। (व्यवधान) एक क्षण में ऐसे निर्णय कैबिनेट ले लेती है और किसी को सूचना भी नहीं होती है। हमारे मित्र श्री प्रमोद महाजन जी टी.वी. और रेडियो पर एनाउंस कर देते हैं कि आज कैबिनेट ने फलां उद्योग को बेचने का फैसला कर लिया है। (व्यवधान) मैं वित्त मंत्री श्री यशवन्त

* Not recorded

सिन्हा जी से निवेदन करूंगा कि वह बैंकों के राष्ट्रीयकरण को समाप्त न करें। यह केवल राष्ट्र की सम्पत्ति को बेचने का सवाल नहीं है, यह देश की मान्यता है। गरीबों की सम्पत्ति को और गरीब इलाकों में जो विकास की प्रक्रिया थी, उसको रोकने की यह एक साजिश है। मेरा उनसे निवेदन है कि वह विकास की प्रक्रिया से विरत न हों तो अच्छा है। (व्यवधान)

MR. SPEAKER: This is not a debate. Those who have given notices only should speak.

SHRI K. YERRANNAIDU (SRIKAKULAM): All the Parties have made their points. I just want to say that the Congress Party is playing a dual role. They have started these reforms. They were the ones who took the decision to reduce the equity to 51 per cent. Now they are criticising what we are doing. That is why I want to bring my Party's policy position on record....*(Interruptions)*

MR. SPEAKER: Nothing will go on record except the Minister's reply.

(Interruptions) *

अध्यक्ष महोदय : यह ठीक नहीं है। आप बैठ जाइए।

(व्यवधान)

SHRI YASHWANT SINHA: The Bill that I am seeking to introduce in this House should not come to this House as a surprise. I had given the notice of our intention and I am particularly referring to the point which hon. Member Shri Chandra Shekhar has made about the Government taking decisions in a hurry without informing anyone. Let me make it clear to this House that when I presented my Budget for this year, I had clearly stated that Government intended to accept the Report of the Narasimham Committee and bring down the equity in public sector banks to 33 per cent.

I went on to say that it will not involve disinvestment..â€¦ (Interruptions)

SHRI BASU DEB ACHARIA : What is the urgency now?... (Interruptions)

MR. SPEAKER: You are not listening to the reply of the Minister.

...(Interruptions)

* Not Recorded

SHRI YASHWANT SINHA: I must remind this House that as the Finance Minister of Shri Chandra Shekhar's Government, when he was the Prime Minister, the first decision to disinvest the equity in public sector undertakings was taken by us. ... (Interruptions)

SHRI CHANDRA SHEKHAR : Mr. Speaker Sir, I have seen the report of Shri Arun Shourie. At that time, a decision was taken that 20 per cent disinvestment will be there and that will be to the public financial institutions and not to the private sector and foreign companies. Do not distort the facts. ... (Interruptions)

SHRI YASHWANT SINHA: Sir, the point which Shri Chandra Shekhar has made was only a temporary modality. The intention was to disinvest the equity... (Interruptions) I am hastening to add, however, that as far as this particular piece of legislation is concerned, it does not involve the disinvestment of a single unit of equity of the Government. What is the situation which has arisen today?

SHRI BASU DEB ACHARIA : What about 33 per cent?

SHRI YASHWANT SINHA: I am coming to it, Shri Acharia. I did not interrupt you. Did I interrupt you? Let me have my say now. Sir, we did not appoint the Narasimham Committee. ... (Interruptions)

MR. SPEAKER: You must have some patience to listen to the reply of the Minister. What is this? You are raising only questions and not listening to the reply.

...(Interruptions)

SHRI YASHWANT SINHA: The first Narasimham Committee was appointed when the Congress Government was in power. The second Narasimham Committee was appointed when the United Front Government was in power. They submitted their report when the first Government led by Shri Atal Bihari Vajpayee came to office in April, 1998. In that report, they said that looking at the situation of the banks, it was very important that the banks should be recapitalised and that recapitalisation and capital requirement should reach international standards. They recommended that that might lead to the expansion of the equity base of the banks and in that process, it is likely that the Government's holdings, even without disinvestment, might go below 51 per cent. When was the decision taken to reduce the equity in the public sector banks from 100 per cent to 51 per cent? It was taken in 1994 when the Congress Government was in power.

Now, what is the issue? The issue is, do we retain the public sector character of the banks with 33 per cent or not? When I had mentioned this in my Budget speech, I was challenged. I was challenged both inside and outside the House that this cannot be done. Subsequently, we have taken eminent legal opinion. We have consulted the Ministry of Law and were well within our powers to retain the public sector character of the banks even if we reduce the equity to 33 per cent because the banks are not governed by the Companies Act. That is why, we can do it. Sir, when it comes to the question of discussion, I am prepared to meet all of their arguments. But for the time being, let me read Rule 72 which talks about..... (Interruptions)

MR. SPEAKER: Please take your seats. How can you object to the Minister's reply? You do not have any patience to hear the Minister's reply. Let the Minister complete his reply.

...(Interruptions)

MR. SPEAKER: Nothing should go on record except the Minister's reply.

(Interruptions) â€¦ *

SHRI YASHWANT SINHA: It has been said that this is unconstitutional. The Constitution of India does not mention anywhere that banks must belong to the public sector.

* Not Recorded

That is not the stipulation of the Constitution. If it is so, then the functioning of the banks from 1950 to 1969 would be unconstitutional; the functioning of the private sector and the foreign banks today will be unconstitutional. That is not true....(*Interruptions*)

MR. SPEAKER: Hon. Member, please take your seats. What is this?

...(*Interruptions*)

SHRI YASHWANT SINHA: Therefore, this is entirely within the legislative competence of the House. This House can take up the discussion. Now I will make the last point....(*Interruptions*)

MR. SPEAKER: Now, I am on my legs. Hon. Members, please take your seats. Every time, you are disturbing the House. What is this? Please take your seats.

...(*Interruptions*)

MR. SPEAKER: Shri Anil Basu, please take your seat. What is this? You are creating a new tradition in the House.

SHRI YASHWANT SINHA: Sir, this legislation is within the competence of the House. This legislation is not unconstitutional. The issues which have been raised are entirely misplaced. They do not have legs to stand upon....(*Interruptions*) But I am taking the responsibility on behalf of the Government to suggest that let this legislation be referred by you to the Standing Committee on Finance of Parliament. Let the Standing Committee look at the piece of legislation and give us their report. They will discuss all these issues. Then, the House will debate it.

The same thing happened to the Insurance Regulatory Authority Bill. Therefore, it is entirely within the competence of this House....(*Interruptions*)

SHRI MADHAVRAO SCINDIA (GUNA): Sir, you must give me an opportunity to clarify the position....(*Interruptions*)

MR. SPEAKER: Why should the Chair hear you? When the Minister is replying, you are not allowing him to finish his reply. What is this standard? I do not understand it.

SHRI MADHAVRAO SCINDIA : Sir, when you directed, I sat down....(*Interruptions*)

MR. SPEAKER: When the Minister is replying, you are not allowing him. How can you expect the Chair to hear what you say?

SHRI MADHAVRAO SCINDIA : He has finished his reply. On your direction, I sat down. You must now give me an opportunity to clarify the position....(*Interruptions*)

MR. SPEAKER: There is no dignity and decorum in the House. You are not maintaining anything. You are simply opposing the Minister's reply....(*Interruptions*)

SHRI MADHAVRAO SCINDIA : Mr. Speaker, Sir, on your direction, I took my seat(*Interruptions*)

SHRI YASHWANT SINHA: Let the Bill go to the Standing Committee on Finance. Let the Standing Committee deliberate it....(*Interruptions*)

SHRI MADHAVRAO SCINDIA : Since the hon. Minister has taken the name of the Congress Party, let me make a clarification....(*Interruptions*)

MR. SPEAKER: Shri Scindia, when the hon. Minister is replying, is it not the duty of the Opposition parties to hear what he says? Please understand it.

SHRI MADHAVRAO SCINDIA : Sir, when you directed me, I sat down. You must now give me an opportunity to clarify the position.â€¦ (*Interruptions*)

MR. SPEAKER: If this is the way, then, it is very difficult to transact any business.

...(*Interruptions*)

SHRI MADHAVRAO SCINDIA : Sir, as I said earlier, when you directed me, I sat down. You must give me an opportunity to clarify the position. I want to make a small clarification. Since he took the name of the Congress Party, I would like to clarify it....(*Interruptions*)

MR. SPEAKER: How can you speak? It is not only you or any other hon. Member, how can anybody speak without the permission of the Chair? They are simply rising from their seats.

SHRI MADHAVRAO SCINDIA : I sought your permission. I sat down.

MR. SPEAKER: It is not in your case. What is this type of making noise in the House?

...(*Interruptions*)

SHRI MADHAVRAO SCINDIA : Sir, just give me an opportunity to clarify the position.

Mr. Speaker, Sir, the hon. Finance Minister mentioned that the Congress Party in 1994 appointed the Narasimham Committee. There is no binding that the Committee's report has to be implemented. There are many times that Commissions are made to go into the matters in-depth. Then, the Cabinet takes a decision. So, if a decision comes from a Commission, with which you do not agree, then, you are fully in your right to reject it.

Secondly, the Congress is totally against reduction of equity below 51 per cent because we want that the nationalised banks should remain under total control of the Government. It is because we feel that credit facilities to the large poverty-stricken areas and to those who live below the poverty line will be greatly affected. There was a whole purpose in this exercise because funds available were going to a small group of people in this country and not to the poor at large. That is why, the banks were nationalised. Therefore, I would like to clarify that the Congress will oppose this Bill tooth and nail because we feel that it is against the interest of the people living below the poverty line....(*Interruptions*)

SHRI SOMNATH CHATTERJEE : What is the urgency in this Bill that it must now be introduced when so much opposition is there?â€¦ (*Interruptions*)

SHRI YASHWANT SINHA: Various hon. Members of this august House have raised issues of merit. The merit of the Bill will be discussed, as is the practice of this House, when the Bill comes up for a discussion in this House and then to pass it.

I have told you that I will reply to each one of the points. ...(*Interruptions*) But this is not the stage. ...(*Interruptions*)

MR. SPEAKER: I am requesting the Leaders also to control their Members. What is this?

...(*Interruptions*)

SHRI SOMNATH CHATTERJEE : What is the urgency? ...(*Interruptions*)

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Industrial Development Bank of India Act, 1964, the Export-Import Bank of India Act, 1981, the National Bank for Agriculture and Rural Development Act, 1981 and the National Housing Bank Act, 1987."

...(*Interruptions*)

SOME HON. MEMBERS: We want a Division.

*m16

MR. SPEAKER: Let the Lobbies be cleared--

Now, the lobbies are cleared.

SECRETARY-GENERAL: Kind attention of the hon. Members is invited to the following points in the operation of the Automatic Vote Recording system:

1. Before a division starts, every Member should occupy his or her own seat and operate the system from that seat only.

2. As may kindly be seen, the "red bulbs above display boards" on either side of the hon. Speaker's Chair are already glowing. This means the voting system has been activated.

3. For voting, please press the following two buttons simultaneously immediately after sounding of first gong, viz.,

i. One "red" button in front of the Member on the head phone plate and

also

ii. Any one of the following buttons fixed on the top of the desk of seats:

Ayes - Green colour

Noes - Red colour

Abstention - Yellow colour

4. It is essential to keep both the buttons pressed till the second gong sound is heard and the red bulbs are "off".

Important: The hon. Members may please note that the vote will not be registered if both buttons are not kept pressed simultaneously till the sounding of the second gong.

5. Do not press the amber button (P) during division.

6. Hon. Members can actually "see" their vote on display boards and on their desk unit. In case vote is not registered, they may call for voting through slips.

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Industrial Development Bank of India Act, 1964, the Export-Import Bank of India Act, 1981, the National Bank for Agriculture and Rural Development Act, 1981 and the National Housing Bank Act, 1987."

The Lok Sabha divided:

1257 hours

MR. SPEAKER: Hon. Members, subject to correction, the result* of the division is:

Ayes: 209

Noes: 156

The motion was adopted.

SHRI YASHWANT SINHA: I introduce the Bill.

* The following Members recorded their vote through Divisionj Slip :-

Ayes : 209+10 S/Shri Anandrao Vithoba Adsul, Ashok Argal, Shyam Lal Bansiwala, Ajay Singh Chautala, Akbar Ali Khandoker, Annasaheb M.K. Patil, Shrimati Kumudini Patnaik, Radhakrishnan C.P., Chada Suresh Reddy, Manoj Sinha = 219-1 (Shri Nepal Chandra Das) = 218

Noes : 156+8 S/Shri Nepal Chandra Das, G. Putta Swamy Gowda, Thomas Hansda, Mansoor Ali Khan, Dharm Raj Singh Patel, Shrimati Phoolan Devi, Subodh Roy, C.N. Singh = 164-1 Shri C.P. Radhakrishnan = 163

12.58 hrs.