

## RAJYA SABHA

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### \*SYNOPSIS OF DEBATE

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(Proceedings other than Questions and Answers)

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Wednesday, July 18, 2018 / Ashadha 27, 1940 (Saka)

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### OBITUARY REFERENCES

**MR. CHAIRMAN:** Hon. Members, I refer with profound sorrow to the passing away of Shri Vishwasrao Ramrao Patil, Shri Mohammed Amin, Shri Ashok Mitra, Shri Balkavi Bairagi, Shri Kameshwar Paswan, Shri Shantaram Naik, Shri Surinder Kumar Singla and Shri M.M. Jacob, former Members of this House

**Shri Vishwasrao Ramrao Patil**, passed away on the 15th of June, 2017, at the age of 83 years.

Born in July, 1934 in Kolhapur district of Maharashtra, Shri Vishwasrao Ramrao Patil had his education at the Gokhale and Rajaram Colleges and the Shahaji Law College, Kolhapur.

An agriculturist, Shri Patil served as the President of the Maharashtra Rajya Dudh Utpadak Sangh Kruti Samiti and was also actively associated with various social and welfare organizations.

Shri Vishwasrao Ramrao Patil represented the State of Maharashtra in this House from April, 1988 to May, 1993.

In the passing away of Shri Vishwasrao Ramrao Patil, the country has lost an able Parliamentarian and a dedicated social worker.

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\*This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.

**Shri Mohammed Amin** passed away on the 12th of February, 2018, at the age of 89 years. Shri Mohammed Amin was born in April, 1928, in Kolkata, West Bengal. A trade unionist, Shri Amin was actively involved in Trade Union Work. He was the National Secretary of the Centre for Indian Trade Unions (CITU) in 1987 and also its General Secretary in 2007.

Shri Mohammed Amin started his legislative career as a Member of the West Bengal Legislative Assembly and remained its Member for five terms, from 1969 to 1970, in 1971, from 1977 to 1982, from 1996 to 2001, and again from 2001 to 2006. Shri Amin served as a Minister in the Government of West Bengal holding different portfolios. Shri Amin had a few books and poems in Hindi, Bengali and Urdu to his credit.

Shri Mohammed Amin represented the State of West Bengal in this House for two terms, from April, 1988 to April, 1994, and again from May, 2007 to August, 2011.

In the passing away of Shri Mohammed Amin, the country has lost a veteran trade union leader, a distinguished parliamentarian and an able administrator.

**Shri Ashok Mitra** passed away on the 1st of May, 2018, at the age of 90 years.

Born in April, 1928, at Dacca (now in Bangladesh), Shri Ashok Mitra was educated at the University of Dacca, the Banaras Hindu University and the Netherlands School of Economics.

An educationist and an economist, Shri Mitra was an Economic Affairs Officer at the United Nations from 1955 to 1956 and was also a Member of Faculty at the Economic Development Institute in Washington, D.C. during the early 1960s. He was the Chairman of the Agricultural Prices Commission from 1966 to 1970 and was Chief Economic Advisor to the Government of India from 1970 to 1972. He was also the Chairman of the West Bengal and Kerala Education Commissions.

Shri Mitra started his legislative career as a Member of the West Bengal Legislative Assembly from 1977 to 1982 and again from 1983 to 1986. Shri Mitra served as the Minister of Finance and Planning in the Government of West Bengal from 1977 to 1982, and again from 1983 to 1986.

A prolific writer, Shri Mitra had several books, essays, short stories and articles on literary, political and economic themes to his credit. He was also a recipient of the prestigious Sahitya Akademi Award.

Shri Ashok Mitra represented the State of West Bengal in this House, from August, 1993 to August, 1999. He also served as the Chairman of the Department-related Parliamentary Standing Committee on Industry from 1994 to 1998 and of the Department-related Parliamentary Standing Committee on Commerce from 1998 to 1999.

In the passing away of Shri Ashok Mitra, the country has lost an eminent economist, an able administrator and a distinguished parliamentarian.

**Shri Balkavi Bairagi**, passed away on the 13th of May, 2018, at the age of 87 years.

Born in February, 1931, in Rampura village of Neemuch district of Madhya Pradesh, Shri Balkavi Bairagi had his education at the Vikram University of Ujjain, Madhya Pradesh.

A writer and poet, Shri Bairagi had several books, popular Hindi poems, articles and memoirs to his credit. His classic childhood poems earned him the name "Balkavi". He also wrote lyrics for several Hindi films.

Shri Balkavi Bairagi started his legislative career as a Member of the Madhya Pradesh Legislative Assembly, from 1967 to 1972 and again from 1980 to 1984. Shri Bairagi served as the Minister of State in the Government of Madhya Pradesh holding various portfolios. Shri Balkavi Bairagi was also a Member of the Eighth Lok Sabha from 1984 to 1989.

Shri Balkavi Bairagi represented the State of Madhya Pradesh in this House from June, 1998, to June, 2004.

In the passing away of Shri Balkavi Bairagi, the country has lost an eminent poet, a distinguished parliamentarian and an able administrator.

We all got really enriched by his contributions in this House. He used to lively participate in the debates also.

**Shri Kameshwar Paswan** passed away on the 28th of May, 2018, at the age of 77 years.

Born in January, 1941 in Zafarabad village of District Patna, Bihar, Shri Paswan had his education at the Ram Dayalu Singh Mahavidyalaya and the Langet Singh Mahavidyalaya, Bihar University, Muzaffarpur.

A teacher and a social worker, Shri Kameshwar Paswan worked for the upliftment of the weaker and downtrodden sections of society.

Shri Kameshwar Paswan started his legislative career as a Member of Bihar Legislative Assembly from 1972 to 1974 and again from 1977 to 1979. He served as the Minister of Welfare in the Government of Bihar from 1977 to 1979. He was also a Member of the Eleventh Lok Sabha.

Shri Kameshwar Paswan represented the State of Bihar in this House, from April, 1990 to April, 1996.

In the passing away of Shri Kameshwar Paswan, the country has lost a distinguished parliamentarian and an able administrator.

**Shri Shantaram Naik** passed away on the 9th of June, 2018, at the age of 72 years.

Born in April, 1946, at Cuncolim in South Goa District of Goa, Shri Naik was educated at the Shrimati Parvatibai Chowgule College, Margao, the Bombay University and the Siddharth College of Law, Bombay University, Mumbai.

A lawyer by profession, he started practicing Law in 1972. He served as the Secretary of the Advocates' Association of South Goa and played an active role for the creation of a separate judicial district for South Goa. He also served as the Vice-President of the All Goa Advocates' Association and the President of the South Goa Advocates' Association.

A social worker, Shri Naik worked assiduously for the upliftment of the weaker and downtrodden sections of society. He was instrumental in pursuing the demands for Statehood to Goa and for inclusion of the Konkani language in the Eighth Schedule of the Constitution.

Shri Shantaram Naik started his legislative career as a Member of the Eighth Lok Sabha from 1984 to 1989. Shri Naik represented the State of Goa in this House for two terms from July, 2005 to July, 2011 and again from July, 2011 to July, 2017. He served as the Chairman of the Department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice from May, 2012 to August, 2013.

In the passing away of Shri Shantaram Naik, the country has lost a distinguished parliamentarian and a dedicated social worker.

**Shri Surinder Kumar Singla** passed away on the 28th of June, 2018, at the age of 73 years.

Born in November, 1944 at Samana-Mandi in Patiala District of Punjab, Shri Singla was educated at the Punjabi University and the Delhi University.

A teacher by profession, Shri Singla worked assiduously for various social causes like children's education, family planning, etc., and was associated with several organisations involved in welfare of the weaker sections of the society.

Shri Surinder Kumar Singla represented the State of Punjab in this House from April, 1992 to April, 1998.

Later on, Shri Singla became a Member of the Punjab Legislative Assembly from 2002 to 2007. He also served as the Minister of Finance in the Government of Punjab from 2004 to 2007.

In the passing away of Shri Surinder Kumar Singla, the country has lost a distinguished parliamentarian, an able administrator and a dedicated social worker.

**Shri M.M. Jacob** passed away on the 8th of July, 2018, at the age of 89 years.

Born in August, 1928 at Ramapuram in Kottayam District of Kerala, Shri Jacob was educated at the University College, Thiruvananthapuram; Sacred Heart College, Thevara, Kochi; Loyola College, Chennai; Lucknow University and the University of Chicago, United States of America.

An advocate and social worker, Shri Jacob actively participated in the freedom movement during his student days. He was also associated with Bhoodan Movement, Cooperative Movement, Bharat Sewak Samaj and Red Cross. He represented India in the Sixth World Youth Festival held in Moscow in 1957 and participated in several international programmes and seminars for youth leaders and social workers.

Shri Jacob had a number of articles and booklets published in Malayalam and English to his credit. He was the Managing Director of 'Veekshnam', a Malayalam daily.

Shri M.M. Jacob represented the State of Kerala in this House for two terms, from July, 1982 to July, 1988 and again, from July, 1988 to July, 1994. He was the Deputy Chairman of the Rajya Sabha for a brief period, from February to October in 1986. He served as the Minister of State in the Ministry of Parliamentary Affairs, from October, 1986 to December, 1989, as Minister of State in the Ministry of Parliamentary Affairs and Water Resources (Independent Charge) from July to December, 1989 and Minister of State in the Ministries of Home and Parliamentary Affairs from June, 1991 to January, 1993. He also served as the Chairman of the Committee on Subordinate

Legislation, from 1984 to 1986 and of the Department-related Parliamentary Standing Committee on Home Affairs from 1993 to 1994.

Shri Jacob served as the Governor of Meghalaya from 1995 to 2007 and of Arunachal Pradesh from January to April, 2007.

In the passing away of Shri M.M. Jacob, the country has lost a distinguished parliamentarian, an able administrator and a dedicated social worker.

We deeply mourn the passing away of Shri Vishwasrao Ramrao Patil, Shri Mohammed Amin, Shri Ashok Mitra, Shri Balkavi Bairagi, Shri Kameshwar Paswan, Shri Shantaram Naik, Shri Surinder Kumar Singla and Shri M.M. Jacob.

*(One Minute's silence was observed as a mark of respect to the memory of the departed.)*

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### **Reference to the Victims of Suicide Bomb Attack in Afghanistan**

**MR. CHAIRMAN:** Hon. Members, as you might be aware, 20 people, several of them belonging to the Sikh community, were killed and 20 others were injured in a suicide bomb attack in Jalalabad of Afghanistan on the 1st of July, 2018.

The loss of precious lives and injury to hapless people in the heinous, senseless and outrageous acts of violence is deplorable and deserve to be condemned in the strongest terms possible. Such incident only re-affirms our resolve to fight terrorism with determination and to reiterate our call to the global community to unitedly combat and eliminate the scourge of terrorism from the world.

This House joins me in expressing our deep sorrow, sympathy and heartfelt condolences on the losses suffered by the friendly people of Afghanistan and in reiterating India's stand of solidarity with the Government and the people of Afghanistan in their hour of grief.

### **Reference to the Natural Calamities in Different Parts of Country**

Hon. Members, as you might also be aware, more than one thousand persons lost their lives, several hundreds were injured, and many others were displaced and rendered homeless in the natural calamities of cloudbursts, landslides, lightning strikes, thunderstorms, dust storms and floods in different parts of the country in the months of May, June and July, 2018. The incessant rains and floods have also caused extensive damage to houses, property and infrastructure and loss of livestock.

### **Reference to the Bus Accident in Uttarakhand**

Hon. Members, 48 persons were also reportedly killed and 12 were injured when a bus carrying them accidentally fell into a deep gorge in Pauri District of Uttarakhand on the 1st of July, 2018.

The loss of precious lives and injury to people in all these tragic incidents is indeed painful and unfortunate.

The House joins me in expressing our heartfelt condolences and sympathy to the bereaved families and we pray for the speedy recovery of the injured.

*(One Minute's silence was observed as a mark of respect to the memory of those who lost their lives in these tragedies.)*

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### **ANNOUNCEMENT BY THE CHAIR**

**MR. CHAIRMAN:** Hon. Members, July 18, 2018 marks the 100th Birth Anniversary of Nelson Mandela. Nelson Mandela, a non-violence anti-apartheid revolutionary was inspired by Mahatma Gandhi in his long walk and struggle against apartheid. He directed a campaign of peaceful, non-violent defiance against the South African Government and its racist policies. He became South Africa's first black President from 1994 to 1999. He was awarded the Nobel Peace Prize in 1993 for his efforts to dismantle the country's apartheid system. Nelson Mandela will continue to be a source of inspiration for civil rights activists worldwide.

You are all aware that under Article 120 of the Constitution, the Chairman is empowered to allow Members to speak in any of the 22 languages listed in Eighth Schedule to the Constitution. It has been my ardent desire, ever since my taking over as Chairman, Rajya Sabha, to facilitate Members speak in their mother tongue. Till now, we had arrangements for simultaneous interpretation in 17 languages only. I am happy to inform you that the Rajya Sabha Secretariat has now made arrangements for simultaneous Interpretation of the proceedings of the House in the remaining five languages also, namely, Dogri, Kashmiri, Konkani, Santhali and Sindhi. With this, Members can speak in all the 22 languages listed in the Eighth Schedule. I encourage hon. Members to use this facility and speak in their own languages. Since this is a new arrangement, it may take some time for those interpreters to get adjusted to the speed, velocity and style, and also understand the actual meaning you want to convey to the House and to the country. So, there will be some shortcomings. I request the hon. Members to bear with the arrangement till they become proficient. But sufficient care has been taken; training has been given and certificates have been awarded to those people who have got this training. I hope that you will be able to really take advantage of the same. We can have our speeches delivered in Dogri, Urdu and all languages, as I have mentioned earlier, of course with a notice in advance because they are not full-time interpreters. Some of them are from Lok Sabha and some of them are part-time because the House meets for a particular period. If you engage them on a permanent basis, you know the financial implications also.

Hon. Members, I have another information to share with the House. A high level delegation from the Senate of the Republic of Rwanda led by Rt. Hon. Bernard Makuza, President of the Senate visited India from 8th to 13th July, 2018. He was accompanied by two Senators, Ms. Gertrude Kazarwa, Ms. Marguerite Nyagahura and three officials from the Senate. During the visit, a Memorandum of Understanding was signed for promoting co-operation between the Upper Houses of the two countries. For the first time in 66 years of it coming into being, Rajya Sabha entered into an MoU with a foreign counterpart. So far, you know the practice of the Parliamentary

groups. Lok Sabha used to take the initiative and there used to be a Joint Committee. For the first time, the Upper House of that country and the Upper House of India have entered into an MoU and we will be having Parliamentary exchanges, visits and also meetings to understand each other's systems better. That is the arrangement that has been made. The MoU seeks to promote inter-Parliamentary dialogue, organisation of conferences and seminars, workshops and exchanges, collaboration in multilateral parliamentary bodies, capacity building of Parliamentary staff and furtherance of bilateral relations and friendship between the two countries. Another information is that the President of the Senate was earlier Prime Minister for 12 years. This is something that Prime Minister of the country becoming President of a Senate! That is the information I got. And another happy news from that country is 60 per cent of the Parliamentarians are women. Now, the Papers to be laid.

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## **GOVERNMENT BILLS**

**The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities (Amendment) Bill, 2018- *Introduced***

**The State Bank (Repeal and Amendment) Bill ,2017**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA)**, I move that the Bill to repeal the State Bank of India (Subsidiary Banks) Act, 1959, the State Bank Of Hyderabad Act, 1956 and further to amend the State Bank Of India Act, 1955, as passed by Lok Sabha, be taken into consideration.

**SHRI JAIRAM RAMESH:** This Bill provides for the merger of the State Bank of Travancore, Mysore, Hyderabad, Patiala, Bikaner and Jaipur into the State Bank of India. But the merger has already taken place. I want to raise certain issues relating to this merger. , Technically, this is not a merger but this is an internal reorganization within the SBI. In the last 25 years, there have been 32

mergers in the private sector banking industry. It took almost five years for the Punjab National Bank to deal with the implications of the merger of the New Bank of India. We are merging five banks whose consolidated loss was Rs. 11,800 crore with the State bank. For the first time, for the quarter ending December, 2017, the State Bank of India reported a loss of Rs. 7,700 crore. and it was not a one quarter event. We hope that State Bank of India will not be privatized under any circumstances. There are three or four issues relating to the merger which I want to highlight. Ultimately, merger is about people. The total employees' strength of the State Bank of India now is going to be 2,70,000. I would urge the Government to pay greater attention to the human resource aspect of the merger and not just the balance sheet aspect of the merger. There will be need for bank rationalisation; not bank nationalisation and at the same time they also pay adequate attention to strengthen the local level operations. I would like the Government of India to give an authoritative statement that privatisation of banks is not on the Government's agenda and also that banks will be strengthened, systems of accountability in banks will be improved and merger will take place not for the sake of reducing the number of banks. I support the Bill.

**SHRI RAMKUMAR VERMA:** A long procedure is involved in the merger of banks. Committees were constituted from time to time as per the guidelines of Reserve Bank of India to see how our banks can be strengthened. One of them recommended in 1991 that three banks of global standard, eight to ten banks of national level and regional banks should be set up but no such step was taken at that time. Later a process was initiated for merger of banks by RBI. Keeping in view many aspects and after long deliberations between SBI and the boards of 5 associate banks, the merger decision was taken. The capital adequacy of our bank has increased after merger of these banks in SBI. We can call it reorganisation instead of merger. Our emphasis is on connecting the common man with banking system. 32 crore people have been linked with banks through Jan-Dhan accounts in the country. Since there will be one management only, the monitoring system will improve now. I would like to say that branches of these 5 subsidiaries would keep on

functioning. Staff of these banks would keep on enjoying facilities at par with the staff of SBI. Enactment of an Act through this Bill would help in repealing irrelevant provisions. Such merger would prove beneficial to all the customers. It would also help in reduction of cost, better profitability, lower cost of funds, better interest rate, and improvement in customer services. Hence, such merger would be in the interest of the country, its economy and our rural system.

**SHRI N. GOKULAKRISHNAN:** The State Banks (Repeal and Amendment) Bill, 2017 seeks to repeal the State Bank of India (Subsidiary Banks) Act, 1959, and the State Bank of Hyderabad Act, 1956. These Acts established the State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore and State Bank of Hyderabad. The State Bank of India is India's largest bank with assets of Rs. 30.72 lakh crore and stands at number 64 in the global ranking of banks, as on December, 2015. According to the global rating agency, Moody's report, the merger will have limited impact on SBI's credit metrics. Such consolidation would help in SBI having more capital base and liberty in offering loan of high value. Such merger would help in reducing burden on the Central Government to recapitalize the public sector banks to a certain level. But, on the other hand it will bring negative impact regarding profitability of the combined entity. Customers of these small banks would get access to wider financial services like mutual funds and insurance products which are available only with larger banks. SBI has been at the forefront in adopting new front-end and back-end technology to be competitive in the market. This kind of technology will be more useful to the customers. The combined entity will make the SBI as the largest bank in India with more branches and ATM networks in the country. But, with the passage of this Bill, the associate banks will lose their local prominence. Merger of associate banks would always weaken the public sector banks and encourage more private participation in the banking sector. My last point is regarding employee reallocation. The promotional opportunities and career growth of senior management level and other employees could attract critical problems which should be resolved amicably. I urge the Government to provide adequate compensatory benefits to the

employees of the associate banks who may either opt for VRS or continue to serve the SBI. Such merger will pave the way for more financial stress to the SBI. It is really a moot question whether SBI will retain 50th rank in the global banking after merger since the whole burden will be borne by the SBI.

**SHRI SUKHENDU SEKHAR RAY:** Five subsidiary banks were merged with the State Bank of India vide Gazette Notification dated 22nd February, 2017 for the purposes of rationalisation of resources, reduction of costs, better profitability, lower cost of funds leading to better rate of interest for public at large, improved productivity and customer service. But, the objectives of the Bill are yet to be achieved even after passage of a long time. I would like to know the enhanced rate of interest for the public after the merger of these five subsidiary banks of the SBI. Merger of some more PSU banks is in the pipeline. Embracement of a sick bank like IDBI by a Central Government Organisation, LIC will put the money of the policyholders at stake. The names of wilful defaulters should be published and action under criminal law be taken against them. Such merger is detrimental to the interest of the depositors and is detriment to the policyholders as well. Rescuing of the defaulting banks, having large amounts of NPAs, will severely impact our economy. Therefore, I would urge the Government to think over the issue in its entirety. The recommendations of the Standing Committees should be taken into consideration and larger public view should be adopted to checkmate the situation.

**SHRI HARIVANSH:** I would like to put forward some points on The State Banks (Repeal and Amendment) Bill, 2017. All the five subsidiaries of SBI were formally merged with the SBI on 1 April, 2017 as SBI holds majority of stake in all these 5 associate banks. The Narasimham Committee Report had suggested three-tier banking structure for merger of public sector banks. Some minor mergers took place earlier also but required large scale reforms in banking sector was yet to see the light of the day. Demand regarding nationalisation of banks, separate and committed cadre of employees, efficient in management with better work culture was

never taken care of. So, essential steps were required to be taken for successful merger of these subsidiaries as these hold common identity of SBI logo. SBI holds operational control of these banks since their inception. Improvement in work culture of banks would help in our inclusion in the largest banks of the world.

**SHRI ANIL DASAI:** I support the Bill. The State Bank as such had a substantial control over its associate banks as far as their capital is concerned. The State Bank of India has a special standing of its own. As far as technology is concern is, SBI need a lauding that they have been doing extremely well. The SBI has also got bad loans. Nationalization was the best steps taken by then Prime Minister and it really helped the economy to grow. Banking sector being the mainstay of Indian economy, proved itself with better and better results, but bad loans and wilful defaulters have really shaken the faith of not only the bankers on the big scale in higher society, but also middle class and people at the lower strata too, for whom the banks were made open by the Government. This entire thing needs to be taken care of. Public sector banks being a Government entity, need to be strengthened. Not only that we are growing, our economy has a good boost. But, if the issue of unemployment is to be addressed, these are the places which the banking industry in the past has taken care of, and strengthened the middle class. No political influence should be there. Every aspect of the customer should be treated on merit. A lot many aspects are there which are being evolved in the banking sector. It will be better for the Indian economy. With this, I support the Bill.

**SHRI D. RAJA:** We were told that this merger would make State Bank of India a world-class and stronger bank but the story is different. State Bank of India is making losses. I am afraid this will make further losses in the coming days. Subsidiary banks were doing very well. By merging I find there is no benefit. People have lost their regional banks by way of merger of subsidiary banks with the State Bank of India. Government should take Parliament into confidence. I can point out that the Government did demonetization overnight and hurried with the GST in the name of 'one nation one tax'. Now we see the problems. Government brought an ordinance on insolvency but no

recovery has been done through this measure. The Government should consult Parliament before taking any decision. Merger with the State Bank of India was avoidable. Banks constitute the central nerve system of modern economy. Now this Government should not try to weaken the banking sector in the name of sab ka saath, sab ka vikas. It seems you want to serve the interests of corporate houses and big business houses.

**SHRI MADHUSUDAN MISTRY:** I want to know from the Minister the reason for merger. Why it was required. Government had the aim that more and more people to open bank accounts. Whether this merger will improve the situation and more and more people will come forward for opening the bank accounts. Poor people and small entrepreneur used to be provided bank loans. Would it be improved or on the name of growth big industrialist would be provided loans at their will and thereafter banks will beg their money. Why the consumers should pay for the mismanagement of the bank. You are about to bring a Bill for bailing out. You may say it will increase efficiency and capital but no one talks about liability. How the State Bank of India has become efficient after merger with these Banks. Even today there is no outreach of state bank in all the areas. What is being done to increase its outreach. You will only reduce its loses or also increase the capital. How the management of the bank will be made accountable. This is a very big merger and what benefit the lower strata is going to get out of this merger. I want that the focus of the bank should be turned towards individuals, farmers and small entrepreneurs. I do not know whether transaction of thousand crores will lead to growth or not but it will definitely lead to poverty.

**DR. SATYANARAYAN JATIYA:** Old banks were very proud of their existence. They had historical background. Before merger people were of the view that their existence should be maintained but in order to fulfil the broad objective this arrangement has been done and merger has taken place. It is a matter of pride that because of the many schemes of the Government like Jan-dhan accounts many people are getting connected with the banks. Arrangements have been made to transfer subsidy directly into these

bank accounts. I hope that this Bill will definitely improve the life of common people and also be successful in fulfilling its object.

**SHRI VISHAMBHAR PRASAD NISHAD:** These five banks are being merged along with all their assets and their officers and employees. After merger, these banks will come under State Bank. People had a faith in the founders of these banks. This step will ruin their names. A number of hon'ble members have expressed their views on this Bill. People are suffering due to loans taken from money lenders even today. We can see a clear benefit to SBI due to merger of these five banks but rural areas will suffer a lot. In spite of increasing unemployment the State Bank of India has reduced jobs. Cooperative banks have cash deposits of poor people which is still to be taken care of by the RBI. What will be done for recovery of loans disbursed by the banks which are being merged. Hon'ble members have discussed Jan-Dhan accounts. People opened these accounts and deposited their money in these accounts. Thereafter banks formulated rules that a certain amount will be deducted if account holders do not maintain minimum balance, if they deposit money or if there are transactions more than 36. Such rules were not there earlier. Banks and the government of India benefited due to such changes in the rules. Recently some big businessmen fled abroad with pending loans. This caused huge loss to banks. Banks were supposed to control their financial situation themselves. The banks which have opened branches in rural areas, are now gradually closing. They have their branches at Tehsil and Block levels. Banks face often server-down problem, this has to be rectified. The loss making banks should make efforts to stop this loss making tendency. After demonetisation, bank managers and other officers perpetrated frauds. The liabilities of farmers and villagers should be taken care of. With these words, I support this bill.

**SHRIMATI VIJILA SATHYANANTH:** Sir, this merger has already taken place. It has been notified in the Gazette and it came into existence eight months earlier. There are some apprehensions that need to be addressed. Customers will be increased due to such merger and this will affect bank employees as well as customers. I can't

understand why these banks are being merged with State Bank of India which is already over-burdened. People have their faith in SBI. A farmer from my district had committed suicide due to repayment of remaining loan of a bank. Banks are not going to flourish overnight. Pensioners and very aged people would be left standing in queues. People have not forgotten experience of demonetization. The State Bank of Travancore of my place is now being merged with the over-burdened State Bank of India. What steps government is going to take to safeguard day-to-day bank transaction. Rural and poor people do not know how to use ATMs and they have to stand in queues. They must be facilitated. So far as this merger is concerned, people have apprehensions about their money. Now government should assure people about their deposits and also that nationalised banks will not be privatised

**SHRI MAHESH PODDAR:** I support this Bill. People have faith in SBI and people from small areas treat this bank as government itself. Imperial Bank of India was formed with the merger of three banks in British era. SBI came in existence after independence. Our friends have expressed their apprehensions on this merger, but I think there is nothing to be worried about money as deposits, staff members and stakeholders all are secured. This merger will teach us a lesson which will support our decision on merger in future. Banks of royal families were still in existence but now they are merging in State Bank. My friend Jairam ji has rightly said that it is not a matter of loss or profit. A bank whose branches are making loss but it is paying income tax, is a unique situation, and this had to be rectified. The world has some new requirements in banking sector. New ways of technique are coming out owing to Telecommunication and IT Sector. These are changing the banking style. When banking sector has changed rules, the requirements of risk management are also changing. Risk of default on a debt is basic principal of banking. The risk management, capacity and architectural framework of SBI is outstanding and modern. We can not ignore entrepreneurship on the cost of defaulters. There are a number of Public Sector Banks, non-finance banks, local banks and co-operative banks in the country but this should be assessed that up to what extent they are successfully

delivering facilities of world at the grass root level. I think there is no proposal for privatisation of the State Bank. SBI will be one of top 50 banks of the world due to this merger. There is a challenge to manage so many employees. State Bank of India introduce policies according to local requirements. Certainly some branches will be closed if we want to reduce the expenditure. Merger is not going to affect the staff members or deposits. There was a tendency to cover the debts in the name of restructuring. It was reviewed by the government and it will be corrected. Some harsh measures can also be taken.

**DR. ANIL AGRAWAL:** Merger of banks has already taken place. Branches of various banks are working well. The State Bank of India has maximum branches in India. All banks which were merged are still working as it is, they just changed the name of banks as State Bank of India. This is formal merger as the SBI already had maximum shares of all these five banks. The situation of such banks will be improved and NPA will be reduced as well due to this merger. Among all the Banking Institutions that are functioning in our country, the functioning of State Bank of India has been best. So, if the smaller banks which are merging with it follow it, then the functioning will be better. When the size of the Bank increases, then its capital will increase and the cost of lending will also improve. We will be able to give better rates of interest to our depositors. So far there is no report of removal of any employee or any kind of inconvenience to them. With the merger of these five banks the number of ATMs will increase considerably as a result of which the customers will not have to stand in long queues. If there are any such bad people who have spoiled the banking system, then there are good people as well. We will have to ensure that the Banks which are giving loans should properly check the customers. Then they will not have any kind of NPAs. With the increase in the size of the bank, the additional services which have started, like insurance, mutual funds, etc. can be taken care of in a better manner. It is a matter of pride that now the size of State Bank has reached the size of the 50 biggest banks of the world. I feel that the problems that people are facing in Jan-Dhan accounts or other accounts will be taken care of by the senior officers

of the bank and people will not be made to face any problem. I feel that this merger will have very good outcome.

**SHRI K.K. RAGESH:** This particular Bill seeks to repeal two Acts. This is inevitable because five associate banks have already been merged with the State Bank of India. Firstly, I want to know whether any reduction in the staff strength has taken place. I have seen a media report that staff strength of 10,584 has already been slashed after the merger. What is the reason for that? Secondly, I want to know as to how many employees had opted for VRS. Yes, banking sector is facing a severe crisis, due to the NPAs. But why should we try to resolve those issues at the expense of the poor? You are saying that you have generated employment. But the secured, permanent employment is getting reduced due to these policy decisions in the form of merger. I want to know how many branches have already been closed due to merger. Media reports say that more than thousand branches of associate banks have already been closed. These associate banks were treated as the banks of the concerned States. State Bank of Travancore was playing a vital role in the overall development of Kerala. In case of farmers' loans, students' loans SBT was at the forefront. But SBI is mainly concentrating on the richer sections, the corporates. SBI alone has got Rs. 1.89 lakh crore of NPAs, of which 90 percent is due to the corporates, the big companies. They are not ready to pay back the loans. You have to penalise them. But even the SBI is imposing a penalty on poor account holders who are not in a position to maintain monthly average balance.

**Hon'ble Minister replying to the debate, said:** 14 people have given their valuable views on this Bill and all these views have been in the favour of this Bill. I welcome all of them. As far as it is concerned with the subsidiary banks of SBI, whom SBI has acquired, there is a proposal to amend some of its provisions. In the year 1959, the State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore were also constituted as the subsidiary banks of SBI and if you see the complete ownership of SBH and SBP had been with the SBI only. Actually, State Bank of India already had majority shares of these banks, but somewhere the

situation of losses was increasing in those banks. Jairam Rameshji had said that when SBI had a profit of 10,000 crore rupees, then why was a loss of 16000 crore rupees imposed on it? Whenever people's faith sinks, then any government is dutybound to maintain the faith of the public. This is why a collective decision to merge these banks with SBI was taken by the managements of these banks, which was approved by the RBI. Then it was passed by the Lok Sabha. Today we are unanimously going to pass this Bill in this House. These banks were merged to rationalize the resources, to reduce the costs, to increase profits, to reduce the cost of funds, to improve productivity and customer service so that people could get better rates of interest. Then, the topic of strengthening of Banks and employment was raised. No other government must have worked as much as this government has worked for generating employment. When the topic of Jan Dhan accounts emerged, it was decided that people's accounts would be opened without the requirement of deposit of even a paisa. Earlier people used to come to the bank, they used to present two of the Bank's account holders as their surities, they used to deposit money and then they used to get passbooks. Modiji's government gave them passbooks and proved that you are the true citizens, masters of this country. 32 crore Jan Dhan accounts were opened in this country. These 32 crore accounts are not those which were just opened and left as such. Today we can say with pride that today an amount of 87,000 crore rupees has been deposited in those accounts. This shows that the people of this country have reposed faith in this government.

One of the point was raised that GST was brought in hurry therefore it is mandatory for me to reply about it. About demonetization it was told that a wrong information was given that money was deposited in the banks. More than one crore rupees have been deposited and it is now the part of economy, benefitting the country. GST has been accepted by the country within one year. Hon'ble Prime Minister announced in the mid night that in future the GST will become Goods and Simple Law. GST has strengthened the federalism completely. Till date no decision by the GST council was taken which was not unanimous. Earlier indirect tax was 32 per cent. The highest slab in GST is 28 per cent which is levied on only 50

items. Rest of the slabs vary from 18 to 12 to 5 per cent. We have taken into consideration the views received from the Finance Ministers of the States, Traders, Traders Associations and entrepreneurs and endeavoured to solve their problems. and a result today everybody has adopted it. When GST was introduced, some difficulties related to filing of returns or otherwise were faced by the people. Earlier three returns were being filed which we have reduced to one. With regard to retrenchment of the employees I would like to clarify that not a single employee has been retrenched. Only those who were to retire, have retired. We have taken over all the assets of these banks alongwith entire staff including the officers, clerks and fourth class employees and they have now become the employees of SBI.

I have welcomed all the suggestions of the members because they all have supported the bill. I would like mention that this bill is in the interest of the public, the banks and the management. I would like to say that we have provided 12 crore employment through MUDRA Loans. This has been done by the banks. The Government stood by them firmly and boosted their morale and when need arose it helped them by issuing bonds of over 2 crore rupees. We all should accept this merger in the national interest and pass this bill.

*The motion for consideration of the Bill was adopted.*

*Clauses etc., as amended, were adopted.*

*The Bill, as amended, was passed.*

### **The Armed Forces Tribunal (Amendment) Bill, 2012**

*The Bill was, by leave of the House, withdrawn.*

### **The Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 2017**

**THE MINISTER OF STATE OF THE MINISTRY OF HOUSING AND URBAN AFFAIRS (SHRI HARDEEP SINGH PURI):** I move that the Bill further to amend the Requisitioning and Acquisition of Immovable Property Act, 1952, as passed by Lok Sabha, be taken into consideration.

**SHRI MAHESH PODDAR:** The life of tribals is affected in the areas of Jharkhand including the poors and backwards. When there lives are interfered with they often becomes emotional and some time gets agitated. The land of Jharkhand has lot of properties buried in it and some times it requires to be exploited for the public purpose or for the purpose of minerals. People there have whole heartedly supported yet they remained poor. Today political, economic and other circumstances have changed. Media has become strong and the dimensions of communication have changed. The distinction of this Bill is that it would come into effect retrospectively. This has been done because lot of disputes are going on and there is tug of war between the Government and the public also the lot of developmental works have been stalled. The original owners have died and the new generation has become owners therefore a second notice will serve a good purpose. One more good provision has been made. Many times, money was being deposited in the Government treasury, but there was no interest payable and that money was not growing although the value of the land was growing. So, a very good provision has been made that the interest at the rate the State Bank is paying on fixed deposit will be paid.

**SHRI HUSAIN DALWAI:** The Bill must have contained the entire details of the properties. Bringing amendment to this Bill would not serve the purpose alone because this vastly affects the poors and only their properties are acquired. I want to tell you that when Government wants to help the riches, it does so by one or the others means but poors are fully devastated. Government should look into this.

**SHRI RAVI PRAKASH VERMA:** I agree with Shri Husain Dalwai that it should contain details of all the properties. I want to draw your attention towards the Indo-Nepal border in the North India. In the light of the changed circumstances the information coming that if the China becomes belligerent, it can use the natural powers against India for strategic defence. It is better to wake up on time and erect structures in vulnerable areas where the problems might arise. One more problem that I want to bring forth is that a lot of land is being

acquired by the State Governments also. They do it some time for colonisation or are for Government buildings. They also face lot of litigations. I request to the Government have a dialogue with State Governments and enact a law which can change the circumstances for the farmers in the states and these farmers can lead respectable life.

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**Desh Deepak Verma,**  
*Secretary-General.*

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\*\*\*\*Supplement covering rest of the proceedings is being issued separately.