

RAJYA SABHA

*SYNOPSIS OF DEBATE

(Proceedings other than Questions and Answers)

Wednesday, March 26, 2025/ Chaitra 5, 1947 (Saka)

BIRTHDAY GREETINGS

MR. CHAIRMAN: Hon'ble Members, extremely pleased to extend birthday greetings to hon'ble Member of Parliament, **Ms. Dola Sen**.

Currently, the Chairperson of the Department-Related Parliamentary Standing Committee on Commerce, **Ms. Dola Sen**, is serving her third term in Rajya Sabha, making a beginning in 2015 to 2017, from 2017 to 2023 and then re-elected in 2023 for a full six year term. Well-known for her passionate participation in the House, Ms. Dola Sen is a dedicated trade unionist and has made significant contributions in her role as a Member of the Employees' State Insurance Corporation for two terms (from 2019 to 2023 and continuing from December 2024) in the State of West Bengal. A graduate in Mathematics from Calcutta University, Ms. Dola Sen has edited several books in Bengali. She holds certifications in the Science Talent Search Test, as well as in music (singing) competitions. Her talents extend much beyond decorous dramatics in the House to the real world of dramatics, where she has also excelled, showcasing her diverse skills.

Hon'ble Members, on my own and on behalf of this House, I wish her a long, healthy and happy life and extend greetings to her family members.

OBSERVATIONS BY THE CHAIR

MR. CHAIRMAN: Hon'ble Members, I need to indicate to the House that we, yesterday, had a very fruitful interaction on the issue that is agitating minds of the public. There was gracious presence of Leaders of political parties including the Leader of the House and the Leader of the Opposition. Without going into the details, the deliberations were consensual, reflecting cooperation, concern and the issue is not between institutions inter se. It is not that Executive, Legislature or Judiciary are pitted against each other. All the institutions in the country have to function in tandem, in togetherness and also there are checks and balances which are well-meant. It has been given by both, the Leader of the House and the Leader of the Opposition that after having wider consultations amongst all concerned, in their respective parties and otherwise, they would come to the Chairman for further deliberations. That was the conclusion after both, the Leader of the House and the Leader of the Opposition, had shared their thoughts along with others.

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

MATTERS RAISED WITH THE PERMISSION OF THE CHAIR

1. Non-Fulfillment of Maternity Entitlements under National Food Security Act, 2013 and P.M.M.V.Y.

SHRIMATI SONIA GANDHI: I would like to draw the attention of the House towards the non-fulfillment of maternity entitlements under the National Food Security Act, 2013 and Pradhan Mantri Matru Vandana Yojana. The National Food Security Act was passed by Parliament in September, 2013. It has been the foundation for the Pradhan Mantri Garib Kalyan Yojana. The Act also includes Rs.6,000 per child as maternity entitlement for pregnant women in the informal sector. The full implementation of the maternity benefits provision of the NFSA 2013, requires an annual Budget of around Rs.12,000 crores. The allocation in 2025-26 for 'Samarthya' is only Rs.2,521 crores. This clearly shows that the PMMVY is severely under-funded thereby violating the key provisions of a law passed by Parliament itself.

2. Need to Reconsider the Advisory of Reducing Cooking Oil in Mid-Day Meals under the Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)

MS. DOLA SEN: The Government has issued an advisory recommending a 10% reduction in cooking oil uses in Mid-Day Meal Scheme, aiming to combat childhood obesity. This directive may not consider the diverse nutritional needs of children across the country. Many students relying on Mid-Day Meal come from economically disadvantaged backgrounds where malnutrition, rather than obesity, is prevalent. Healthy fats from cooking oils are essential for growth and cognitive development. A blanket reduction could inadvertently deprive these children of necessary nutrients. It is imperative that the Government reevaluates the advisory. A thorough evidence-based study should be conducted to assess the nutritional implications of reducing cooking oil in Mid-Day Meals.

3. Need to Review the Facial Recognition System for Issuing Take-Home Ration (THR) to the Beneficiaries under Integrated Child Development Services (ICDS) Scheme through Anganwadi Workers

SHRI M. SHANMUGAM: Representations have been received from various stakeholders against the introduction of two-Factor Authentication System for take home ration distribution through Anganwadi workers for beneficiaries under the ICDS. Under Mission Saksham Anganwadi and Mission POSHAN, supplementary nutrition is provided to children, pregnant women, lactating mothers to address the challenge of malnutrition. Even the pregnant mothers are compelled to come to Anganwadi Centres to do facial recognition for getting the ration. Because of this cumbersome procedure and not getting OTP, many people are not able to avail the benefit. This system has also put strain on the Anganwadi workers. They are getting only meager honorarium which is less than the minimum wages declared by various State Governments. The enormous amount of work which they have to perform is nothing but exploitation of workers. I would urge upon the Government that it should review the conditions of facial recognition for issuing take home ration to beneficiaries and should simplify the procedure of issuing ration.

4. Concern over the Reciprocal Tariff Imposed by the United States on Indian Pharma Exports

SHRI B. PARTHASARADHI REDDY: I would like to draw the attention of the House to the most worrisome and immediate threat to the Indian Pharmaceutical industry owing to the US reciprocal tariff proposal which may come into force any time from now on. The Indian pharmaceutical industry, which is considered as pharmacy of the world, is likely to face significant challenges due to the US reciprocal tariff policy. In terms of

economic impact, the Indian pharmaceutical sector contributes significantly to India's GDP and foreign exchange earnings. The reciprocal tariff proposal could lead to foreign exchange revenue declines and potential job losses. Government may engage in diplomatic talks with the US Government to resolve the issue amicably and it may pursue Free Trade Agreement with the US. The Government should mitigate the impact of US reciprocal tariffs on Indian pharma products and safeguard the pharmaceutical industry from big danger.

5. Need to Take Steps to Ensure Safe Disposal of Kudankulam Nuclear Waste in the State of Tamil Nadu

SHRI VAIKO: There was a proposal to establish atomic plant in Gujarat State in Bhavnagar, near Mithi-Virdhi village. Gujarat is very dear to the hon. Prime Minister, and therefore, he never attempted to establish atomic plant in Gujarat. Nuclear disasters happened in atomic plants in 3 Mile Island in USA, Chernobyl in Soviet Russia; and thousands of people died and people are still suffering. Now, four plant units have already been established in Kudankulam, two more units are proposed and the whole area is becoming nuclear hell. Lakhs of people will be affected. Unimaginable deaths will happen, in case of disaster. I came to know that they are going to deposit nuclear wastes in the sea now. I urge upon the Government to take steps to close down the atomic plant and save the people from the impending catastrophe.

6. Demand for Increase in Wheat Allocation to the State of Tamil Nadu

SHRI K.R.N. RAJESHKUMAR: I would like to bring to the notice of the House the urgent need to address the issue of wheat shortage in Tamil Nadu. The monthly consumption of wheat in the State has increased significantly. Tamil Nadu is not a wheat producing State, and it depends on supplies from the Food Corporation of India. I request the Government to arrange for an increase in the allocation of wheat. If this is not possible, I request to consider for supplying of 15,000 tons of wheat to the State under the open market sales scheme. This increase in allocation will not only meet the growing demand for wheat in Tamil Nadu, but also ensure that the people of the State have access to this essential commodity at an affordable price. I urge upon the hon'ble Minister to take immediate action in this regard.

7. Demand to Impose Custom Duty on Soybean Oil Imported from Nepal and Other Southeast Asian Countries

SHRI A.D. SINGH: The import of soyabean oil from Nepal has increased more than 14-fold. This is when Nepal is only a marginal producer of soyabean oil. It so happened because the custom duty on soyabean oil was raised by 20 per cent to protect Indian oilseed farmers. Nepal enjoys zero duty access for export of its products into India under the Nepal-India Treaty of Trade. The significant price gap has incentivised the traders to re-route soyabean oil through Nepal. This steep increase in import has triggered some concerns in the country as the import of soyabean oil is seriously hurting domestic refiners and farmers and causing revenue loss to the Government. I urge the Government that it should impose a minimum import duty on soyabean oil imported from Nepal and other Southeast Asian countries, ensuring that it is not lower than the price of domestically produced oil extracted from oilseeds as per the country's Minimum Support Price. I also request the Government to review the Nepal-India Treaty and other agreements so that the interests of oilseeds producing Indian farmers could be protected.

8. Demand to Address the Anomalies Existing in Reservation Roster System

SHRI P. WILSON: There is deliberate tinkering of the DoPT's Roster System which is applied in reservation and used in public employment with the Union Government and its agencies. This manipulation has systematically deprived the SCs, STs and OBCs of their rightful representation in the public employment and also to head the Government

organizations. Reservation was introduced as an instrument of social justice to ensure fair representation for historically marginalized communities and Reservation Roster is a crucial component in implementing this policy. However, the Reservation Roster is fundamentally flawed. The anomalies have resulted in the wrongful excess allocation of posts to unreserved candidates at the expense of the reserved candidates. There is systematic efforts to eliminate reserved candidates and favour unreserved candidates, which constitute a direct violation of the constitutional mandate of social justice. The first Roster Point has been exclusively assigned to unreserved candidates across all Government institutions leading to a deliberate distortion that ensures SC, ST and OBC candidates are denied fair representation in Group A and B posts. The existing Roster system represents a structured disruption designed to suppress the rightful opportunities of marginalized communities, preventing them from entering mainstream positions. This constitutes a constitutional betrayal and an ongoing injustice that has persisted for decades. I urge the Government to take immediate action to end this rigged reservation system and form a High-Level Committee with a retired Supreme Court judge from the disadvantages community.

9. Demand to Establish CSD Military Canteen and an ECHS Centre in Ghazipur District of Uttar Pradesh

DR. SANGEETA BALWANT: Ghazipur is known as the land of heroes. Many heroes were born here and about 200 brave women of these martyrs live here. At present, 30,026 retired soldiers live here and about 40 thousand soldiers are currently serving. There is no CSD canteen in Ghazipur district for the welfare and convenience of the soldiers. There is an extension counter of 39 GTC Varanasi here, which is not sufficient for the soldiers and they have to go to Varanasi to get the goods. It is very important to build a CSD canteen for the convenience of soldiers in Ghazipur. Apart from this, the soldiers also have to go to Varanasi for medical facilities, which is causing inconvenience for the soldiers and their families. I demand to establish a CSD canteen and an ECHS center in Ghazipur.

10. Need to Strengthen Fiscal Equity for Balanced National Growth

SHRI TIRUCHI SIVA: Tamil Nadu has been facing a step-motherly treatment over the years, which is evidenced by inadequate disaster relief, dilution of tax devolution and disproportionate project sanctions. The twin cyclones and the unprecedented floods in the southern parts of the state have caused massive damage. The Government has released a very meagre amount compared to the demand raised by the State Government. This gross inadequacy disregards not only the magnitude of the devastation, but also increases the strain on the State. The Detailed Project Reports for Madurai and Coimbatore rail projects have been submitted. The requisite comprehensive mobility plan and the alternative analysis report have also been submitted. But the continued bureaucratic delays and scrutiny at multiple levels reflect a pattern of neglect that stalls the Tamil Nadu's development. Tamil Nadu's population is only 6.9 per cent whereas it contributes 9 per cent to the GDP. Funds are pending under MGNREGA. The funds are also pending under the PMAY Gramin and Urban. I would urge the Government to ensure equitable disaster relief, revise the tax devolution in order to reward the tax contribution and fiscal discipline and address the structural inequalities that continue to penalise Tamil Nadu and other progressive States. Promoting equitable fiscal policies across the country is not just a constitutional mandate, but a necessity for India's balanced development.

11. Concern over Unprecedented Decline in School Enrolment

SHRI PRAMOD TIWARI: According to the Unified District Information System (UIDS) for Education report, school enrollment figures have fallen for the first time. This is a

decline of about 6 percent. This report raises questions about the fact that how the Modi government has failed to secure the future of India's youth. This decline is not just a number, it reflects growing economic inequality and economic mismanagement, which is forcing poor families to take their children out of school. It is not just a drop in numbers, it is a matter of a generation losing access to education. The numbers are alarming with millions of children out of school. I urge the Government to clarification with regard to the drop in school enrolment figures.

12. Concern over the Negative Impact of Deep-sea Mineral Exploration and Mining along the Kerala Coast

SHRIMATI JEBI MATHER HISHAM: I would like to raise a very grave issue. The survival of our fishing community, especially the fishermen of Kerala, is under serious threat. The Government has announced deep-sea sand mining and begun the tender process without even conducting an Environmental Impact Assessment. A large part of the coastal belt, which is also India's richest fishing hub, is in the proposed mining area. Studies from the University of Kerala and the Cochin Fisheries University clearly warn that sand mining will disrupt fish breeding, destroy coral reefs and destabilise marine ecosystem. Two-thirds of Kerala's soft corals are found here which are essential for biodiversity and fisheries productivity. The fishermen have been protesting for three long months. There must be an independent Environmental Impact Assessment. Only if a green signal is received, the tender process should begin. Deep-sea mining releases toxic sediments, destroys marine life and weakens our coastal defenses against tsunamis and cyclones. Environmentalists warn it could accelerate climate change by releasing stored carbon and fishermen will be affected. I urge the Government to immediately stop the tender process and halt deep-sea activities and first initiate Environmental Impact Study.

13. Concern over Less Budgetary Allocation under the 'Scheme of Grant-in-Aid to Voluntary and Other Organizations Working for Scheduled Castes' run by Ministry of Social Justice and Empowerment

SHRI GOLLA BABURAO: I would like to highlight the need for Socio-Economic Caste Census to be conducted alongside the upcoming Decennial Census. Conducting such a Census at the national level would allow the entire country to benefit from the policies based on accurate and detailed data. By simply adding two questions to the upcoming Census, crucial data can be collected which will also greatly benefit the people of Andhra Pradesh. This data will provide valuable insights which will enable the implementation of targeted welfare programmes, address inequalities and ensure equitable allocation of resources. I had requested the hon'ble Finance Minister to increase the allocation to the Ministry of Social Justice and Empowerment. The Ministry of Social Justice and Empowerment is getting only two per cent of the total funds for the entire 80 per cent population which includes the backward classes, OBCs, Scheduled Castes, Scheduled Tribes, minorities, disabled welfare and senior citizens. I request the Government to rethink about it. First of all, the Government should take up the caste census. There is another concern that Budget allocation for Census has been reduced, which could hinder the exercise by compromising the accuracy and effectiveness. Therefore, the Government must prioritize sufficient funding for this critical exercise.

14. Demand to Constitute a Separate Ministry for Backward Classes

SHRI RYAGA KRISHNAIAH: It is a very important issue pertaining to 80-crore OBC population in the country. There are 93 Departments in the Central Government but there is no separate Ministry or Department to look after the welfare of OBCs. There is a

need to look after the welfare of OBCs and their development. There are separate Ministries and Departments for others. The Government recently formed Fisheries Department and also created Ministry of Cooperation but it has not established a separate Ministry for OBCs, who constitute more than 56 per cent of our population in the country. At the Central level, for implementing 27 per cent reservation, hon'ble Prime Minister gave constitutional status to the National Commission for Backward Classes; earlier, National Backward Classes Corporation was also formed. There is also a Parliamentary Committee on Welfare of OBCs. There have been a number of legal disputes relating to OBC reservation and other issues. A number of problems regarding the BC's reservations are rising frequently. There are beggars and denotified tribes in OBC list. They are very poor and marginalized communities. They are not even sending their children to school. At this juncture, it is imperative to establish a separate ministerial department for the development of these communities. This only can facilitate special attention for the development of these communities. Almost all the State Governments have a separate ministerial department for OBC to monitor and coordinate the schemes and budget. Many problems pertaining to BCs and their reservation are coming to limelight nowadays. Under these circumstances, a department at Union Government level should be constituted. It is important to look after the welfare of the Backward Classes. They are also the sons and daughters of the Bharat Mata.

15. Demand to Release Funds for Adding 350 Beds in State Cancer Institute of the Indira Gandhi Institute of Medical Sciences, Patna

SHRIMATI DHARMESHILA GUPTA: This institute was established in the year 1983 and has become an important treatment center not only for the citizens of Bihar but also for the citizens of the neighboring country Nepal and the surrounding states. High-level medical facilities are available here and serious and life-threatening diseases like cancer are also treated here. I would like to specifically mention the State Cancer Institute, which is an important part of this institute. At present, there are only 100 beds available for cancer treatment here. This number is inadequate for the local patients, and due to this it is becoming challenging to provide timely and effective treatment to the patients. The cases of diseases like cancer are continuously increasing in the country. Therefore, there is an urgent need to increase the number of beds in this institute. Another serious problem is that due to lack of beds in the institute, patients are forced to go to far-off metros. This not only has a bad effect on the health of the patients, but also puts financial and mental pressure on their families. This travel makes their treatment even more complicated. My humble request is that this serious problem should be resolved soon and the number of beds for the treatment of diseases like cancer in Indira Gandhi Institute of Medical Sciences, Patna should be increased to at least 350 beds. This will not only provide relief to the patients of Bihar, but the people of the region will also get better medical facilities.

GOVERNMENT BILL

The Banking Laws (Amendment) Bill, 2024 – Contd.

Further discussion on the motion for consideration of the Bill moved by Shri Pankaj Chaudhary, the Minister of State in the Ministry of Finance, on the 9th December, 2024, was taken up.

SHRI SHAKTISINH GOHIL, initiating the debate, said: Today, the Finance Minister is going to amend 5 laws through the Banking Laws (Amendment) Bill, 2024. There was a time when only capitalists could go to the bank and if a farmer or a poor person was seen at the door of the bank, he was looked at with suspicion. It was Indira Gandhi ji who,

after nationalizing the banks, said that the doors of the banks are open for the common Hindustani. I have no doubt about your intention from the Statement of Objects and Reasons of the Bill. But, no matter how much you amend the law, unless the intention of those implementing it is clear, amending the law will not do anything. The law is enacted under the Constitution and according to the Article 14 of the Constitution, the law should be equal for everyone. In the original Act, you said that a director can remain in a cooperative bank only for 8 years. You are now bringing an amendment that now the Director will remain in the cooperative bank for 10 years. According to the details given on fanindia.net, this Government has waived off 87,000 crores of 50 wilful defaulters till the year 2024. People like Mehul Choksi, Rishi Agarwal are also included in them. These are the people who looted our country and fled abroad. You waive off their loans, but you go to the houses of the poor, farmers, small shopkeepers etc. to auction them.

SHRI ARUN SINGH: I have a lot of articles and newspaper clippings, which are full of news like 'NPA crisis may be the biggest scam of the Congress-led UPA'. Basically, five Acts have been amended through the Banking Laws (Amendment) Bill, 2024, because all these Acts are interconnected. The amendments have been made with the objective of providing more convenience to our depositors, greater transparency in financial disclosures to stakeholders and improving governance. The banking system is the backbone of our economy. During the Congress regime, the slogan of roti, kapda aur makaan was given, in which there was a scam in housing also, but when the Hon'ble Prime Minister assumed office in 2014, he added banking to roti, kapda aur makaan and gave priority to financial inclusion. The Prime Minister called for every citizen of the country to have a bank account. As a result, today more than 54 crore bank accounts have been opened. These account holders are also being provided facilities like accidental insurance and Rupay card. Financial reporting has also been streamlined through the Amendment Bill. This will lead to better comparative study, accounting will improve and the process will become standard. Now account holders can nominate up to four persons. Just now the Hon'ble Member was speaking about the tenure of Cooperative Bank Directors. Usually, the election process is for a tenure of 5 years. If a Director is retired in 8 years, there is a gap of 3 years. To overcome this, it has been proposed that the tenure of elected directors and nominated directors (other than full-time directors) should be made two, then their tenure will be made up to 10 years. In this way the anomaly of 8 years and 10 years will be removed. This will benefit the cooperative sector. There was a problem due to change of Directors from time to time. Now the auditors' fees will be decided by the Board of Directors. This will give more autonomy to the bank. Along with this, now whatever interest is there on shares, bonds, debentures, will be transferred to the Investor Education Fund. Now investors can claim their due amount. During the UPA era. Only the influential people used to get loans. Banks did not have capital left to extend loans. Since people did not have bank accounts, they used to go to moneylenders to borrow money. The person who provided loans to the common man at low interest and without any collateral is Prime Minister Narendra Modi. Those who wanted to do small business did not even have any land to mortgage. Prime Minister ji introduced Mudra Loan Scheme in 2015 under which there is no need to give any collateral. Today 48 crore people have got Mudra loan. Earlier the Mudra loan was up to Rs 10 lakh, which has been increased to Rs 20 lakh in the Budget. Under the Stand Up Scheme, banks have been asked to provide loans to SC, ST and women, so that they can do business and provide employment to people. So far, Rs. 53,600 crore has been disbursed under the Stand-up Scheme. During the Covid pandemic, PM Swanidhi Yojana was introduced to provide loan facility to street vendors, under which loans worth Rs. 13,000 crore have been extended to 94 lakh people. Similarly, many other schemes like 'Vishwakarma Yojana' have been introduced. Agricultural loan has increased from Rs 7 lakh crore during the UPA era to Rs 27 lakh crore today, which is a huge

achievement. During the 10-year tenure of Prime Minister Modi, the number of branches of public sector banks has increased by 36 percent, which is benefiting the people. Today you can round the clock transfer money from anywhere through RTGS / NEFT. Most digital transactions are taking place in India . Earlier the condition of banks was poor. In 2015, the Prime Minister told all the banks that there is no need to hide the loans which cannot be recovered. If it is an NPA, then start showing it. Insolvency and Bankruptcy Code came in 2016. If any of your loans is not being repaid, you will definitely write it off in your books, but it remains active and the interest on it also continues. Therefore, it is not waived off like this.

If a loan is to be waived or recovered, the borrower's current asset value must first be assessed. After the implementation of IBC, our government has recovered 122.81% of the fair value of assets, a major achievement under the leadership of Prime Minister Modi. So far, ₹3,40,000 crore has been recovered. The Government strengthened banks through consolidation, making it easier to grant large loans and improving efficiency. In 1996, Gross NPA was 16%, which the NDA Government reduced to 7.8%, but under the UPA Government, it surged to 12.3%. Due to our policies, by December 2024, Gross NPA has dropped to just 2.6% and Net NPA to 0.6%. In 2013-14, a modest profit of ₹37,000 crore was shown, but later, banks suffered ₹2,07,000 crore in losses. Due to reforms, public sector banks earned ₹1,41,000 crore in profit in 2023-24, and by just December 2024, they recorded ₹1,29,000 crore in profits, which will further increase in 2025. The Government infused ₹3,26,000 crore in capital support, strengthening banks, which are now returning over ₹55,000 crore in dividends to the government. The banking sector, once in crisis, is now stable and strong. I support this bill and extend my congratulations to Finance Minister Nirmala Sitharaman.

SHRI SAKET GOKHALE: The Jan Dhan scheme claims 54 crore accounts, but 11 crores are dormant, holding ₹14,000 crore of poor people's money, inaccessible to them. The Modi Government deprives both the poor and opposition-led states of their dues, with 21 lakh MNREGA workers unpaid. While bank deposits grow at 11%, loans have surged by 18%, driven by economic distress. Unsecured loans total ₹62 lakh crore (25% of GDP), and gold loans have risen by 68%, forcing people to pledge even mangalsutras for survival. A Perfios-PwC report shows EMIs consume a major share of urban incomes, with many struggling to meet basic needs. The loan crisis is deepening, as borrowing now funds debt repayment, not new purchases. Meanwhile, banks remain burdened by rising NPAs under this Government. In the last five years, ₹10 lakh crore NPAs have burdened Indian banks. Instead of recovering this money, the Government has resorted to writing off NPAs, a mere accounting trick to make balance sheets look healthy while actual recovery remains elusive. Despite this, corporates are borrowing less since 2019 due to tax cuts, while MSMEs, farmers, and common people are forced to take more loans, increasing their financial strain. As a result, GDP growth has plunged to 5.4%, the lowest in six quarters. The Government encouraged stock market investments, but after a market crash, average investors lost their savings. Meanwhile, banks are reducing deposit interest rates amid 10% food inflation, making savings unprofitable. With a liquidity crisis, banks are aggressively marketing deposits, but this impacts their profit margins. Public sector banks earned ₹8,500 crore through penalties on minimum balance from the poor. Meanwhile, the middle class faces constant KYC hassles, despite PAN-Aadhaar linking, leading to account freezes and unnecessary inconvenience. Do your KYC every two months, or your account will be frozen—no questions asked! The government has data to send 'Viksit Bharat' WhatsApp messages before elections but not to track people using Aadhaar and PAN. Fragmented laws like the Banking Laws (Amendment) Bill are useless unless the structural issues in the banking sector are

addressed. The Finance Minister is merely putting a band-aid on deep economic wounds. The first step to solving any problem is to acknowledge it, but this Government has refused to do so for the past 11 years. The budget showed no meaningful reforms. The Modi government has started believing in its own rhetoric. First, they misled the people; now they have convinced themselves that "Sab Changa Si" (everything is fine). Until the Government faces reality, neither the economy nor the banking sector will improve. I urge the Finance Minister to bring meaningful reforms instead of pointless bills like this one.

SHRI K.R.N. RAJESHKUMAR: I have concerns regarding the amendment to Section 45 ZA. As per the 2023 RBI report, many bank accounts lack even a single nominee. Expecting up to four nominees is unrealistic—akin to saying, “If you don’t have bread, eat cake.” The purpose of a nominee under the Banking Regulations Act is to ensure a smooth transfer of assets after the account holder’s death. A nominee acts like a power of attorney holder, except their role begins only after the account holder's death. However, a nominee is not a legal heir. If multiple nominees are appointed without a clear agreement, funds cannot be withdrawn smoothly for distribution to legal heirs. This could lead to unnecessary complications instead of simplifying asset transfers. The nomination system raises concerns that require urgent clarification. Amendments to Section 17 grant banks greater control over auditor appointments and remuneration, increasing the risk of inflated fees and compromised audits. To prevent manipulation, RBI should regulate auditor remuneration in consultation with the Union Government. Requiring PAN cards for small deposits in rural cooperative banks creates unnecessary hurdles for villagers, discouraging savings. The Government should relax this norm for low-value transactions in cooperative and nationalized banks. Automatic deductions for minimum balance shortfalls disproportionately impact low-income individuals and daily wage earners. I urge the Hon. Finance Minister to reconsider these penalties. Despite digital advancements, cooperative banks remain excluded from key Central Government schemes like Vidya Lakshmi Education Loan and Pradhan Mantri Awas Yojana. Their inclusion, along with access to the Single Nodal Account (SNA) framework, would improve financial accessibility. TDS deductions under Section 194N disrupt rural credit disbursement through Primary Agriculture Cooperative Credit Societies, affecting farmers' financial aid. Exempting them from TDS would ensure smoother fund distribution. NABARD plays a critical role in rural development, yet taxation limits its effectiveness. Removing these taxes would enhance its ability to support projects like watershed and tribal development. Cuts to priority sector lending funds have impacted crop loans via cooperative banks. I urge the Hon. Finance Minister to restore adequate funding to NABARD to strengthen agricultural financing. In 2006, former Chief Minister Kalaignar waived all agricultural loans issued by cooperative societies, totaling ₹7,000 crore. Continuing this legacy, Chief Minister Thalapathi ensured a full waiver of nearly ₹13,000 crore, unlike the ADMK Government, which only provided a partial crop loan waiver on paper. Our Government remains committed to farmers' welfare, even renaming the ‘Department of Agriculture’ to the ‘Agriculture – Farmers Welfare Department.’ Tamil Nadu, under Thalapathi’s leadership, is the only state to present a separate Budget for agriculture. I request the Ministry of Finance and the Ministry of Cooperation to support newly formed District Central Cooperative Banks under the ‘One District One Cooperative Bank’ initiative by expediting licences and providing share capital and infrastructure development support. Additional share capital subsidies would further strengthen these banks.

SHRI RAGHAV CHADHA: A bank is not just a building, an ATM, or a counter—it is a symbol of trust, rights, and equality. However, in recent years, this trust has weakened, especially due to poor customer service. Getting work done in government banks has become a struggle. Customers have to stand in long queues for hours, and even for basic services,

they are sent from one counter to another. Lunch breaks are often used as an excuse to delay work. Today, the country is making digital transactions through UPI, yet government banking services remain outdated. According to the Reserve Bank of India's (2023-24) report, over 1 crore customer complaints were registered across 95 banks in a single year. And these are only the recorded complaints—countless others never even make it into the system. A customer satisfaction audit of the digital services of public sector banks should be conducted to see if the interface of the website or mobile application of our public sector banks is simple, good or customers are troubled by it. In rural India, access to banking infrastructure is limited. The report shows that banking services have still not adequately reached 50 percent of rural India. In rural India, our banking system has somehow reached only 54 out of every 100 people and more than 30 percent of rural households are still completely cut off from banking. The banking system has given step-motherly treatment to rural areas. Most banking frauds also happen with the innocent village people. Due to this, the people of our village find it better to go to the local money lender and take a loan, rather than visiting a bank. Apart from this, another big problem is cyber fraud, digital fraud in the banking sector. In 2023, 75,800 incidents of cyber fraud were reported, for which complaints were registered. By the year 2024, this figure increased from 75,000 to 2,92,000, that is, there was an increase of 285 percent in the incidents of cyber fraud and due to this, people lost Rs 2,100 crore. Along with the theft of money, the theft of data is also equally important. Is the bank able to keep the data safe? Another problem is hidden charges and fees. There are various types of charges through which the banking sector is making a hole in the pockets of the common man of the country. Some hidden charges are: minimum balance penalty charge, additional ATM usage charge, inactivity charge, bank statement charge, SMS alert charge, online payment transaction charge, loan processing fee, loan pre-closure charge, signature-nominee change charge, etc.

SHRI MEDA RAGHUNADHA REDDY: The banking sector in India has been growing at an stellar rate over the years and I welcome this Bill for its willingness to adapt to the evolving needs for our times. Banking fraud cases in India surged 27 per cent to 18,461 in the first half of the Financial Year 2024-25 compared to its previous level of 14,480 cases in the same period in the previous year. Total amount involved increased nearly eightfold to Rs. 21,367 crore in the first half of the financial year 2024-25, compared to Rs. 2,623 crore in the same period last year. I request the Central Government and all State Governments to follow the pro-public example as set by Shri Jagan Mohan Reddy Garu and compensate victims through the State Exchequer whenever possible. The PM-Kisan Samman Nidhi Yojana had a utilization of Rs.63,500 crores, exceeding the initial allocation of Rs.60,000 crores in 2024-25, yet, the allocation has stagnated at Rs.63,500 crores again. The Deen Dayal Antyodaya Yojana, which intends to give credit assistance and interest subvention to rural women self-help groups, has an unimpressive increase from Rs.15,047 crores to Rs.19,005 crores. I request the hon. Finance Minister for five-day work week and social security for banking employees. Bankers get both, lower salaries, as well as have more working days compared to their equivalent Central Government employees. I support the Bill.

SHRI NIRANJAN BISHI: Banking Laws (Amendment) Bill, 2024, seeks to amend the critical legislation governing the banking sector, including the Reserve Bank of India Act, the Banking Regulation Act, 1949, SBI Act and the Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980. While the Bill aims to modernize and streamline banking regulations, it has to ensure safeguards for the interest of poor customers, women customers, farmer customers, SC/ST customers. This Bill has limited focus on public sector banks which form the backbone of our financial ecosystem, particularly, in villages and semi-urban areas. The Bill does not address the problems like high non-performing

assets, lack of digitization and declining market share. The Bill strengthens the way for further privatization of public sector banks which goes against the people of our nation and against the employees of banks and SC/ST communities.

If the nationalized bank will be privatized, then private bank, micro-finance company and private finance institution will exploit the customer by levying 36 per cent interest upon the customer. A growing concern is the alarming rise in digital frauds, which are causing significant financial loss to individuals across the country. Cyber criminals are exploiting gaps in cyber security, targeting unsuspecting customers through phishing, identity theft, and online scams. The Bill, however, has substantial robust provision to address this pressing issue. Strengthening cyber-security frameworks, mandating advanced fraud detection system and ensuring timely customer redressal are critical steps that must be incorporated. Public awareness campaign on digital safety should also be emphasized to protect consumers from cyber robbery. Therefore, we have to strengthen artificial intelligence and secure the data of citizens. Our country currently has 1,65,501 scheduled commercial bank branches and 2,55,536 gram panchayats. Out of these, 90,003 gram panchayats still do not have bank facilities. In Odisha, farmers, entrepreneurs and MSMEs struggle to access timely credit and insufficient infrastructure, such as branch closures and limited ATMs which escalate financial exclusion. To address these concerns, the Bill should prioritize strengthening public sector banks through recapitalization and operational improvements, mandate expanded banking services to deprived areas and include robust cyber security frameworks.

DR. M. THAMBIDURAI: During the DMK regime only, there are a lot of scams that have taken place in the cooperative banks. Many criminal cases are pending against the DMK Members. But they are accusing us. Coming to the students' welfare and farmers' welfare, I would like to draw the attention of the House to the false promises made by the DMK in the election manifesto during the 2021 Assembly election and also during the 2024 Lok Sabha election. They promised that agricultural loans and jewel loans taken by marginal farmers from cooperative banks will be waived off. They have not been waived off. They misled the students saying that they will waive off their study loans. But it has not been done. The DMK Government failed to fulfil the promise made to farmers and students.

SHRI MILIND MURLI DEORA: These amendments are very timely because in many cases they are modernizing the provisions that are almost 75 years old. In 2018, the NPA in public sector banks was around 15 percent. In September 2024, the NPA was reduced to only 3 percent. Along with this, last year all the public sector banks collectively earned an unprecedented and record profit of Rs 1.41 lakh crore and by the end of this year, public sector banks will earn a net profit of about one and a half lakh crore rupees. In 2014, the average balance of PM Jan-Dhan accounts used to be Rs 1,065, but in 2024 its average is Rs 4,400. This is also a very big achievement and for this I thank and congratulate the government very much. One good initiative is to increase the tenure of Directors of Cooperative Banks from eight years to ten years. This will bring governance standards in alignment with the Companies Act. When people open a bank account, they are allowed to nominate only one nominee. This Bill provides for a depositor to nominate four people, which gives a lot of flexibility to the depositors, and I congratulate them. From 2016 to 2021, the Small Finance Bank branches have increased from 415 to 5,107 branches Their deposits have increased by 32 per cent in the last three years from 2020 to 2023. For Small Finance Banks, the priority sector lending – it is 40 per cent of adjusted net credit banks for Scheduled Commercial Banks -- is 75 per cent. Similarly, CRAR for SFBs is 15 per cent, whereas, for other banks, it is 11.5 per cent. I think it is time to align the CRAR and Priority Sector Lending between Small Finance Banks and Scheduled Commercial Banks. Under this Government's reforms, India has transformed into a nation of investors. It can be observed,

back in 2014, the Assets under Management of mutual funds were less than 10% of bank deposits. Today, they stand at 31% and continue to grow. While this is a positive trend that strengthens our capital markets and reduces dependence on short-term foreign inflows, it also presents a significant challenge for banks—both public and private. As more capital moves into equity markets, banks are struggling to retain and attract depositors. To address this, I propose aligning the tax treatment of fixed deposits with that of debt mutual funds. Currently, debt mutual funds are taxed only upon redemption, whereas fixed deposit interest is taxed on accrual. If the Government allows a similar taxation structure for five-year fixed deposits, banks can remain competitive and continue to attract depositors. This is crucial because well-funded banks can provide cheaper credit to MSMEs, which contribute 45% to India's manufacturing sector, thus fueling economic growth.

Another pressing issue for banks is innovation. While UPI is a phenomenal success- not just for India but globally—90% of transactions today are processed through two companies: PhonePe (owned by Walmart) and GPay (owned by Google). This dominance by foreign firms highlights the lack of innovation within our banking sector. To remain competitive, Indian banks- both public and private- must embrace disruptive technologies such as DeFi (decentralized finance) and embedded finance. Globally, DeFi is reshaping the financial landscape by enabling direct lending and borrowing, bypassing traditional banking intermediaries. India must also encourage its banks to adopt blockchain technology and innovate in these emerging financial trends. Embedded finance, for instance, is expected to grow from \$6 billion today to \$30 billion by 2029, and companies like Ola and Amazon are already distributing financial products directly on their platforms, reducing banks' visibility. If we do not innovate, we risk being disrupted. One of the Government's biggest achievements has been the cleanup of the banking sector. Another is the alignment of the Finance Ministry and the Environment Ministry, ensuring a unified approach to national priorities. In conclusion, these Amendments are not only timely but also correct decades of oversight by successive Governments. They will make India's banking sector—both public and private—far more competitive, not just domestically but on a global scale. I appreciate and congratulate the Government for these progressive steps.

SHRI SANJAY SETH: The Banking Laws (Amendment) Bill proposed by the government will make the banking system more transparent, modern and efficient. When Prime Minister Modi took over the Government in 2014, India's economy was ranked 11th, and today it has reached the 5th position. These reforms are necessary to bring it to the third position in the next five years. Under this Bill, amendments have been made in seven laws, including the Banking Regulation Act 1949, RBI Act 1934, State Bank of India Act 1955, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980, among others. The major changes include improving the data reporting system, increasing the tenure of directors of cooperative banks, independence of auditors of banks and the facility to transfer unclaimed deposits to four nominees. The problem of NPAs increased due to wrong lending tactics by banks under political pressure before 2014. But this Government controlled it through the '4R policy' - Recognition, Resolution, Recapitalization and Reform. Under the IBC Code and the Fugitive Economic Offenders Act, assets worth more than Rs 15,000 crore were returned to the banks. The number of bank branches has increased from 1.17 lakh to 1.65 lakh, 53 crore accounts opened under the Pradhan Mantri Jan Dhan Yojana, wherein Rs 2.37 lakh crore are deposited, 68% of the beneficiaries of the Mudra Yojana are women, banking business in Uttar Pradesh has increased from Rs 12.3 lakh crore to Rs 29.66 lakh crore, such figures show the development in the banking sector. India is at the top in the world in terms of digital transactions, and UPI is also expanding internationally. I also emphasize that the government has not only strengthened the banks, but has also made small

traders, farmers and students self-reliant by giving them easy loans. All these reforms will accelerate economic growth, ensure stability of banks and make India a strong financial power. Therefore, I support this bill.

SHRI PRAMOD TIWARI: I express my skepticism about the Government's intentions behind the proposed Banking Laws (Amendment) Bill. The Government's policies lack clarity and the real motive behind the amendments is to reduce the public sector's stake in banks below 51%. I recall that bank nationalization started during Indira Gandhi's tenure, wherein 14 banks were nationalized in 1969, six in 1980, and SBI's seven subsidiaries in 1959. Now, there are only 12 public sector banks remaining. I am concerned over the liquidation and mergers of cooperative banks from 2018 to 2022, during this period five multi-state cooperative banks underwent liquidation. Since 2021, a total of 91 banks, mostly cooperatives, have faced liquidation, integration, or restructuring. I criticize the closure of 3,400 bank branches, particularly 75% of these were of State Bank of India (SBI) branches. The mergers of several banks, including the Indian Women's Bank, SBI's regional banks, Vijaya Bank, and Dena Bank, as a result banking accessibility has reduced.

I am worried about loan waivers for farmers as compared to corporate loan write-offs. Since 2014, states have waived ₹1.59 lakh crore in farm loans, while corporate loan write-offs amount to ₹16 lakh crore. I challenge the Government to disclose the names of those whose loans were waived and stop the favoritism toward large industrialists. While farmers are struggling with loans and end up in jails, wealthy defaulters travel abroad with the government's support. I allege that environmental penalties imposed on corporations have also been waived, showing the Government's bias toward influential industrialists. In a recent international scrutiny on corruption, during a press conference when the Prime Minister was questioned about a \$265 million bribery case but he avoided to respond. Overall, I strongly criticize the Government's banking policies, mergers, closures, and favoritism toward big businesses at the cost of common citizens and farmers. 58% of farmers are debt-ridden and each farmer has a debt of Rs 47,000. Today's banking system is not working for the underprivileged sections of society. They did promote tax exemptions, but the only result was to benefit big business. 20% Jan Dhan accounts were closed. In 10 years of tenure, Modi government has not waived any farmer's debt yet. Rs 8,495 crore fine was collected from the general public for not maintaining minimum balance in public sector banks. Directors of Central Cooperative Banks are being appointed to State Cooperative Banks to weaken centralization and government federalism. Domestic bank and NBFC debt has increased.

SHRI HARIS BEERAN: Five Acts have been amended in a single stroke. It is not a fair legislative practice. I have got certain issues and concerns with regard to this particular Bill. Section 16 proposes amendment to allow directors of the Central cooperative banks to also serve on the State cooperative boards. This has increased the risk of mismanagement, and this may also compromise the autonomy of the State cooperative banks. Secondly, on the cyber security and banking fraud, this Bill does not make any mention about the cyber security and banking frauds which is implemented in the public sector bank. The investigating agencies would have actually caught the accused. They would have got the money also. But returning the money to victim is very lengthy process. There should have been some provision in this particular statute on that. Another problem is about CIBIL. There is no transparency about the legal sanctity of this CIBIL. One another issue is that the bank deposit growth is lagging behind the loan growth.

SHRI P. P. SUNEER: Over the past ten years, Rs.16.35 lakh crore in bad loans have been written off benefiting corporate defaulters while common borrowers face rising penalties and long recovery pressures. Cooperative banks, which serve small farmers, traders

and rural communities, have been systematically sidelined. We must provide cooperative banks with the same level of policy support and capital access. At the same time, the rise of shadow lenders and cyber fraud has created new dangers in our financial system. Digital banking frauds are on the rise, leaving citizens vulnerable to financial scams. The Government must invest in robust cyber security frameworks. The Government must recover public money from big defaulters instead of writing off their loans. It must fill all vacant posts in public sector banks to provide employment and improve services. Cooperative banks must receive the backing they deserve to serve the people.

MS. KAVITA PATIDAR: Through this bill, the Government has worked to give a new direction and strength to the Indian banking system. If we look at the time before 2014, the banking system was not so strong. In rural areas, earlier one had to go to moneylenders to take a loan. During the rule of the UPA government, there was negligence, mismanagement in the banking system, loans were given arbitrarily. After 2014, when this government came, today 54 crore people have got Jan Dhan accounts through the "Pradhan Mantri Jan Dhan Yojana". Today more than 30 lakh crores have been distributed through "Pradhan Mantri Mudra Loan". Not only this, 30,000 crores have also been distributed under the "Stand Up India" scheme. Women have a share of 76% of that. Under PM Swanidhi, 94 lakh street vendors, who earn daily and eat daily, were also taken care of. Hon'ble Prime Minister laid special emphasis on the inclusion of technology in banks so that customers get quick and transparent services. It is the result of these efforts that today even vegetable vendors, cart pushers and street vendors are connected to Digital India. Today, all the public welfare schemes are also reaching 100% beneficiaries through digital medium. There can be no bigger example of transparency than this. Bank, mobile and Aadhaar - these three were linked together, due to this tri-shakti, direct benefit transfer became very effective and leakage was reduced. The financial position of public sector banks has become stronger since 2014. The banking sector has crossed its highest ever net profit of Rs 3 lakh crore in the financial year 2023-24. Bank loan growth is at a decadal high of 16 percent. About Rs 10 lakh crore has been recovered between 2014 and 2023. Depositors have been given more protection under the existing provisions of the Act. Through this bill, provision has been made to appoint four nominees. The tenure of directors in cooperative banks has been increased to 10 years. Banks are now allowed to change the time limit for submitting reports to RBI. Now this report can be submitted at the end of 15 days, month and quarter. These amendments will improve the working system of banks. This will not only modernize the working system of the banking sector but will also ensure protection of the interests of investors and customers. This act will definitely strengthen the banking system and our economy will become strong and the dream of developed India will come true.

DR. FAUZIA KHAN: The rupees two crore threshold for substantial interest could be indexed to inflation or made dynamic based on economic conditions. The Bill overlooks systemic reforms needed to improve rural banking access and streamline credit delivery. Challenges such as crypto currency, online scams, digital arrests are growing at a bewildering pace. Legislations should match this pace. Additionally, the opacity of the AI makes it difficult to audit and interpret decision-making algorithms raising concerns about unpredictable market outcomes, increased vulnerability to cyber attacks, and potential data breaches. These emerging risks underscore the need for robust risk mitigation practices in the banking industry. The Bill fails to address newly emerging challenges like cooperative bank scams, etc. The years of delays faced by depositors in cases of fraud have been ignored. Strengthening the legal frameworks is essential. I will only say forewarned is forearmed.

DR. SIKANDER KUMAR: Earlier, the Central banking functioning was performed by the Imperial Bank of India. After the nationalization of it on 1st July 1955, it came to be

known as the State Bank of India. Since then, the RBI has been acting as the central bank of our country. There were loopholes in the earlier laws, so the Government has brought this Bill. The proposed amendments are a comprehensive legislative effort aimed at modernizing and enhancing the regulatory framework governing India's banking sector. They are not merely regulatory changes, they represent a bold step towards enhancing transparency and accountability, safeguarding the interest of investors and rebuilding public confidence in our financial institutions. Previously the cooperative banking sector has faced a crisis of confidence, largely due to the multi-crore loan scams. The NDA Government introduced the Banking Regulation (Amendment) Act, 2020 to enhance the management and governance of multi-state cooperative banks. The Act aimed at improving cooperative banks' management and regulation so as to protect the interests of the depositors by bringing these banks under the supervision of the RBI. To ensure good governance, increase transparency and improve access to capital while protecting investors' interests, the Bill proposes the extension of the tenure of Cooperative Bank Directors and permits Directors of Central Cooperative Banks to serve on the Boards of State Cooperative Banks with the goal of promoting professional management and enhancing governance within cooperative institutions. The Amendments proposed under the Bill collectively aim to strengthen the banking framework, making governance more transparent and financial services more accessible for marginalised groups, representing a significant step towards the Modi Government's commitment to good governance and financial inclusion for all.

The Modi Government made concerted efforts towards transforming the banking sector into a vital asset for economic growth and restoring public trust in financial institutions. The proactive approach has resulted in recoveries exceeding Rs. 10 lakh crores from bad loans between 2014 and 2023. As proposed under the present Bill, the expansion of the scope for transferring unclaimed amounts to the Investor Education and Protection Fund, IEPF, signifies the commitment of Modi Government to protect investors' interests and promote financial literacy across India. The amendments proposed under the Bill are designed to further enhance the regulation and governance of banks aiming to create a robust and reliable framework that supports the ongoing digitization of banking services and ensures equitable access for all. With the proposed amendment increasing the number of nominees, allowing the appointment of up to four nominees per account, enabling simultaneous nominees, the Government aims at easing and bettering banking services for the general public. The transformation has emphasized on the critical role of a robust banking sector as a cornerstone of economic growth and development, transitioning from a period of scarcity to achieving strong banks for a strong economy with the broader vision of a self-reliant India. The proposed Bill aims to improve the audit quality in the public sector banks, ensure consistent reporting to the RBI and extend the tenure of Directors in co-operative banks, streamlining the banking operation and aligning them with contemporary financial practices.

DR. V. SIVADASAN: the public sector banks in India are protecting the economic stability of our nation. So, each and every Bill should be properly examined by this House. the richest of the rich are getting a lot of facilities from banks. But, the facilities for ordinary people have deteriorated. Earlier, public sector banks used to give gold loans to a large number of people for agricultural activities. The interest rate was also comparatively low for this loan. It helped thousands of farmers in our country. But, now, the number of such loans has come down. In the banking sector, a huge number of employees are working as contract labourers. They have no labour rights. The ground reality is that they have no fixed working time. The number of employees in public sector banks has declined. In 2014, the total number of employees stood at 8,42,813. However, the figure has now dropped to 7,64,679. In banks, there should be proper criteria for transfer and posting.

In our banks, the number of transactions has increased, which is natural, but the number of complaints has also risen, which is not natural. This is due to the systemic failure. In 2014, the employees-to-accounts ratio was 1:1251. By March 2024, this ratio has worsened to 1:2686. Bank employees urgently need the right to disconnect. The Government is trying to dislodge smaller banks by merging them. After merging, they are being privatised. International experience shows that a network of small banks is healthier for the economy. The banks' privatisation is a serious threat to the public banking system. The network of co-operative banks in Kerala is an example of robust and popular banking network, which is accessible to the common people. Privatisation and contractisation should be resisted. The Government should conduct the recruitment drive. I request the Government to protect the co-operative sector and public sector banks in our nation.

SHRIMATI PRIYANKA CHATURVEDI: This amendment bill has come with the intention of finding out how the common man can get more security in the banking system. But, while getting these bills passed, they become the privilege of special people. Some wilful defaulters say that they have even given up Indian citizenship. On the other hand, loans are being written off. Our common man tries to get a loan by giving guarantee after guarantee, document after document. In Maharashtra, we have seen how cooperative banks misuse the money of the public. On the other hand, there is the farmer who hopes that he will get some relief, he will get a loan, there will be a medium of institutional loan, but he is deprived of it.

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