

Thakur, Shri C.P.  
Thara Devi, Kumari D.K.  
Thomas, Prof. K.V.  
Thomas, Shri Thampan  
Thorat, Shri Bhausahab  
Thungon, Shri P.K.  
Tilakdhari Singh, Shri  
Tiraky, Shri Piyus  
Tomar, Shrimati Usha Rani  
Tombi Singh, Shri N.  
Tulsiram, Shri V.  
Tyagi, Shri Dharamvir Singh  
Tytler, Shri Jagdish  
Vijayaraghavan, Shri V.S.  
Vir Sen, Shri  
Vyas, Shri Girdhari Lal  
Wadiyar, Shri Srikanta Datta  
Wasnik, Shri Mukal  
Yadav, Shri Kailash  
Yadav, Shri Mahabir Prasad  
Yadav, Shri R.N.  
Yadav, Shri Ram Singh  
Yadav, Shri Shyam Lal  
Yadav, Shri Balram Singh  
Yadav, Shri D.P.  
Yazdani, Dr. Golam  
Yashpal Singh, Shri  
Yogesh, Shri Yogeshwar Prasad  
Zainul Basher, Shri

Thangaraju Shri. S  
Tanti, Shri Bhadreswar

MR. DEPUTY-SPEAKER: Subject to correction\*, the result of the division is:

Ayes: 318

Noes: 004

The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting. The Bill is passed by the requisite majority, in accordance with the provisions of Article 368 of the Constitution.

*The motion was adopted*

MR. DEPUTY-SPEAKER: Now we take up Item No. 15.

15.58 hrs.

BANKING, PUBLIC FINANCIAL INSTITUTIONS AND NEGOTIABLE INSTRUMENTS LAWS (AMENDMENT) BILL

## NOES

Het Ram, Shri  
Somu, Shri N.V.N.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN): Mr. Deputy-Speaker, Sir, the various Banking Laws were last amended in 1985. Since then in the admini-

\*The following members also recorded their notes:

AYES Sarvashri Giridhar Gomango, Nityanand Misra, Mohd. Ayub Khan (Udhampur), Bhattam Srirama Murty, K. Ramachandra Reddy, B.B. Ramaiah, C. Janga Reddy and Kumari Mamata Banerjee.

NOES: Dr. Datta Samant.

[Sh. S.B. Chavan]  
stration of these Laws a need for some further amendments has been experienced. This Bill that is before the House seeks to meet this felt need.

The Statement of Objects and Reasons appended to the Bill sets out the rationale for various provisions of the Bill. I would, therefore, dwell only very briefly on some of the more important provisions.

The House is aware that we have been strengthening the capital base of our nationalised banks so that their debt equity ratios reach a level which is internationally acceptable. For this purpose the House has been annually providing for capital contribution. At present the paid up capital of the nationalised banks is subject to a ceiling of Rs. 100 crores. With successive contributions this ceiling has been reached in the case of some of the banks. On the other hand, with ever expanding deposit base, the need for enlarging their capital base persists. It is, therefore proposed to revise the ceiling to Rs. 500 crores

The Bill also seeks to provide for uniformity in the tenure of all non-official directors and employee directors on the Boards of State Bank Group of banks and financial institutions and to limit their continuous membership on the Boards of directors in keeping with the principle enunciated by the Estimates Committee. The same principles would apply to the Boards of Nationalised Banks provisions for which would be incorporated in the Nationalised Banks (Management and Miscellaneous Provisions) Schemes of 1970 and 1980, by way of subordinate legislation.

As the Hon. Members are aware, the Direct Tax Laws (Amendment) Act, 1987 provides for financial year as the uniform previous accounting year for all the assesseses. For this purpose it is considered necessary to change the present accounting year of the banks and financial institutions also to coincide with the financial year. This Bill proposes to give the requisite power to the Government to notify the accounting year of the banks.

Hon. Members are aware that these have been persistent and wide-spread demands from various trade and industry associations to make bouncing of cheques a penal offence. In this Bill, it is proposed to amend the Negotiable instruments Act to provide for this. The provision has been drafted in such a manner as to avoid harassment to honest account holders.

The Bill also seeks to provide for authority to the Reserve Bank of India to direct special audits of banks for specified periods or for specific transactions. This enhances the investigative authority of the Central Bank of the country. It is also proposed to provide for making of the regulations by the Board of Directors of certain banks and financial institutions by notification in the official gazette as recommended by the Committee on Subordinate Legislation. There are various other amendments which are proposed to obviate certain practical difficulties encountered in operating the present provisions of the various laws and are mainly of routine or administrative in nature

As the Hon. Members are aware, there has been a phenomenal expansion of the banking system during the last 18 years or so. The branch net-work of the banking system has expanded from 8262 in June, 1969 to 55015 in March, 1988. The total quantum of deposits has increased from Rs. 4646 crores in 1969 to . .

MR DEPUTY SPEAKER: Mr. Minister, you may continue after the Adjournment Motion

16.00 hrs.

MOTION FOR ADJOURNMENT

[English]

**Serious Situation Arising out of Recent  
Accidents Involving Indian Airlines  
Aircraft**

MR. DEPUTY SPEAKER: Dr. Datta Samant.