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Saturday, May 19, 1985
Vaisakha 28, 1907 (Saka)

LOK SABHA DEBATES

(English Version)

Second Session
(Eighth Lok Sabha)



(Vol. VI contains Nos. 41 to 48)

LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA DEBATES

LOK SABHA

*Saturday, May 18, 1985/Vaisakha 28,
1907 (Saka)*

*The Lok Sabha met at Eleven of
the Clock.*

[MR. SPEAKER in the Chair]

[English]

PROF. MADHU DANDAVATE : Mr. Speaker, Sir, there is a report in the Press and there is a precedent that you have set up. There is a plot to kill Longowal and other liberal leaders, Sardar Badal and others. (Interruptions). Just one minute. They were interrogated. They say, they have been trained in Pakistan.

[Translation]

MR. SPEAKER : I have seen that.

[English]

PROF. MADHU DANDAVATE : They say they have been trained in Pakistan.

MR. SPEAKER : I have read it. This is a press report. But you can refer to it in this discussion.

PROF. MADHU DANDAVATE : There was a Press Report about the Prime Minister Shri Rajiv Gandhi also.

MR. SPEAKER : They have caught the terrorists. That is what the report says. I don't know how far it is correct.

PROF. MADHU DANDAVATE : The game of the extremists seems to be—whether they belong to the ruling party or opposition or even the moderate Akalis, they want to finish them up. And therefore at least the Government must make a statement.

[Translation]

MR. SPEAKER : You may discuss it when the Bill is taken up.

[English]

PROF. MADHU DANDAVATE : There is a reference that Intelligence Department interrogated them and they admitted that they were...(Interruption)

MR. SPEAKER : No, Sir, not allowed like this. I allowed a reference to be made.

[Translation]

You can refer to all these things during the discussion on the Bill.

[English]

PROF. MADHU DANDAVATE : Today is the last day; let him make a statement about it.

[Translation]

What is there in the Bill...

MR. SPEAKER : We shall discuss it. At present we do not know what is there in the Bill...

[English]

PROF. MADHU DANDAVATE : You cannot distinguish between Prime Minister and an ordinary citizen of the country. These are all liberal Akali leaders who are sought to be murdered. And they admitted this.

(Interruptions)

And they say they are trained in Pakistan...

[Translation]

MR. SPEAKER : Professor Sahib, I do not want that such a thing should happen to anybody. The Prime Minister is a very big leader. Even other leaders are big persons. But I am of the view that such a thing should not happen to anybody. I consider it to be unjust.

[English]

PROF. MADHU DANDAVATE : I don't want to obstruct the proceedings. I only request through you, let the Home Minister make a statement in this regard. In the past he made two statements on such matters. Let him also make a statement. Sir, why don't you direct him.

[Translation]

MR. SPEAKER : He is present here, where is the question of my directing him ?

[English]

PROF. K. K. TEWARY (Buxar) : Sir, one minute. I hope Prof. Madhu Dandavate will not mind. Mr. Dandavate raised this matter. I wonder how the Home Minister and others in the House have missed a fairly serious report appearing in all the newspapers—particularly in 'The Tribune'. This Joginder Singh, who has recently usurped the leadership of Akali Dal presided over a meeting of the All India Sikh Students Federation in which a Resolution has been passed praising the services of Beant Singh and Satwant Singh for murdering Madam Gandhi. Sir, Beant's wife has been presented with a purse. And, they are going to send money to Satwant's family also. I want to know from the Home Minister. Those who explode bombs are criminals. They are anti-nationals. An Act should be passed to prosecute them and hang them. But what is this ? If this is not sedition, then, what definition you give of sedition, of anti-national activities ? Nothing can be more treacherous, more heinous and condemnable, than what is happening now in Punjab; and Sir, I wonder, how they are still at large and no action has been taken against these people, who are openly preaching sedition. Prof. Dandavate, they have provided a political platform to preach sedition, and kill all those, whether it is Prime Minister, or an ordinary person, or a moderate Akali. So, therefore, this action must be condemned.

PROF. MADHU DANDAVATE : I fully support him. It is rather embarrassing normally to support Mr. Tiwary but here I 100% support him, Sir.

PROF. K. K. TEWARY : It is in the national interest.

Minister to assure this house that

PROF. MADHU DANDAVATE : It is only because it is in the national interest that I am supporting Mr. Tewary.

PROF. K. K. TEWARY : I am happy that once you have supported me in the national interest.

MR. SPEAKER : Now I can fully leak out—I can make it public—you see, now they differ only here. When they come to me, they always agree !

PROF. MADHU DANDAVATE : It is a very good augury that Dandavate and Tewary part company from this session with agreement, Sir. That is the best stage of our lives !

MR. SPEAKER : You have forged a new company !

PROF. MADHU DANDAVATE : I want that on this issue also, a statement should be made. (Interruptions) They have also condemned the moderate Akalis who have not attended the meeting...

MR. SPEAKER : I appreciate both of your statements—yours and his. This is a serious thing which the Home Minister must take note of; and I think he should have done it, whatever he thinks fit...

PROF. MADHU DANDAVATE : Mr. Home Minister, Mr. Speaker has already directed you that you should make a statement.

MR. SPEAKER : I cannot direct you. But it is up to you. Because, I can only say that what they are saying is plausible.

PROF. MADHU DANDAVATE : He is a gentleman. So, he does not give a directive. So he says, it is left to you.

MR. SPEAKER : I really appreciate what he has said.

(Interruptions)

PROF. K. K. TEWARY : Sir, we must take note of it. We must act promptly.

(Interruptions)

MR. SPEAKER : He has only sought the definition of the word 'sedition'. If we have to bring forward a Bill for this, what

sort of definition of more sedition can be put? That is what he has asked. Will it include what he has said now?

PROF. K. K. TEWARY : What is the definition of the word 'sedition'?

(Interruptions)

PROF. MADHU DANDAVATE : To raise him to his feet, we have to use our lung power. (Interruptions).

THE MINISTER OF HOME AFFAIRS (SHRI S. B. CHAVAN) : Sir, on matters of sedition we wanted to bring forward a Bill before this House, but it took some time and that is why it has not been possible for us to bring that Bill. But we would like to take immediate action in the matter.

MR. SPEAKER : Will that include 'sedition' to which he sought explanation? Is that also a sedition?

SHRI S. B. CHAVAN : I will have to examine that. I can't straightaway say anything now.

PROF. MADHU DANDAVATE : Mr. Home Minister, include both Prof. Tewary and me, not in the sedition, but in the question that has been raised.

SHRI BASUDEB ACHARIA (Bankura) : Sir, today at 6.00 A.M. in Hindi news bulletin, it was read out that Mr. Niren Ghosh died. If was not Mr. Niren Ghosh, but it was Mr. Naren Ghosh who died. There was a confusion.

MR. SPEAKER : I am also confused. He is a good friend of mine.

PROF. MADHU DANDAVATE : He is only reminding you that no obituary reference should be made!

MR. SPEAKER : No, no. I was taken aback when he said that. You know in the Seventh Lok Sabha, we were both the long and short of Parliament! Now, Papers to be laid on the Table of the House.

11.08 hrs.

PAPERS LAID ON THE TABLE

[English].

Annual Administrative Report of Delhi Development Authority for 1983-84; Review on the working of Delhi Development Authority for 1983-84 and Statement for delay in laying these papers

THE MINISTER OF WORKS AND HOUSING (SHRI ABDUL GHAFOOR) : I beg to lay on the Table :

- (1) (i) A copy of the Annual Administration Report (Hindi and English versions) of the Delhi Development Authority for the year 1983-84 under section 26 of the Delhi Development Act, 1957.
- (ii) A statement (Hindi and English versions) regarding Review by the Government on the working of the Delhi Development Authority for the year 1983-84.

- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT-1001/85].

Annual Report of and Review on the working of National Institute of Educational Planning and Administration, New Delhi for 1983-84 and Statement for delay in laying these papers

THE MINISTER OF EDUCATION (SHRI K. C. PANT) : I beg to lay on the Table :

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the National Institute of Educational Planning and Administration, New Delhi, for the year 1983-84 along with Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government on the working of

the National Institute of Educational Planning and Administration, New Delhi, for the year 1983-84.

- (2) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT-1002/85].

Reports of Singhbhum Kshetriya Gramin Bank, Singhbhum (Bihar) for the year ended 31-12-83; Vidur Gramin Bank, Bijnor for the year ended 31-12-83; South Malabar Gramin Bank, Malappuram (Kerala) for the year ended 31-12-1983; Bastar Kshetriya Gramin Bank, Jagdalpur (M.P.) for the year ended 31-12-83, etc., etc.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : I beg to lay on the Table a copy each of the following Reports (Hindi and English versions) :

- (1) Report of the Singhbhum Kshetriya Gramin Bank, Singhbhum (Bihar), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1003/85].

- (2) Report of the Vidur Gramin Bank, Bijnor, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1004/85].

- (3) A Report of the South Malabar Gramin Bank, Malappuram (Kerala), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1005/85].

- (4) Report of the Bastar Kshetriya Gramin Bank, Jagdalpur (Madhya Pradesh), for the ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1006/85].

- (5) Report of the Tripura Gramin Bank, Agartala, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1007/85].

- (6) Report of the Prathama Bank, Moradabad (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1008/85].

- (7) Report of the Pragjyotish Gaonlia Bank, Kamrup (Assam), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1009/85].

- (8) Report of the Bardhaman Gramin Bank, Burdwan (West Bengal), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1010/85].

- (9) Report of the Sagar Gramin Bank, 24-Paraganas (W. Bengal), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1011/85].

- (10) Report of the Arunachal Pradesh Rural Bank, Pasighat, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1012/85].

- (11) Report of the Basti Gramin Bank, Basti (Uttar Pradesh) for the year ended 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1013/85].

- (12) Report of the Uttarbanga Kshetriya Gramin Bank, Coochbehar (West

- Bengal), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1014/85].
- (13) Report of the Marathwada Gramin Bank, Nanded for the year ended 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1015/85].
- (14) Report of the Rajgarh Kshetriya Gramin Bank, Biaora (Madhya Pradesh), for the year ended 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1016/85].
- (15) Report of the Kapurthala-Firozpur Kshetriya Gramin Bank, Kapurthala, for the year ended 31st December, 1983, together with the Accounts' and Auditors' Report thereon.
[Placed in Library. See No. LT-1017/85].
- (16) Report of the Shahjahanpur Kshetriya Gramin Bank, Shahjahanpur, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1018/85].
- (17) Report of the Kolar Gramin Bank, Kolar (Karnataka), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1019/85].
- (18) Report of the Vindhyavasini Gramin Bank, Mirzapur (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1020/85].
- (19) Report of the Chhindwara-Seoni Kshetriya Gramin Bank, Chhindwara (Madhya Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1021/85].
- (20) Report of the Sarayu Gramin Bank, Lakhimpur Kheri (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1022/85].
- (21) Report of the Chandrapur-Gadchiroli Gramin Bank, Chandrapur (Maharashtra), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1023/85].
- (22) Report of the Nainital-Almora Kshetriya Gramin Bank, Nainital, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1024/85].
- (23) Report of the Chhatrasal Gramin Bank, Orai (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1025/85].
- (24) Report of the Kalpatharu Gramin Bank, Tumkur, (Karnataka), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.
[Placed in Library. See No. LT-1026/85].
- (25) Report of the Dewas-Shajapur Kshetriya Gramin Bank, Dewas (Madhya Pradesh), for the year ended the 31st December, 1983,

together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1027/85].

- (26) Report of the Kakathiya Grammena Bank, Hanamkonda (Andhra Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1028/85].

- (27) Report of the Aurangabad-Jalna Gramin Bank, Aurangabad, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1029/85].

- (28) Report of the Cachar Gramin Bank Silchar (Assam), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1030/85].

- (29) Report of the Aligarh Gramin Bank, Aligarh, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1031/85].

- (30) Report of the Etah Gramin Bank, Etah, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1032/85].

- (31) Report of the Raigarh Kshetriya Gramin Bank, Raigarh (Madhya Pradesh), for the year ended the 31st December, 1983 together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1033/85].

- (32) Report of the Rushikulya Gramya Bank, Ganjam (Orissa), for the year ended the 31st December, 1983,

together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1034/85].

- (33) Report of the Gomti Gramin Bank, Jaunpur (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1035/85].

- (34) Report of the Siwan Kshetriya Gramin Bank. Rajbanshi Nagar, Siwan, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1036/85].

- (35) Report of the Alwar Bharatpur Anchalik Gramin Bank, Bharatpur, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1037/85].

- (36) Report of the Devi Patan Kshetriya Gramin Bank, Gonda (Uttar Pradesh) for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1038/85].

- (37) Report of the Ka Bank Nogkyndong R. Khasi Jaintia, Shilling, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1039/85].

- (38) Report of the Gopalganj Kshetriya Gramin Bank, Gopalganj (Bihar), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1040/85].

- (39) Report of the Fatehpur (Uttar Pradesh) for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1041/85].

- (40) Report of the Banaskantha-Mehsana Gramin Bank, Patna (Gujarat), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1042/85].

- (41) Report of the Damoh-Panna-Sagar, Regional Rural Bank, Damoh, (M. P.), for the year ended the 31st December, 1983, together with the Accounts and Auditor's Report thereon.

[Placed in Library. See No. LT-1043/85].

- (42) Report of the Durg-Rajnandgaon Gramin Bank, Rajnandgaon (Madhya Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1044/85].

- (43) Report of the Allahabad Kshetriya Gramin Bank, Allahabad for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1045/85].

- (44) Report of the Kashi Gramin Bank, Varanasi (Uttar Pradesh) for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1046/85].

- (45) Report of the Kshetriya Kisan Gramin Bank, Mainpuri, (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1047/85].

- (46) Report of the Etawah Kshetriya Gramin Bank, Etawah (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1048/85].

- (47) Report of the Samastipur Kshetriya Gramin Bank, Samastipur (Bihar), for the year ended the 31st December, 1983 together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1049/85].

- (48) Report of the Kisan Gramin Bank, Budaun (Uttar Pradesh) for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1050/85].

- (49) Report of the Bareilly Kshetriya Gramin Bank, Bareilly (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1051/85].

- (50) Report of the Surguja Kshetriya Gramin Bank, Ambikapur (Madhya Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1052/85].

- (51) Report of the Sree Anantha Grammeena Bank, Anantapur (Andhra Pradesh) for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1053/85].

- (52) Report of the Krishna Grammeena Bank, Gulbarga (Karnataka), for the year ended the 31st December, 1983, together with the Accounts and Auditor's Report thereon.

[Placed in Library. See No. LT-1054/85].

- (53) Report of the Hardoi-Unnao Gramin Bank, Hardoi (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1055/85].

- (54) Report of the Pandyan Grama Bank, Sattur (Tamil Nadu) for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1056/85].

- (55) Report of the Monghyr Kshetriya Gramin Bank, Monghyr (Bihar), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1057/85].

- (56) Report of the Sultanpur Kshetriya Gramin Bank, Sultanpur (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditor's Report thereon.

[Placed in Library. See No. LT-1058/85].

- (57) Report of the Kshetriya Gramin Bank Hoshangabad, Hoshangabad (Madhya Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1059/85].

- (58) Report of the Cuttack Gramin Bank, Cuttack (Orissa), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1060/85].

- (59) Report of the Champaran Kshetriya Gramin Bank, Motihari (Bihar), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1061/85].

- (60) Report of the Barabanki Gramin Bank, Barabanki (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1062/85].

- (61) Report of the Malaprabha Gramina Bank, Mruthyunjanagara (Karnataka), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1063/85].

- (62) Report of the Ballia Kshetriya Gramin Bank, Ballia (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1064/85].

- (63) Report of the Bhagirath Gramin Bank, Sitapur (Uttar Pradesh), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1065/85].

- (64) Report of the Cauvery Grammena Bank, Mysore, for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1066/85].

- (65) Report of the Puri Gramya Bank, Pipli (Orissa), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1067/85].

- (66) Report of the Mayurakshi Gramin Bank, Birbhum (West Bengal), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1068/85].

- (67) Report of the Jaipur Nagaur Anchali Gramin Bank, Jaipur (Rajasthan), for the year ended the 31st December, 1983, together with the Accounts and Auditors' Report thereon.

[Placed in Library. See No. LT-1069/85].

11.06 hrs.

MESSAGES FROM RAJYA SABHA

[English]

SECRETARY GENERAL : Sir, I have to report the following messages received from the Secretary General of Rajya Sabha :

(i) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Finance Bill, 1985, which was passed by the Lok Sabha at its sitting held on the 10th May, 1985, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

(ii) "In accordance with the provision of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 17th May, 1985, agreed without any amendment to the Andhra Pradesh Legislative Council (Abolition) Bill, 1985, which was passed by the Lok Sabha at its sitting held on the 16th May, 1985."

11.07 hrs.

TERRORIST AND DISRUPTIVE ACTIVITIES (PREVENTION) BILL

[English]

THE MINISTER OF LAW AND JUSTICE (SHRI A. K. SEN) : I beg to move for leave to introduce a Bill to make special provisions for the prevention of and for coping with, terrorist and disruptive activities and for matters connected therewith or incidental thereto.

MR. SPEAKER : Motion moved :

"That leave be granted to introduce a Bill to make special provisions for the prevention of and for coping with, terrorist and disruptive activities and for matters connected therewith or incidental thereto."

Prof. Madhu Dandavate.

PROF. MADHU DANDAVATE : Mr. Speaker, Sir, we do want that very strong measures should be taken for acts of terrorism. On that the entire House is agreed. Sir, I wish to point out that may of us got a 13-page Bill at 9.30 in the morning. The amendments were to be sent before 10 O'clock. I completed the reading of this Bill by 10.10 hours.

MR. SPEAKER : I can allow two hours.

PROF. MADHU DANDAVATE : Just listen to me. Not only that. I do not know whether you have carefully gone through the Bill. I do not think you had the patience to go through this 13-page Bill. Terrorism, disruptive activities, secessionist activities have been redefined and the definitions are given in such a way that knowing our past experience of drafting about any Bills in which detentions and punishments are involved, unless we are very careful, even the jurists like Mr. Seervai said that whenever there are Bills involving liberties of the people or involving certain against tyrannical acts and terrorist acts, one has to be very cautious because you are likely to give in the hands of the bureaucracy an instrument that they are likely to misuse. In this particular case, song, drama, poems and even paintings may have indirect action that there is provocation for terrorism and all these have been brought into the jurisdiction of this Bill. Then, again, not only the words political enmity or incendiarism or terrorism, act of violence but you will be surprised to know that even anything that results into some sort of class conflicts or some sort of class struggle, that is also brought into the picture. Tomorrow if the Adivasis who are oppressed and suppressed organise a satyagrah, stage a demonstration and fight against the zamindars, who have looted and cheated them, even that action will be construed, according to this particular Bill, as a disruptive activity and they are likely to be seriously punished.

PROF. K. K. Tewary (Buxar) : Sir, he is trying to plant something in the Bill.

PROF. MADHU DANDAVATE : I am not ignorant; I have carefully read the Bill though I had a little time at my disposal. I am reflecting the viewpoints of many persons. I do not want to name them. They say that they also did not get the opportunity to read the Bill. Therefore, two possibilities are there... (*Interruptions*). I have read it. Shall I speak in Marathi so that you can understand it properly.

MR. SPEAKER : How can he speak without reading it ?

PROF. MADHU DANDAVATE : When we asked the Minister for Parliamentary Affairs yesterday, where was the Bill, where was the text, he said nearabout afternoon at 1 O'clock that within four hours, we were likely to get the Bill.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H. K. L. BHAGAT) : I said 'by the evening'.

PROF. MADHU DANDAVATE : Yes, that would be yesterday evening. Even if the Bill had been given yesterday, we would have burnt the midnight oil and would have produced our own criticism and given constructive alternatives. Even a substitute Bill could have been drafted. I am sure and I do not want to name them, because they have told me informally; many Members of the ruling party have told me today that they still have not gone through the entire Bill, they have yet to go through it. That being the position, either you allow us a few days for this Bill and utilise all the powers in your armoury which are there. My own contention is that all the measures and powers that the Government possess today...

PROF. K. K. TEWARY : How can he speak on behalf of the ruling party members ?

PROF. MADHU DANDAVATE : I am not talking on behalf of them. I am the last man to represent you Mr. Tewary. I said that some of the Members of the ruling party also told me that they could not get time to go through the Bill. Therefore, there are two alternatives at the introduction stage. Either do not take up the Bill for consideration today and give us some time to think over

it. In the meantime, constructive solutions can be offered. Even the Leader of the House can call a meeting of the opposition Members. Just as the Anti-Defection Bill was brought out before the House, which became ultimately a unanimous Bill in this House, it is possible that looking to the situation in the country, a unanimous Bill can be drafted. If technically that is not possible, the second possibility is that the Government itself can come forward with a motion that let us refer this Bill to a Select Committee giving them the minimum time.

PROF. K. K. TEWARY : Now the motive is clear.

PROF. MADHU DANDAVATE : He is trying to allege that we are in favour of terrorism and destroying the integrity of the country.

PROF. K. K. TEWARY : What does it mean ?

PROF. MADHU DANDAVATE : I will tell you what it means. The Select Committee can be given a time bound programme; they can be given the shortest possible time. Or I do not insist on a Select Committee. The Government itself can convene a meeting of the opposition leaders just as was done in the case of Anti-Defection Bill, which was cleared in two days. The Prime Minister was prompt in calling three meetings of the opposition parties within two days and we were able to hammer out a unanimous Bill before we dispersed in the last session. Even that procedure is possible and that should be done. If that is not done, even at the introduction stage, I would have to oppose this Bill.

SHRIMATI GEETA MUKHERJEE (Panskura) : Sir, all of us are against terrorist activities and it is a matter of national concern. Naturally, we want very effective steps to be taken against the terrorists. This Bill is sought to be introduced today and was received by us in the morning. As mentioned by my hon. colleague, Shri Dandavate, that was the situation with us also. But I got the Bill a little earlier and I, therefore, went through it thoroughly and found that there are certain things which are probably unprecedented in regard to its scope. For example, not only the question of creating class hatred is there, but also there is a provision for making rules by any

authority, empowering any authority to give orders. So, any authority of the executive—not a particular one—have been given the powers to make wide rules. Then Sir, among other things, in actual practice, what would come under these disruptive activities? Not only songs, etc., which advocate, advise, suggest or incite disruptive activities, but also those which provoke, profess, pronounce or otherwise express in such a manner as to incite, advise, suggest or prompt—these are the things that come under disruptive activities. Then Sir, what is this word 'suggest'? The Prime Minister during the election campaign accused all of us of supporting the Anandpur Sahib Resolution, which we did not support. But tomorrow, if you say that we did support it and that suggests 'secession', we will come under this.

(Interruptions)

Later, the White Paper did not accuse us. So, at some state, some authority may think it fit to include us....

MR. SPEAKER : Do not go by clause by clause. Just give the general opposition to the Bill.

SHRIMATI GEETA MUKHERJEE : Therefore, I would also suggest not to rush through this Bill like this. If necessary, a special session of the Parliament can be called for passing such a Bill.

PROF. MADHU DANDAVATE : They are going to steamroll it. It is such an important Bill and they want to pass it within a few hours.

MR. SPEAKER : Shri Basudeb Acharia.

SHRI BASUDEB ACHARIA (Bankura) : Sir, it is such an important Bill and it was circulated today morning itself.... (Interruptions).

MR. SPEAKER : I think it was circulated between 10 and 11...(Interruptions)

PROF. MADHU DANDAVATE : You say yesterday ! When I received it I noted down the time in the morning.

(Interruptions)

I do not blame the Secretariat. When the Ministry gives the draft itself late, what can the Secretariat do ? I do not blame the Secretariat. The Secretariat is only doing

the postman's Job. I am sorry, I say it only in good sense, in a glorified sense.

SHRI BASUDEB ACHARIA : Yesterday, we were told that this Bill would be circulated yesterday itself. But it was circulated today in the morning. Such an important Bill.

(Interruptions)

PROF. MADHU DANDAVATE : I have noted down the time. I received it at 9.30. When the peon handed over the packet containing the Bill, I noted down the time.

(Interruptions)

MR. SPEAKER : Let Mr. Acharia Basudeb speak. I have allowed Mr. Acharia Basudeb. I have not allowed him.

(Interruptions)

SHRI BASUDEB ACHARIA : There is every scope of misuse. This Act can be misused in future. This will also create a bad precedent.... (Interruptions)

SHRI MOOL CHAND DAGA (Pali) : Why are they disturbing ?

MR. SPEAKER : On a general principle, they can oppose.

SHRI BASUDEB ACHARIA : Today it will be introduced, today it will be considered and today itself it will be passed. This will create a bad precedent. That is why we oppose the introduction of the Bill and I request that this Bill should be referred to the Select Committee.

[Translation]

(Interruptions)

SHRI NARAYAN CHOUBEY (Midnapore) : You please listen to me. You do not listen to others but always want others to listen to you.

I got a copy of this Bill only today and we feel there are many shortcomings in it. We do not know what provisions have been made and what is being passed. As our colleague Mr. Dandavate has said, we should be given two or three day's time to study it. You have not given us any time.

(Interruptions)

PROF. MADHU DANDAVATE : We do not have as much expertise as you have. We shall work according to our own understanding.

(Interruptions)

MR. SPEAKER : Please have your seat. You are not concerned with it.

[English]

I know what I have to do.

[Translation]

SHRI NARAYAN CHOUBEY : We are not barristers like Mr. Ashok Sen. I am not in the habit of creating a hue and cry... *(Interruptions)*... We want some time.

[English]

PROF. MADHU DANDAVATE : Mr. Choubey, the Barrister takes more time.

[Translation]

PROF. K. K. TEWARY : You may create a hue and cry outside.

SHRI NARAYAN CHOUBEY : We shall create a hue and cry here and outside also.

MR. SPEAKER : I shall not allow you to do so here. You can do so outside.

SHRI NARAYAN CHOUBEY : It should either be postponed or referred to the Committee, otherwise, a special session of Parliament may be convened and the Bill should be passed within 7 days.

[English]

SHRI A. K. SEN : If there is a genuine desire to have this very necessary measure passed, but if a little time is required for consideration, let us have it on Monday. But let the House be alive to the great danger which confronts us. If we are serious, as we must be... *(Interruptions)*

SHRI SATYAGOPAL MISRA (Tamluk) : Let it be on Monday or Tuesday.

SHRI A. K. SEN : Not on Tuesday, but on Monday. We have to go to the Rajya Sabha. Let our flexibility not be interpreted as weakness....

SHRI AMAL DATTA (Diamond Harbour) : Between Monday and Tuesday, where is the question of weakness ?

SHRI A. K. SEN : Let us be quite clear that we are facing an unprecedented danger; and it is also clear that all these blasts had taken place only a few days back. We have been hurrying through this. I can tell you, Sir, and through you this House that we have taken utmost care to see that none but the terrorists are affected by this measure, and I have gone through every page of it myself. *(Interruptions)* No, no. You are not open to reason, but I am. Let us have it on Monday, if that is the desire. *(Interruptions)*. But we must introduce it now.

PROF. MADHU DANDAVATE : I am very happy. Being a democrat, this Law Minister always responds to an appeal made by the Opposition. I congratulate him. Not that I want to oppose any of the Law Ministers. When I congratulate him, I do not try to deprecate others. What I want to say is that there is this trouble in Ahmedabad. A number of opposition leaders are going there, and they have promised the Prime Minister that when they come back, they would like to place their findings before him. So, instead of Monday, if he is prepared to put it on Tuesday, we would be happy.

SHRI A. K. SEN : I wish the House could be told about every information that is in the possession of the Government. We must act very swiftly and firmly.

PROF. MADHU DANDAVATE : Instead of Monday, if it could be done on Tuesday, what is the problem ?

SHRI A. K. SEN : We shall agree to Monday.

PROF. MADHU DANDAVATE : We have told you our difficulties. We have also told the Leader of the House, that we are going to visit Ahmedabad. *(Interruptions)* Just a day. That is all. I accept the suggestion. Instead of Monday, if you put it on Tuesday, what is the difficulty ? The visit to Ahmedabad cannot be postponed. There is trouble there. We are not going there for a joy trip. *(Interruptions)* We have informed this decision to the Leader of the House beforehand, viz. that we are going there and that we would like to bring to him....

(Interruptions) Can you not adjust even for one day ?

[Translation]

SHRI SOMJIBHAI DAMOR (Dohad) : What is all this, what are they doing ?

[English]

PROF. MADHU DANDAVATE : Ask your Prime Minister.

SHRI A. K. SEN : Prof. Dandavate, kindly listen to me. The Ahmedabad survey may be postponed without much effect, by a few days, but this House must decide immediately this question, because the entire country expects this House to give the lead.

Therefore, I request Prof. Madhu Dandavate to postpone it by one day.

PROF. MADHU DANDAVATE : We are all going to Ahmedabad tomorrow. We are coming back on Monday. If we are slightly late, the whole time-table will be upset.

SHRI A. K. SEN : We will accommodate you.

PROF. MADHU DANDAVATE : That means you may take it in the afternoon in that case.

SHRI A. K. SEN : No, we have got other members. You come and join.

PROF. MADHU DANDAVATE : That means before I come you will pass the Bill.

SHRI A. K. SEN : No, we will not do that; we will not do it unless Prof. Madhu Dandavate comes.

(Interruptions)

PROF. MADHU DANDAVATE : Take it for granted that there is a Question Hour and start it at 12 O'clock. (Interruptions) You are allowed to do it. Allow number of Short Notice Questions and it will be 12 O'clock.

MR. SPEAKER : Can you allow me to remain absent on Monday ?

(Interruptions)

PROF. MADHU DANDAVATE : It can be done. Suspend the rule regarding 11 O'clock and start it at 12 O'clock on Monday. I am prepared to move it under Rule 388. I can move under 388 that the Question Hour which is not there, at least that period should be suspended and we start it at 12 O'clock.

(Interruptions)

SHRI A. K. SEN : This is a measure which the government intends to pass not in the teeth of opposition but let the House...

(Interruptions)

PROF. MADHU DANDAVATE : We are keen to see that it is unanimous.

SHRI A. K. SEN : That is all right. This is a measure where there should be no party complex, this is a measure which has to be taken by any party in power.

PROF. MADHU DANDAVATE : We are on the hitting list also.

SHRI A. K. SEN : I hope we appreciate the danger.

PROF. MADHU DANDAVATE : You hope that we are in the hitting list ?

SHRI A. K. SEN : No, no; that is why, we have made provision for that any person who is bound by oath should discharge his duties; he is also protected. Therefore, let us take it on Monday at 11 O'clock; and I can assure Prof. Dandavate that it will not be passed before he comes and makes his speech.

PROF. MADHU DANDAVATE : It is not for my speech. In the college, I delivered speeches for long, 25 years; I am not particular about speech. But when you start the proceedings you may start it at 12 O'clock.

MR. SPEAKER : Does not matter. I will keep it in mind. Don't worry. We will keep it like that.

SHRI A. K. SEN : I beg to move for leave to introduce a Bill to make special provisions for the prevention of, and for coping with, terrorist and disruptive activities and for matters connected therewith or incidental thereto.

MR. SPEAKER : The question is :

"That leave be granted to introduce Bill to make special provisions for the prevention of, and for coping with, terrorist and disruptive activities and for matters connected therewith or incidental thereto."

The motion was adopted.

SHRI A. K. SEN : I introduce the Bill.

AN HON. MEMBER : The discussion will be on Monday ?

SHRI A. K. SEN : On Monday. I am very much obliged. This House must not appear to be divided on such a vital matter because that will frustrate the whole purpose. The nation's resolve is to fight terrorism with the law.

PROF. MADHU DANDAVATE : We are not only undivided; we are united. Put it positively.

SHRI A. K. SEN : I am very much obliged. This House must pass it unanimously.

MR. SPEAKER : Amendments to this Bill can be given till 5 P. M.

SHRIMATI BIBHA GHOSH GOSWAMI (Nabadwip) : Can we give amendments on Monday at 10 O'clock.

11.29 hrs.

SECURITIES CONTRACTS (REGULATION) AMENDMENT BILL*

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : I beg to move for leave to introduce a Bill further to amend the Securities Contracts (Regulation) Act, 1956.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Securities Contracts (Regulation) Act, 1956."

The motion was adopted.

SHRI JANARDHANA POOJARY : I introduce the Bill.

11.30 hrs.

MATTERS UNDER RULE 377

[English]

(i) Need to provide drinking water to the drought affected areas of Orissa

SHRI BRAJAMOHAN MOHANTY, (Puri) : A large part of the state of Orissa has been affected by severe drought. In drought effected areas particularly the drinking water problem has been very acute. The sub-soil water level has gone down. Many wells are now dry. The pipe water is not adequate. In many cases the tube-wells are out of order. Water is a basic need of man and drinking water is necessary for sustaining life. In some parts on account of non-availability of pure drinking water dysentery and other ailments have spread. It is reported that a number of children have died on account of dysentery and other ailments while a large number of children are suffering from dysentery. The situation is very much distressing.

I, therefore, urge upon the Government to take immediate steps to provide drinking water and to make all arrangements for availability of water for the use of the people.

(ii) Need to take steps to avoid the impending closure of L.P.G. Cylinder manufacturing unit in Kerala

SHRI K. KUNJAMBU (Adoor) : The L.P.G. cylinders manufacturing unit set up by the Kerala State Industrial Development Corporation is facing a crisis due to lack of orders. The three nationalised oil companies which are the only buyers of these cylinders have not placed any orders

with this unit as they have placed advance orders for their requirements upto March 1986 with the units which were set up before 1982.

This unit has invested Rs. 110 lakhs and has an employment potential of 80 persons. Due to lack of orders this unit is lying idle.

This matter was taken up with the Ministry and a system was devised for giving trial orders. The unit in Kerala has not got even trial orders.

Therefore, I would request the Government to issue necessary instructions to the oil companies to place orders with this unit.

(iii) Need to set up a High power transmission T. V. Centre for Boriguma in Orissa

SHRI K. PRADHANI (Nowrangpur) : Koraput district, the largest district in the country, is predominantly inhabited by backward tribals who are at the lowest rung of our society educationally, socially and economically. After Independence huge amounts have been spent annually for their upliftment in various ways but the result is very disheartening. If this area can be covered by television network it will go a long way to educate them in various directions and help in their upliftment. The population of this district is much more than some small states like Meghalaya, Arunachal Pradesh and Sikkim. One low power transmission centre was commissioned at Koraput on 28-2-1985 and this centre covers nearly five per cent of the population on the hills and does not cater to the needs of the bulk of the people residing in the plains due to high hills in between.

It covers Koraput town, Sunabdea and Domanjodi where mostly Government employees live. The upper division Nowrangpur, Jeypore and Malkangire Sub-Divisions which are beyond the hills on plains adjacent to Bastar district of Madhya Pradesh do not derive the benefit of the existing centre. About 5000 TV sets were purchased here before the centre was commissioned and they are lying idle. If one high power transmission centre is set up at Boriguma it can cover the aforesaid area alongwith Bastar district. I, therefore, request the hon. Minister for Information

and Broadcasting to start a centre at Boriguma immediately to help in their upliftment of the people of that area.

(iv) Need to declare residents of Ladakh region of J & K State as Scheduled Tribe

SHRI P. NAMGYAL (Ladakh) : It has been reported in the national Press that the Governor of Jammu and Kashmir State has given his concurrence and recommended to the Central Government for application of Article 342 of the Constitution of India to the Jammu and Kashmir State and also for declaring the residents of the entire Ladakh region as a Scheduled Tribe. The issue is now before the Government of India for giving its final approval. It may be recalled that the late Prime Minister Shrimati Indira Gandhi during her visit to Leh and Kargil in April 1983, had assured the people in a public meeting that the Central Government has already agreed to grant Scheduled Tribe status to the entire residents of the Ladakh region, as soon as the concurrence of the State Government is received.

Now that the State Government's concurrence for application of Article 342 of the Constitution of India is before the Government of India, I urge upon the Central Government to issue a notification to this effect immediately for declaration of the residents of Ladakh as a Scheduled Tribe.

(v) Need to sanction necessary funds for early completion of Somshila Project in Andhra Pradesh

SHRI A. PENCHALLIAH (Nellore) : The construction work of Somshila Project across river Penna was taken up in the year 1975. It was then decided to complete the entire project involving two phases with an expenditure of Rs. 88 crores and Rs. 52 lakhs. The Planning Commission also okayed it in 1973. The State Government sanctioned Rs. 17.20 crores for the first phase.

About Rs. 63 crores have been spent so far on this project. Now due to the delay in completion, this project is estimated to cost Rs. 147 crores.

This project is very much connected with Telugu Ganga Project. Unless this project is completed, drinking water cannot be taken to Madras city through Telugu Ganga.

[Shri A. Panchalliah]

When completed, about 1.70 lakh hectares of land can be cultivated. Such is the importance of this project.

Apart from Rs. 68 crores, which is already spent, this project requires another Rs. 84 crores if it is to be completed in the Seventh Plan period.

Hence I request the Government of India to take up this project as a national project and sanction funds for its early completion.

(vi) **Need to remove difficulties caused to passengers by introduction of computerised reservations in Indian Airlines**

PROF. SAIFUDDIN SOZ (Baramulla) : For some time past, the Indian Airlines have introduced computerised reservations and it is said that computer would bring relief to passengers and discipline to the organisation. It was also thought that computer would eradicate irregularities and have no room for corruption.

That computerised bookings have created difficulties for passengers is an obvious fact. What, however, is not yet known widely is that computer has been defrauded and passengers have been put to great hardship. It is for days now, that the passengers have to remain in queue before their travel is cleared. The personnel at the counter, will refer to the computer and say, 'Sorry, no vacancy' and that is all. Passengers feel helpless and frustrated and they keep asking as to why has introduction of computer created difficulties rather than having solved them. MPs and other so-called VIPs too have suffered inconvenience as the computer usually says no to a request for reservation. Many people do not know the fact that 'travel agents', touts and some officials of the Indian Airlines have organised the situation of scarcity and, therefore, reservations will continue to be limited. A travel agent will block 5 to 10 seats for instance but indicate only one name to the Airlines or fake names for all passengers. He will not deposit fare for ten seats and indicate names. Once seats are blocked, he will sell the seats at ease and at a price acceptable to him.

The computer has created a scare and the premium is Rs. 200 to Rs. 300 per ticket with the travel agent who makes no secret of the contention that he has to

pay a portion of the body to the officials. The premium at the Airport is Rs. 300 to Rs. 500 as some needy passengers to the Airport in the hope of getting hooked against the quota that is left over.

It is not that the computer has failed, but the fact is that computer has been defrauded. As a first step the Minister could cancel reservation for travel agencies. If that is not possible in a democracy, then the travel agents must pay for all seats in cash and indicate correct names in advance. There should be no room for blocking seats. As of now, corruption is rampant and the Minister must apply his mind to correct the things.

MR. SPEAKER : Mr. Azad, take note of the feelings of the House regarding computerisation. Will you please instruct the Minister in charge ?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : Sir, I will bring it to the notice of the Minister... (*Interruptions*).

MR. SPEAKER : Yes, make a note and take appropriate steps...

(*Interruptions*)

MR. SPEAKER : All the other Members also say that...

(*Interruptions*)

SHRI GHULAM NABI AZAD : Yes, Sir, I will. It would be brought to the notice of the Minister concerned... (*Interruptions*)

MR. SPEAKER : Immediate action is needed...

(*Interruptions*)

MR. SPEAKER : Now Shrimati Kishori Sinha.

(vii) **Demand for an inquiry into non-use and neglect of 'Hospitals on Wheels' obtained from abroad**

SHRIMATI KISHORI SINHA (Vaishali) : Sir, I raise the following matter under rule 377. The Hindustan Times of May 2, 1985 has reported that 318 'Hospitals on Wheels' obtained from abroad have become scrap due to non-use over a long period and neglect of its maintenance. The paper further reports that they are to be auctioned as they

were beyond repair. It is painful that when the country is short of hospital equipment and large parts of rural areas are not reached by hospital facilities, mobile hospitals should be allowed to rot. The Government must institute an enquiry into this and also ensure that these hospitals are put back on wheels.

SECURITIES CONTRACTS (REGULATION) AMENDMENT BILL

[English]

MR. SPEAKER : Before I call upon Mr. Poojary to move for the consideration of the Bill, I may like to inform the House that amendments could be given up-till 1 O'clock today. Now Mr. Poojary.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Sir, I beg to move that the Bill further to amend the Securities Contracts (Regulation) Act, 1956, be taken into consideration.

As the hon. Members are aware, the Securities Contracts (Regulation) Act 1956 deals with stock exchanges and trading in industrial securities of public limited companies. The Stock Exchanges and trading in industrial securities are essential for raising finance for industrial and other projects and for providing liquidity and marketability to investors who are largely small investors. Such investors are spread all over the country. Under the existing system of registration of transfer of securities, they face delays and difficulties. Under the existing law and Articles of Association of most of the companies, the Board of Directors of the companies have power to refuse registration of transfer of securities without assigning any reason. Though the aggrieved persons can appeal to the Company Law Board against such refusal, it places an undue burden on them. Besides, in most of the countries in the world which depend on the capital markets for raising resources for companies, free transferability of securities is ensured. To eliminate hardships to the investors and to modernise the system of transfer of securities in our country, it is proposed to amend the Securities Contracts (Regulation) Act 1956 to provide for free transferability of securities listed in the Stock Exchanges. I would further add here

that suitable safeguards to prevent take-over bids have also been incorporated in the amendment. Another significant feature of this Bill is that instead of the investor, the company has to make a reference to the Company Law Board in case of refusal.

Details regarding some of the more important provisions of the Bill are given in the Statement of Objects and Reasons appended to the Bill and it may not be necessary for me to repeat them here.

11.45 hrs.

[SHRI N. VENKATA RATNAM *in the Chair*]

Therefore, I would not like to take any further time of the House in elaborating on the Amendment. With these words I commend the Bill for the consideration of the House.

MR. CHAIRMAN : Motion moved :

"That the Bill further to amend the Securities Contracts (Regulation) Act, 1956, be taken into consideration."

Shri Madhav Reddi.

SHRI C. MADHAV REDDI (Adilabad) : Mr. Chairman, Sir, I rise to support this Bill. It is a very welcome measure. With the existing Company Law, share transfers of small investors and small shareholders are being restricted. Through this Bill the small shareholders are being permitted to obtain the registration of transfers without any difficulty and the registration of transfers will be referred only to the extent the instrument of transfer is not proper or when there is a bid to take over the companies. It is only in these respects that restriction have been imposed. It is a very welcome measure because under the present law the small investors when they want to sell away their shares and when they went to the companies to get their shares transfers registered several companies are refusing to register these transfers.

These companies are having provisions in the Memorandum and Article of Associations powers for giving the Boards of Directors to refuse the registration.

This is very bad. There is no such restriction in any public limited company in any country. All the shares of the public

[Shri C. Madhav Reddi]

limited company are transferable. They can be sold freely in the market and all those companies which are enlisted have this facility. But this facility is denied to the small investors by the Indian companies.

Apart from this I would like to have certain provisions amended particularly the Companies' Act so that there should be a free flow of the capital and the small investors can come forward and invest in the Companies. At present there are a lot of restrictions on the enlistment of facilities. It is not easy for smaller or medium companies to get their shares enlisted with the stock exchanges. Stock exchanges have been given lot of powers. Stock Exchanges Act has to be amended to see that for any company enlistment of the shares is freely allowed.

With these words I support this Bill and I think it is a welcome measure and that it should be passed without much discussion.

SHRI H. M. PATEL (Sabarkantha) : I consider this Bill perhaps is necessary in view of the fact that sometimes Boards of Directors tend to refuse transfers of shares without any valid reasons. But normally I must say the Board of Directors are functioning in a very responsible way and that they do not refuse to transfer any security.

MR. CHAIRMAN : Please come nearer the mike.

PROF. MADHU DANDAVATE (Rajapur) : The House is restless.

SHRI H. M. PATEL : Whenever there is a financial subject, few people are interested in it. Therefore, the House is not really interested in a subject of this kind. No one here has experienced the difficulty of the transfer of securities and that they have not refused the transfer. Therefore, the interest is less. In fact, it is only on rare occasions that there is a refusal of transfers without good reasons. We had this one very well-known instance recently in the case of the Escorts and the Delhi Cloth Mills. There is a lot of history behind that particular refusal. In what way that kind of refusal would now, by this amendment, be prevented, I do not know. In only means that the Directors would

have given reasons for refusing and the Company Law Board would have in front of it the reasons for which the Board of Directors had refused to transfer the shares such as of Swaraj Paul, in the way in which he desired. Nevertheless, I think the amendments proposed are perfectly reasonable and I would not say that there is any reason to object to them because it is in the direction of putting on paper reasons for refusal. Sometimes a transfer is refused, so the shareholder who is particularly an obstacle in an Annual General Body Meeting raises objections and it becomes difficult at those Annual General Body Meetings and to avoid that kind of unreasonable interference, unreasonable difficulties, the Board of Directors prefer to adopt the safe course and they refuse to transfer. Regarding such a transfer, he is not a small investor, who buys one or two shares or five shares, but his object is not investment, his object is only to create difficulties at the Annual General Body Meeting; he uses that power, in fact, very often for blackmail to see that the Board of Directors gives him something to keep him quiet. But to my mind whatever is the reason for it, I am in full sympathy for the view taken by the Finance Ministry. Whatever his reasons may be, whatever the reasons for which the shareholder may have purchased the shares, so far as the Board of Directors are concerned, if they wish to refuse, they can even put down those reasons in writing and submit those reasons to the Company Law Board as and when an appeal is preferred. I do not think, Mr. Chairman, that I have any special reason to object to this, and I welcome that and consider that this is a necessary Bill and it is good that it has been brought. Thank you.

SHRIMATI GEETA MUKHERJEE (Panskura) : Sir, the way this Bill is hurried on the last day is rather amusing because it was proposed during the Budget speech that such a thing will come. Why it has taken such a long time? We cannot study in a hurry both the Bills, the Terrorist and Disruptive Activities (Amendment) Bill and the Securities Contracts (Regulation) Amendment Bill.

PROF. MADHU DANDAVATE : That is natural.

SHRIMATI GEETA MUKHERJEE : But I am amazed at the Statement of Objects

and Reasons. It claims that this Bill is to protect the small shareholders. I am yet to know whether in a Company small shareholders in this set up have any leverage whatsoever in the Board of Company Directors. This is a tall claim. I can quite understand that in this great struggle for power between Nandas and Swaraj Pauls these things are necessary; I do not know, but at least I request the Minister not to make such tall claims that his particular Amendment will protect the ordinary shareholders. Instead, he should really be serious and try, in future, to see if any amendment at all can really protect the interest of the small shareholders, about which I do not think that this Bill is any guarantee. To me, it is a Bill of no consequence to poor people. Therefore, I have neither any reason to support it nor any reason particularly to object it.

PROF. MADHU DANDAVATE : It does not affect ordinary shareholders.

SHRIMATI GEETA MUKHERJEE : Absolutely not. But taking this opportunity, I request the Minister to introduce some solid amendments in the set up, whatever is possible, to really protect the ordinary shareholders.

[Translation]

DR. G. S. RAJHANS (Jhanjharpur) : Mr. Chairman, Sir; I shall not take much time as I have to say only two or three things about this Bill. I am a small investor and I am aware of the difficulties experienced by the small investors and small shareholders. Actually, these big companies take an year or so in the registration of the transfer of securities and shares. A person purchases securities or shares with his hard earned money so that he may be able to sell them at the time of his daughter's marriage, or while building a house or at the time of any other difficulty, but when he wants to sell his shares, he is not able to see them. People are not aware of this thing. I have got experience in this respect. Brokers play their role in this business and they do roaring business. They say if a share whose market value is Rs. 150 is sold to them at Rs. 120, it would then be their responsibility to get them transferred in their names. A needy person is prepared to sell it at Rs. 110 or Rs. 100 even. I mean to say that by bringing this Bill, Government have taken a very good step in the interest of

the small investors. It should be commended. With the passing of this Bill, the difficulties experienced by the small investors and small shareholders will definitely be mitigated.

I would like to make another submission in this regard. Small shareholders have no say in the company. No need is paid to what they say. I would like to submit that Government should bring forward an amendment in a subsequent session to the effect that the small investors and small shareholders will have some say in the company.

I wanted to say many things, but I have been asked to conclude my speech quickly. I would like to tell you that another type of malpractice is resorted to in this business. When an announcement is made about the sale of the shares of an attractive company, say TISCO, the moneyed people purchase *benami* shares. Please appreciate what I am saying. It is written in the law that action will be taken against those who apply for *benami* shares. But I would like to ask Government whether they have detected even a single case of *benami* applicant or shares during the last five years and whether any action had been taken against the offenders ?

11.59 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

I challenge and say that I can prove 100 cases where *benami* applications were made and *benami* shares had been purchased. The persons having money apply for *benami* shares and Government do not come to know about them. Supposing, a person applied for 50,000 shares all over the country and a draw is held, he may be able to get at least 1000 or 2000 shares definitely. The Market Value of those 1000 or 2000 shares is very high. On the other hand, a poor person for only one share. He may get it by chance, otherwise he never gets it. A person may apply for 50,000 shares, may apply for 5,00,000 shares in the names of different persons.

12.00 hrs.

It is thus a vicious circle in which the poor and the low income group people have no chance at all. It is a trick of the trade and one cannot know about unless one has practical experience of it. I, therefore, submit that this trick should be understood. I would also like to say that democracy should not

[Dr. G. S. Rajhans]

merely exist in the society only, but it should exist at the financial level also, so that the small investors may get an opportunity not only to purchase shares of the big companies but also have their say in them. With these words, I conclude.

[English]

SHRI AMAL DATTA (Diamond Harbour) : Mr. Deputy Speaker, Sir, so far as this particular Bill is concerned, I have no objection to the provisions of this Bill being enacted and put on the statute book. But where I am opposed to this Bill is, these provisions are being put in the wrong Act. Now, the Securities Contracts (Regulation) Act is sought to be amended to incorporate this provision whereas this Act should not have been amended at all. It should have been incorporated in the (Companies) Act, 1956 which is concerned with the listing of securities of public limited companies in stock exchanges.

This Amendment Bill seeks to introduce new section 22A under clause 2 in the Securities Contracts (Regulation) Act after section 22 which is concerned with the right of appeal of companies whose shares are refused to be listed in the stock exchanges. This new provision has no relationship whatsoever with the listing of securities in the stock exchanges. It is only affecting the right of a shareholder to have his shares transferred to his name. Only the Companies Act has made certain provisions under section 111, under which powers have been given to the Directors of a company to refuse to register shares without giving any reasons. Now, sub-clause (3) of clause 2 of the Bill seeks to make amendment in the Securities Contracts (Regulation) Act with the provisions, namely :

“(3) Notwithstanding anything contained in its articles or in section 82 or section 111 of the Companies Act, 1956, but subject to the other provisions of this section, a company may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground, namely...”

Now, obviously, they are amending the powers which are already given to the company under section 111 of the Companies Act. That is,

they are doing away with the provisions “to refuse without assigning any reason registration of shares”. They are saying that small investors are suffering. I do not know whether they are suffering. But I accept what they say. But even so, that is no reason for bringing an amendment to the wrong Act. This is the type of thing that creates confusion in the legal system which becomes ultimately untractable because one does not know where to go for provisions of a particular type of right or obligation. People will be looking into the Companies Act to see what is the right of a company to refuse or not to refuse registration of shares in certain circumstances and what is the remedy therefrom. They will not think of going into this particular Act because the name itself does not suggest that it has anything to do with the registration of shares in the name of a particular shareholder by a company. This Act is totally for a different purpose and there is no provision similar to this kind of thing that the right to register shares in a particular company is being regulated. Therefore, I urge upon the Government not to complicate the legal system which is already complex. Instead of bringing this kind of piecemeal and *ad hoc* legislation, they should go in for an amendment and change the right Act, namely the Companies Act, 1956 and not this Securities Contracts (Regulation) Act. Otherwise, I have no objection to the provisions being enacted.

[Translation]

SHRI RAM PYARE PANIKA (Robertsganj) : Mr. Deputy Speaker, Sir, I rise to strongly support the Securities Contracts (Regulation) Amendment Bill, 1985. All the Members who have spoken on it so far, have supported it. Even Mr. Amal Datta has raised no objection in respect of its objects. He has raised only some technical points. The hon. Minister will look into them. But nobody has opposed it. It is a small Bill. There is nothing much to speak on it. I would like to say that in the Budget speech made on the 16th March, the hon. Minister had given an indication about the amendment in this Act. Accordingly, this Bill has been brought. Mr. Amal Datta and other like minded Members were of the view that the Budget was not directed towards the socialistic pattern. This amending Bill has proved that the decision being taken by us

in respect of economic programme will take as towards the setting up of asocialistic pattern of society in the country.

One of our colleagues has referred to in detail about the difficulties experienced by the small shareholders of a company. There is no need to repeat them. But it is really a matter of regret that the purpose for which a man saves, that is not served at time of his need. I, therefore, support this Bill. So far as the technical points raised by Shri Amal Datta are concerned, the hon. Minister will look into them so that no loopholes may remain with these words, I support this Bill.

[English]

SHRI JANARDHANA POOJARY : Mr. Deputy Speaker, I am grateful to the hon. Members for their full support not only from the Treasury Benches but from the Opposition also. Altogether six hon. Members spoke on this.

Here, one very good and pertinent point has been raised by Shri Amal Datta. So far as this Security Regulation Act is concerned, it deals with the stock exchange. So far as the Companies Act is concerned, it is an omnious Act and it covers the public limited companies, private limited companies and also deemed companies, and Government companies. This is the Act which covers a long range of area. Whereas here the Finance Ministry is dealing with stock exchange the administrative Ministry is the Finance Ministry. There, the administrative Ministry is the Ministry of Company Affairs and definitely I will convey the feeling of the hon. Member for similar amendments in the company law. It is a very good suggestion. I also personally feel there should be amendments to the Companias Act and I will also write to the hon. Minister of Company Affairs to look into the suggestion of the hon. Member Shri Amal Datta.

The purpose for which this amendment has been introduced is that there should be more investors. When there is more saving, there will be more investment and when there is more investment, there will be more growth. With this purpose, the Bill is introduced.

Hon. Members Shri Panikka and Shrimati Geeta Mukherjee have made a

point that more and more people should come forward, that it should reach the small earners in the rural areas and also in the urban areas. With this objective only we have brought this Amendment. In fact, it should reach the people who are in the rural areas. The transferability of shares has been made very easy and also it is very simple. Hon. Member Shrimati Geeta Mukherjee has started that we should not make a tall claim. We are not making any tall claim, but at the same time I do not think that the hon. Member will object to my saying, as stated by Shri H. M. Patel and also by Shri Madhava Reddy, that this proposal is a reasonable one, it is a welcome measure, it is a step towards modernisation, it is a step towards growth.

Swraj Paul and Escorts have been referred to here. It is a *sub judice* matter. The provision is made here not to support or not to defend anybody...

PROF. MADHU DANDAVATE : You say that it is *sub judice*. But some say that it is 'prejudice'.

SHRI JANARDHANA POOJARY : It is a fact that these provisions will have prospective effect and not retrospective effect. Earlier, the investors had to go to the Company Law Board if there was any refusal on the part of the Board of Directors to transfer their shares. Now we have changed the provision and we have made the Board of Directors go to the Company Law Board giving reasons for which they refuse to transfer the shares. This is the difference that we have made. We are not intending to destabilise any company. There is also another provision. If the company thinks that there is contravention of any law or there is any move for destabilisation, they can definitely refuse transfer of the shares and they can go to the Company Law Board and present their case before the Board. So far as investors are concerned, we are, by this measure, helping more than seven lakhs of investors in the country.

From this provision itself it is very clear, as has been made out by the hon. Members from the Opposition also, Shri H. M. Patel and Shri Madhav Reddy, that it is a step towards growth.

[Shri Janardhana Poojary]

With these words, I conclude. I once again thank all the hon. Members for supporting this Bill.

MR. DEPUTY SPEAKER : The question is :

“That the Bill further to amend the Securities Contracts (Regulation) Act, 1956, be taken into consideration.”

The Motion was adopted.

MR. DEPUTY SPEAKER : Because we have already fixed the time as 1 O'clock to receive amendments from hon. Members, we cannot take up clause-by-clause consideration now...

PROF. MADHU DANDAVATE : I am proposing a way-out. It is true that, if you announce a particular time within which amendments are to be given, in that case that time-limit has to be adhered to. But this House is supreme. The House is the master of itself. Therefore, let the House decide, I do not think anybody has given notice of any amendment. We are not giving notice of any amendment. If the House so desires, since there is no amendment given notice of, you need not wait upto 1 O'clock and you can go ahead now itself. The Bill can be passed...

MR. DEPUTY SPEAKER : It will be taken as a precedent to create difficulties later.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H. K. L. BHAGAT) : I agree with the spirit in which Prof. Madhu Dandavate has made this suggestion. Still I feel that it will be better to wait. Once a particular time has been announced in the House for moving amendments—some Members are here and some others are not here—it is not proper to go ahead now. It may mean only a little inconvenience. But it is better that we meet at 2 O'clock to take up clause-by-clause consideration.

MR. DEPUTY SPEAKER : The House stands adjourned to reassemble at 2.00 p.m.

12.16 hrs.

**The Lok Sabha then adjourned till
Fourteen of the Clock.**

**The Lok Sabha re-assembled after
Lunch at three minutes past
Fourteen of the Clock.**

[MR. DEPUTY SPEAKER *in the Chair*]

**SECURITY CONTRACTS (REGULATION)
AMENDMENT BILL—Contd.**

[*English*]

MR. DEPUTY SPEAKER : The House will now take up clause by clause discussion of the Bill.

The question is :

“That clauses 2 to 4 stand part of the Bill.”

The Motion was adopted.

Clauses 2 and 4 were added to the Bill.

**Clause 1, the Enacting Formula and the
Title were added to the Bill.**

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : I beg to
move :

“That the Bill be passed.”

MR. DEPUTY SPEAKER : The question is :

“That the Bill be passed.”

The Motion was adopted.

14.04 hrs.

*The Lok Sabha then adjourned till Eleven
of the Clock on Monday, the 20th May,
1985/Vaisakha 30, 1907 (Saka)*

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