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Shravana 10, 1938 (Saka)

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Ninth Session
(Sixteenth Lok Sabha)



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LOK SABHA SECRETARIAT

NEW DELHI

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LOK SABHA DEBATES

LOK SABHA

Monday, August 1, 2016/Shravana 10, 1938 (Saka)

The Lok Sabha met at Eleven of the Clock

[**HON. SPEAKER** *in the Chair*]

[English]

HON. SPEAKER: Question No. 201. Dushyant Singh *ji*.

... (*Interruptions*)

HON. SPEAKER: Not now; after the Question Hour.

... (*Interruptions*)

11.0 ½ hours

(At this stage, Shri Mekapati Raja Mohan Reddy and some other Hon. Members came and stood on the floor near the Table.)

HON. SPEAKER: Please go to your seats.

... (*Interruptions*)

11.01 hours***ORAL ANSWERS TO QUESTIONS**

HON. SPEAKER: Question No. 201. Shri Dushyant Sings.

(Q. 201)

SHRI DUSHYANT SINGH: Thank you, Speaker Madam....
(*Interruptions*) I would like to congratulate the Union Government.
The Project 'Mausam' has been initiated by the Ministry of Culture.
... (*Interruptions*)

HON. SPEAKER: In 'Zero Hour', you can speak; not now.

... (*Interruptions*)

SHRI DUSHYANT SINGH: It aims at strengthening the culture and economic linkage of India across the Indian Ocean. ... (*Interruptions*)
It also tries to achieve the world heritage trans-national nomination for the Indian Ocean maritime routes.... (*Interruptions*)

My specific question to the Hon. Minister is this. ...
(*Interruptions*) Has the Government of India identified these 39 countries? ... (*Interruptions*) Of the 39 countries which have been

identified by the Government of India, has there any partnership been formed by the Government of India in order to achieve the target by March, 2017? ... (*Interruptions*) I would like to ask this to the Hon. Minister. Thank you.... (*Interruptions*)

DR. MAHESH SHARMA: Madam, the Hon. Member of Parliament has asked a pertinent question.... (*Interruptions*) Yes, the Government of India has identified 39 countries including India.... (*Interruptions*) Of which, the three countries which have been very close to us, including Cambodia, Vietnam, have been visited by our country. ... (*Interruptions*) And seven countries have been identified to have partnership with them of which include Sri Lanka, Mauritius, Vietnam. ... (*Interruptions*) Four more countries have been included in this.... (*Interruptions*) In the first phase, seven countries have been identified to start this process.... (*Interruptions*)

HON. SPEAKER: Please go back to your seats. This is not fair.

... (*Interruptions*)

SHRI DUSHYANT SINGH: Hon. Speaker, Madam, my second question is this. ... (*Interruptions*) I commend our Prime Minister Shri Narendra Modi *sahib* and his vision of creating Project Mausam. ... (*Interruptions*) The question I would like to ask the Hon. Minister is this. ... (*Interruptions*) It is a very serious matter regarding the merger

of the Indian Mausam Project with the Chinese Maritime Silk Road Project.... (*Interruptions*) I would like to ask the Hon. Minister, has the ASI or the Government of India approached their Chinese counterpart for the same?... (*Interruptions*) Will such collaborations benefit us?... (*Interruptions*) I would request the Hon. Minister to inform the august House of the cooperation expected from China for the Project as they mentioned this in the list of 39 countries identified by GOI under the Project.... (*Interruptions*) Is the Government of India creating future maritime strategies by projects over the Indian Ocean and the Arabian Sea which will help our country in future?... (*Interruptions*)

DR. MAHESH SHARMA: Our country has taken a big initiative in the form of this Mausam project and it is the great vision of our Prime Minister Shri Narendra Modi Ji to establish this link between 39 countries of which China is an important and integral part of that. The Silk Route and other routes from Kashi to Kashgar are under the radar of our Ministry. There are three departments, including IGNCA, Archaeological Survey of India. ... (*Interruptions*) These Ministries and departments are working together with all these 39 countries together and we are working on this project. China is definitely an

integral part of this project and we are working with China also in this project. ... (*Interruptions*)

PROF. K.V. THOMAS: Kerala has a great maritime history having relationship with China, the gulf countries and Europe. So, the muziris project has been initiated to highlight the maritime history of Kerala. My question is this. ... (*Interruptions*) How much assistance will be given to the Muziris project in Kochi from the Government of India in connection with the Mausam Project?

DR. MAHESH SHARMA: Kerala is a part of this route and, of course, Pattanam, place has been identified under this Mausam route and what has been labeled in the history as a Muziris is also an integral part of this. ... (*Interruptions*) A total fund of Rs. 15 crore has been sanctioned for this project. We have initiated the first conference in Kochi itself. We assure the Member that as and when any funds are required by the Kerala project and the Muziris project, they will be sanctioned.

PROF. SUGATA BOSE: Thank you Madam Speaker. India has played a very major role historically in creating a shared cultural universe across the Indian ocean arena. In fact when our poet Rabindranath Tagore embarked on his Indian ocean voyage, he described his journey as a pilgrimage to retrace the footprints of

India's entry into the universal ... (*Interruptions*) So, this is a very worthy initiative. However, it is not just an academic project, it is very much a part of projecting India's soft power in the entire Indian Ocean world. I would like to ask the Hon. Minister if his Ministry has faced any obstacles from any other country in pursuing this project and whether the Ministry of Culture is coordinating with the Ministry of External Affairs to make sure that we can successfully implement Project Mausam. ... (*Interruptions*)

DR. MAHESH SHARMA: Since this initiative, this project has started in Doha, Qatar with the participation of countries like China, the only thing that they have been talking is of the Silk Route which the Government of India has not accepted. ... (*Interruptions*)

HON. SPEAKER: No placards to be shown. No placards are to be shown.

... (*Interruptions*)

DR. MAHESH SHARMA: We are, based on the Archaeological Survey of India's findings, establishing our old routes, old traditions, culture, the Spices Route from Kerala and other traditions, and we are following seriously on this issue. ... (*Interruptions*) At present, there are no obstacles from any of the countries. All the countries have shown interest in taking this Mausam Project together and in India, it

is a prestigious project for us and we are following it seriously. ...
(*Interruptions*)

SHRI BHARTRUHARI MAHTAB: The Minister has given a very elaborate reply in which he has also mentioned the programmes under Project Mausam by IGNCA, and I am really anguished to mention here that not a single project has been mentioned relating to the Kalinga coast. ... (*Interruptions*) As the Minister knows there were four major areas like Dwaraka, Konkan, Coromandel and Kalinga. These were the four major areas where maritime activities flourished for more than 3000 years till 1026, till the advent of the Central Asian marauders who attacked India.

Madam, there is only one maritime museum created in my constituency in Cuttack established by the Odisha Government.... (*Interruptions*) There is no other maritime museum in our country though two conferences have already been held keeping our activities with the African countries and with other European countries, keeping the Arabian Sea as the major area of focus.... (*Interruptions*) Madam, the Kalinga coast and Coromandel coast of Odisha and Tamil Nadu of the present day and even Andhra Pradesh of the present day had flourishing maritime activities even today with the South East Asian countries, and I do not find anything relating to Indonesia....

(Interruptions) Indonesia was our major maritime activity with the Archipelago other than Vietnam and Cambodia which had also linked to China. ... *(Interruptions)* Therefore, my question to the Minister is this. What steps are being taken to find out the maritime activity that was flourishing in the past? And, when you are propagating the 'Look East' policy, how are you going to develop and promote our trade activity with the South East Asian countries?... *(Interruptions)*

DR. MAHESH SHARMA: The Hon. Member has rightly placed that earlier times when sailors used this, at the first instance the two places, which were used as a landmark, were the 'Black Pakoda', the Konark Temple of Odisha and the 'White Pakoda', Jagannath Puri Temple, and also Nagapattinam in Tamil Nadu. They were being used by the sailors for identifying... *(Interruptions)*

And, to the information of the Member, let me say that Indonesia is a part of the 39 member series.... *(Interruptions)* It is an integral part. So, Indonesia is equally a part of the 39 member series. I assure the Hon. Member that after due diligence of the three places he has mentioned, Cuttack Museum which is the only museum at present... *(Interruptions)* We are in the process of making more maritime museums, and that is the aim of this project and also how we can link all the countries together with creation of more maritime museums....

(Interruptions) At present, the project is in a conceptual stage, and we promise that we will have more maritime museums in the future coming time. ... *(Interruptions)*

HON. SPEAKER: Please go to your seats. I will allow you in the 'Zero Hour'. You can raise your matter. But placards are not allowed in the House. I am asking you to please take back the placards and go to your seats. I am requesting all of you that you can raise the matter in the 'Zero Hour' but not now. No, this is not proper. What you are behaving is not proper. Please go to your seats.

... *(Interruptions)*

(Q. 202)

[Translation]

SHRI SHYAMA CHARAN GUPTA: Hon. Speaker Madam, through you, I would like to ask the Hon. Minister of Labour that in the past one or two months the beedi workers have been facing shortage of work. Out of more than one crore beedi workers across the country, more than 25 per cent have been rendered jobless. There is also a possibility that due to hunger some of them may resort to attempts at suicide. In this situation, I would like to know from the Hon. Minister of Labour what efforts are being made by the Union Government for the rehabilitation or livelihood of such beedi workers who have lost their employment. ... *(Interruptions)*

SHRI BANDARU DATTATREYA: Hon. Speaker Madam, the Hon. Member has raised the issue concerning beedi workers, stating that the number of workers in the beedi industry is gradually declining. The Ministry of Health and Family Welfare had issued a notification on 15 October, 2014, mandating 85 per cent pictorial warning, which has had its impact. In this regard, I had received representations from all labour organisations as well as from other stakeholders. I convened meetings with all stakeholders and also submitted a report to the Ministry of Health.

I would like to inform the Hon. Member that efforts are being made to provide alternative employment to about 38 lakh beedi workers in the country by imparting them vocational training skills. ... *(Interruptions)* In every State, instructions have been given to provide them with alternative skills and vocational training. ... *(Interruptions)* In particular, training is being imparted in agriculture, tailoring, electrical work, basic computer skills, electrician trade, and welding to enable their alternative employment. ... *(Interruptions)* In every State, efforts are being made to link them with various types of skills and vocations so as to provide them training and enhance opportunities for alternative employment. ... *(Interruptions)*

[English]

HON. SPEAKER: You are blocking the Members sitting behind you. This is not proper.

... *(Interruptions)*

[Translation]

SHRI SHYAMA CHARAN GUPTA: Hon. Minister, employment for workers in the beedi industry has reduced. ... *(Interruptions)* But in society and in the country, ganja, bhang and smack have emerged as alternatives to beedi and cigarette. ... *(Interruptions)* Immediate

arrangements should be made for beedi workers so that they do not resort to suicide. The alternative arrangements you have made or are planning will take a long time. ... *(Interruptions)* Therefore, I would like to know from you what immediate measures will be taken so that they do not starve from tomorrow. ... *(Interruptions)*

SHRI BANDARU DATTATREYA: On behalf of the Government, there are two programmes for this. ... *(Interruptions)* First, we are providing welfare measures and social security to give greater protection to beedi workers. ... *(Interruptions)* For instance, under our Employees' Provident Fund Organisation (EPFO), 40 lakh beedi workers have been given membership. ... *(Interruptions)* All contributing members are being provided for, with a pension of Rs. 1,000 each. ... *(Interruptions)*

As far as the Budget is concerned, in the year 2014-15 it was Rs. 237 crore and this year we have made a provision of Rs. 250 crore. ... *(Interruptions)*

[English]

SHRI ADHIR RANJAN CHOWDHURY: Madam, I am hailing from Murshidabad District which is known as one of the districts for the highest concentration of beedi workers. The beedi industry is still largely dependent on child labour and it is the most exploited sector

of our country. During the golden era of West Bengal's maa, maati, manush regime, the minimum wages fixed by the State Government for manufacturing beedis Rs. 186/- has not been paid to the beedi workers. Instead, they are paid a pittance in the range of Rs. 110 and Rs. 125.

In the reply given by the Hon. Minister, it is mentioned that in order to rehabilitate those who are unemployed beedi workers, the Government has proposed some packages. The information has been given region-wise, but it is intriguing to note that there is no mention of any region of West Bengal in this region-wise details, where this kind of alternative employment is supposed to be given.

Here, it has been mentioned by the Hon. Minister that ... *(Interruptions)* I would request the Hon. Minister to listen to me. He has stated in the reply that the Beedi Workers' Welfare Fund has been set up. I would like to know from you whether the Beedi Welfare Fund is commensurate with the volume of business. What does it mean? It means *[Translation]* those who are employers, those who give welfare funds correctly, deposit money in it, if it is so, how much money has been given to the beedi labour as a welfare fund in West Bengal? *[English]* I want to know about the number of beneficiaries of the Beedi Welfare Fund in West Bengal.

SHRI BANDARU DATTATREYA: Madam, first of all, we have totally banned child labour. No child can work as a worker in beedi-making. Secondly, in respect of those children who help their families, we have made separate educational schemes. Under these educational schemes, scholarships are provided. For those children studying from Class I to IV, we are giving Rs. 250; from V to VIII, we are giving Rs. 940; for those in IX, we are providing Rs. 1,400; and for those in X, we are providing Rs. 1,840. In this manner, we are giving the scholarships.

For your kind information, for graduates, we are giving Rs. 3,000; for the professionals, we are providing Rs. 15,000 scholarship. To every ITI student, we are giving Rs. 10,000. We are giving priority to their education. In case of workers, health is our priority. For children, we are giving educational scholarships which a large number of children are availing.

Coming to the backlog, I will send the information to you, nearly 3.7 lakh children of the beedi workers have been provided Rs. 36 crore. The backlog payments of 4.22 lakh children were not provided for the past three years by the then UPA Government. I have released an additional amount of Rs. 47 crore to them. Thus, this Government is all for the welfare of the workers and we are doing it for all the

beedi workers, most of whom are women. In my State of Telangana, they are in large numbers and, therefore, I know about the issue very well.

SHRI A.P. JITHENDER REDDY: Madam, tobacco is very largely grown in the Districts of Telangana. Many people from Karimnagar, Nizamabad, Warangal, and Mahabubnagar have left to the Gulf countries for want of work. The wives and children of those people have now converted themselves into beedi workers. As you are aware, Madam, many people from the Gulf countries are being repatriated, and here you have closed the manufacturing of beedis in the villages. Then, how will these families survive? What alternatives are you going to provide to these people for their survival or earning their income? Their income from the Gulf is closed, and the income which was coming from the making of beedis has also been stopped.

Therefore, I would like to know from the Government whether it is going to provide them with any skill training and put them in some other employment, or are you going to give some pensions just as the Telangana Government which is already giving it to these beedi workers? I want to know what kind of alternatives you are going to provide for these people.

SHRI BANDARU DATTATREYA: Madam, first of all, coming to what the Hon. Member has said, in Telangana, people employed in the beedi industry are in large numbers, and a large number of EPFO contributors are from that region. If you look at the number of contributory members, there are more than four lakh people out of a total of 12 lakh workers who were enrolled.

Coming to the housing scheme, I am happy to inform this House that the earlier Government was providing only Rs. 40,000 under the housing scheme. Now, under our Prime Minister Shri Narendra Modi Ji, we have enhanced this amount to Rs. 1,50,000.

That is why, I have already informed about the vocational training and the alternative employment. We are committed to do it for Telangana also. We are providing some skill centres. Separately, we will specify the areas like Siddepeth, Karimnagar or even Medak and we will give special emphasis for alternative employment for skill development.

[Translation]

SHRI ANANDRAO ADSUL: Madam Speaker, today, we are facing the figures of beedi workers working in the factories.... (*Interruptions*)

[English]

HON. SPEAKER: Please go to your seat. It is not allowed. You are blocking the passage.

[Translation]

SHRI ANANDRAO ADSUL: But in tribal areas there are such workers who do two kinds of work. Those who pluck tendu leaves used for beedi making are different, and those who roll beedis at home are different. Due to the ban on beedis, crores of people have now become unemployed. Just now the Hon. Minister has stated that child labour has been banned. This is a good step, but has it ever been seen why a child is compelled to work? What does his family do? ... *(Interruptions)* If the family depends on him, has there ever been concern for his family? If there is no earning member in a family, then a small child is forced to work. We may send him to a remand home and provide him food, but what happens to his family has never been looked into. Such questions arise. I agree that banning beedi is necessary. But rehabilitation of these workers is also important. The figure presented just now is in thousands, but the beedi workers employed in factories, working at home, and plucking tendu leaves number in crores. I would like to know the opinion of the Hon. Minister in this regard.

SHRI BANDARU DATTATREYA: Hon. Speaker Madam, the Hon. Member has pointed out that tendu leaf pluckers work with their families. Under the new law, employment of child workers below the age of 14 years has been prohibited. However, through skill development programmes, and particularly since many of the home-based beedi workers are women, steps are being taken. As I stated earlier, they are covered under the EPF Act and under the Social Security Act, they are provided a pension of Rs. 1,000.

(Q. 203)

SHRI RAJESH RANJAN: Hon. Speaker Madam, employees earning more than Rs. 15,000 per month are not permitted to voluntarily contribute to the Employees' Pension Scheme, 1995, in addition to their employers' mandatory contribution. It is being observed that in today's age of inflation, even a worker doing a small job earns at least Rs. 15,000 or more. However, employees earning above Rs. 15,000 are not permitted to make mandatory contributions, or rather, workers earning more than Rs. 15,000 cannot become members of this Scheme at all. For joining this Scheme, the presence of 20 workers in any organisation or establishment is required. There have often been reports that the Government is going to reduce this number to 10. My first question is whether the Government proposes to bring employees earning more than Rs. 15,000 under the ambit of this Scheme, and by when this ceiling will be reduced. ... *(Interruptions)* Secondly, does the Government propose to reduce the limit of 20 workers in any establishment to 10, so that workers employed in even the smallest establishments may be able to avail of the benefits of this Scheme? ... *(Interruptions)*.

HON. SPEAKER: Alright.

...*(Interruptions)*

HON. SPEAKER: You have your second supplementary also.

. . . *(Interruptions)*

SHRI RAJESH RANJAN: Does the Government propose to increase the minimum pension from Rs. 1,000 to Rs. 3,000, in accordance with the consistent demand of workers' organisations, so that more workers can benefit under this Scheme?

SHRI BANDARU DATTATREYA: Hon. Speaker Madam, the Employees' Provident Fund Pension Scheme is a contributory scheme. Under this, the employer's share is 8.33 per cent and the Union Government's share is 1.16 per cent, which together form the contributory fund. The Hon. Member's question is whether, since we have implemented this Scheme only up to Rs. 15,000, we will enhance it. *[English]* We are very actively considering enhancement of this Rs.15,000. We are preparing some guidelines. We are framing up some schemes. Accordingly, when it is ready, I will give all the details to the Hon. Member.

I wanted to inform this Hon. House that we are going to amend the EPF Act. Now it is available where there are 20 or above workers. Once the amended Act comes, then the coverage will be increased where the number of workers is ten. That is why, a large number of

workers including unorganised workers can also come under the purview of this Act.

[Translation]

SHRI RAJESH RANJAN: Hon. Speaker Madam, through you, I would like to submit before the Hon. Minister that the main issue here is that the pensions of Union and State Government employees are re-evaluated every ten years and revised according to new rates. Along with this, their pensions are indexed to inflation. In this Scheme, however, pensions are neither indexed to inflation nor has there been any re-evaluation in the past twenty years. As a result, if a pensioner was fixed a pension of Rs. 2,000 twenty years ago, he is still receiving Rs. 2,000 today, whereas due to inflation over twenty years its real value has become about Rs. 200. Thus, under this Pension Scheme, employees are being greatly deceived. Under the Family Pension Scheme, 1971, the Government used to contribute its share, which has remained unchanged, whereas under the Pension Scheme, 1995, the pension contribution has become 8.33 per cent from the employer and employee, while the Government's contribution is only 1.16 per cent. The Government's failure to enhance its contribution casts doubt on its policy and intent. Nearly 70 per cent of people in the country are labourers in the unorganised sector, but there is no mention of them

in this Scheme. They are the ones most in need of being brought under organisation. Under this Budget arrangement, the unclaimed funds lying in the EPF should be utilised for providing pensions to pensioners under this Scheme and for indexing pensions to inflation. I would like to know whether the Government proposes to increase its contribution from 1.16 per cent to 8.33 per cent, and whether it proposes to bring workers of the unorganised sector under this Scheme or not.

HON. SPEAKER: Will you ask all your questions today itself?

[English]

SHRI BANDARU DATTATREYA: Madam, I have already informed the Hon. Member that this is a defined contribution scheme in which the benefit is also defined. The question you have asked First of all, the employees pension scheme is a very novel scheme. It is one of its kinds in the world. It has got a large number of benefits. I wanted to inform particularly the Hon. member and through him this august house this is also for the unorganised workers. Hon. Prime Minister Narendra Modi has also brought new schemes for those people. Our focus is more on unorganized workers. *[Translation]* Apart from Pradhan Mantri Jan Suraksha Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and National Health Insurance Scheme and Old Age

Pension, many schemes like Atal Pension Yojana for these people have been started by the new government after the arrival of the Hon. Prime Minister Narendra Modi. Insurance comes under the provision of the social security. I will try to talk about it separately.

[English]

SHRIMATI BIJOYA CHAKRAVARTY: Madam Speaker, I have seen that lots of irregularities and fraudulent practices are continuing as far as contract employees are concerned especially in private organizations, industries, and business centres. These employee's services are not regularized because once they complete the service of 11 months or two years, they are liable to be given pension. So, these people are thrown out of service when they complete just ten months. Even in the peak season in the coffee industry also I have seen this happen. Will the Hon. Minister consider bringing a legislation to get the proper list of the employees who are working in the unorganized sector, also in coffee organization, so that this organization may come into control of the Ministry?

SHRI BANDARU DATTATREYA: Madam Speaker, I have already answered the question about unorganized workers and their schemes. Unorganised workers are our priority. Regarding the enhancement of pension, the Government is additionally contributing

Rs.850 crore to enhance their pension further. This will be a big burden on the Government, but even then this exercise is going on. As regards enforcement of this law, we are making it strictly. We have started the Universal Account Number (UAN) and there is the Central Analysis Wing (CAW). The inspection is going to take place in technology mode. So, for compliance and for monitoring the system, we are improving the standards.

(Q. 204)

SHRI G. HARI: Madam Speaker, the Hon. Minister in his reply has said that due to global overcapacity the steel products are being imported into India cheaply. Steel imports surged by 70 per cent from countries like China, Korea, Japan and Russia. They enjoy reduced import tariffs under the free trade agreement with India and steel exports from India decreased by 8.1 per cent. Now the domestic producers incur cash losses worth Rs.3,000 to Rs.4,000 per tonne. Therefore, I would like to know from the Hon. Minister whether the Ministry has taken up this issue with the Commerce Ministry to address the concern of cheap imports of steel from these countries to protect the domestic steel industry.

SHRI CHAUDHARY BIRENDER SINGH: Madam Speaker, as I have already mentioned in my statement, during the last couple of years there is a downtrend as far as steel industry is concerned. The downtrend is because there is no such demand when we compare the production all over the world.

China is one of the major producers of steel. They have produced in the last two years about 25 to 30 per cent more than their consumption. Out of that, the steel which is not consumed by them, they have thrown in the Indian market. ... (*Interruptions*)

HON. SPEAKER: Shri Jayadev, what are you doing? You are peaking here. Didn't you understand? Don't you know the rules? Are you going to behave as you want?

. . . *(Interruptions)*

SHRI CHAUDHARY BIRENDER SINGH: Ours is a country which is growing and there is also a growing demand for steel. When China attempted to export steel to our country, there was glut in the market and prices crashed and all the PSUs and all the major players in the steel industry came under heavy losses and they could not make the steel which is produced in our country saleable. . . . *(Interruptions)* There were representations from steel organisation that is Steel Association of India and also from Chamber of Commerce. . . . *(Interruptions)* Ultimately, the Government decided to put MIP and that MIP was put in the month of January. From February onwards, MIP was on and because of the MIP, there has been an upward trend as far as steel prices are concerned. . . . *(Interruptions)* But when we see the consumption all over the world, again there is a trend of falling of prices. As the Hon. Member has put it, Steel Ministry is very much concerned of this.

SHRI G. HARI: Our Hon. Chief Minister Puratchi Thalaivi Amma's Government in Tamil Nadu has set up Auto City by forming an

automotive industrial development centre which led to production of around to 42 to 44 per cent of total cars and around 35 per cent of total auto components in India. It created a huge demand for flat steel and thereby contributing a good percentage to our GDP.

Therefore, I would like to know from the Hon. Minister what are the steps taken by the Government to ensure supply of flat steel to cater to the needs of industries in Tamil Nadu and also to ensure price stability as the variation in the price of steel cannot be depended upon.

SHRI CHAUDHARY BIRENDER SINGH: As a country, we cannot remain in isolation; whatever is the trend all over the world would ultimately affect us also when it comes to fixing of the prices. But, still to see that our industry does not suffer, we have been trying that every kind of effort should be made, maybe imposing MIP or stabilization of prices which some of the industries or some of the associations have also gone for. They have also asked for anti-dumping measures which are not in the domain of Steel Ministry. There is an independent authority which is to determine whether the anti-dumping method should be applied or not. But as far as what the Hon. Member has said about the demand for raw material or steel, there is no shortage of steel in the market and we are in surplus as far as the steel market is concerned.

[Translation]

SHRI AJAY MISRA TENI: Hon. Speaker Madam, at present, there is a global decline in the steel sector. Particularly in India, the demand for domestically produced steel has fallen due to the influx of inferior steel from China and Korea, as a result of which the steel industry is in crisis. ... *(Interruptions)* I would like to know from the Hon. Minister whether the Union Government proposes to implement, in the steel sector, the recommendations of the Steel Research and Technology Mission of India (SRTMI) through research and development activities, so that India may emerge as a leader in the iron and steel industry. ... *(Interruptions)* By applying this to both public and private steel plants, will industrialisation be simplified, financial management improved, and the borrowed funds repaid in easy instalments, thereby enabling growth of the steel industry in India?

SHRI CHAUDHARY BIRENDRA SINGH: Hon. Speaker Madam, the Hon. Member has raised the point regarding recovery of bank dues from the steel industry and asked whether any such method or guidelines would be issued to enable repayment. Madam, I would like to inform the House that as on date, the total advance outstanding against the steel industry is Rs. 3,13,411 crore. When the steel

industry, the Steel Association of India and the Chamber of Commerce raised the matter, the Reserve Bank issued guidelines. The Reserve Bank has stated that *[English]* “...flexible structuring of existing long-term project loans to infrastructure and core industries... *(Interruptions)* Banks are free to align the repayment schedule as per the economic life of the project once during its lifetime without treating the account as restructured.” *(Interruptions)*

[Translation]

Madam, the Reserve Bank has further directed that if the banks so wish, they may restructure loans with a moratorium, or, if not with a moratorium, then through simple restructuring. Attention is to be given to whether such long-term project loans in infrastructure and core industries will be capable of repayment.

Madam, I would like to inform the House that out of the Rs. 1,15,765 crore of non-performing assets of banks, 36.94 per cent loans amounting to Rs. 34,833 crore have been restructured. In this way, the stressed assets, which are nearly 48 per cent of the total loans, though lower compared to industrial loans as a whole, are also being restructured by banks. ...*(Interruptions)*

SHRI JYOTIRADITYA MADHAVRAO SCINDIA: Hon. Speaker
Madam, this is a very important question, and the Hon. Minister

himself has stated in his reply that internationally, steel prices have fallen sharply. ... *(Interruptions)* At present, the largest contributor to NPAs in the country is the steel sector, with nearly Rs. 5 lakh crore turning into NPAs, of which the share of the steel sector is the largest. ... *(Interruptions)* In the month of June, the Steel Authority of India had conveyed to the Government that some restrictions be imposed under CEPA, the Comprehensive Economic Partnership Agreement with Japan and South Korea, so that the cheaper imports of steel from those countries may be reduced. ... *(Interruptions)* The Parliamentary Committee had also, in the month of May, recommended that the Government review CEPA with Japan and South Korea. ... *(Interruptions)* Today, our trade deficit with South Korea is 10 billion dollars, and during the CEPA review on 17 June, 2016, the Government had stated that it should be broadened further. ... *(Interruptions)* I would like to ask the Hon. Minister whether, in this environment, it is not more important that we safeguard our domestic companies and protect their interests. ... *(Interruptions)* If CEPA is renegotiated and broadened, there will be more dumping into India and our trade deficit will also increase. ... *(Interruptions)* How will the Government fully safeguard the interests of our domestic steel

companies, including the public sector company, Steel Authority of India? I would like the Hon. Minister to reply. ... *(Interruptions)*

SHRI CHAUDHARY BIRENDRA SINGH: Hon. Speaker, I would like to inform the House that in 2006, a major decision was taken for large-scale steel production in the country. At that time, entrepreneurs and big companies took loans from banks to establish large plants. ... *(Interruptions)* It was then thought that our production was falling short of our consumption, so from 2006 onwards loans were taken from banks to set up big industries. ... *(Interruptions)* This process began in 2008, and as it progressed, several hurdles arose. ... *(Interruptions)* There were hurdles relating to forest clearances, among others. ... *(Interruptions)* I would like to inform the Hon. Member that during their tenure, when these hurdles started, interest also began to accrue on the loans taken from banks, but production did not commence. ... *(Interruptions)* Today, the fact is that we are in surplus, and it is also true that the steel industry owes loans of over Rs. 3 lakh crore to banks. ... *(Interruptions)* We have taken steps, as I have already mentioned, through the Reserve Bank of India. ... *(Interruptions)* As far as our second effort is concerned, the Hon. Member has pointed out our Free Trade Agreement with Japan and South Korea. ... *(Interruptions)* We also understand that in Free Trade

Agreements there are, in one way or another, certain disadvantages we must face. ...*(Interruptions)* However, our international agreements and commitments cannot be given up merely on the ground that we gain nothing from the supply or import of iron ore. ...*(Interruptions)* Nevertheless, I would like to emphasise that we have taken other steps. We want these industries to be safeguarded at all costs and to be made viable. About six months ago, we introduced MIP (Minimum Import Price). ...*(Interruptions)* As a result, there has been a 30 to 35 per cent increase in the prices of steel industry products. ...*(Interruptions)*

SHRI JYOTIRADITYA MADHAVRAO SCINDIA: Hon. Speaker, my question has not been answered. ...*(Interruptions)*

HON. SPEAKER: The reply has been given. Whatever reply he had to give, he has already given.

...*(Interruptions)*

[English]

HON. SPEAKER: We will now take up Q.No.205. Shri Jayadev Galla.

...*(Interruptions)*

HON. SPEAKER: Now, the Hon. Minister.

... (*Interruptions*)

(Q.205)

HON. SPEAKER: Please go back to your seats. This is not fair.

... (*Interruptions*)

[*Translation*]

HON. SPEAKER: He has replied.

... (*Interruptions*)

[*English*]

HON. SPEAKER: Now, Shri Anil Shirole.

... (*Interruptions*)

HON. SPEAKER: What is it? Now we have gone to the next Question.

...(*Interruptions*)

HON. SPEAKER: You may please submit it in writing later, whatever you wish to provide in detail.

...(*Interruptions*)

[*English*]

SHRI ANIL SHIROLE: Madam, can the Government give details of the steps taken to reduce cost of production to ensure economic viability of the exports and the achievements therefrom? Has there

been some jobless growth in certain sectors of the economy and if so, the details of the steps taken to curtail the same and the details of the result therefrom?

SHRIMATI NIRMALA SITHARAMAN: Madam Speaker, as regards the cost of production, we can only say that in order to help the competitiveness of our exporters we try to give them interest subvention schemes and also try to give them scrips through which they can pay back some of the duties that they otherwise expected to pay. So, the cost of production from that point of view is not directly addressed but the competitiveness to export is enabled through these two major steps.

SHRI MOHAMMAD SALIM: Madam, I seek to put one question to the Minister despite this noise... (*Interruptions*) At present, the state of our global trade is not satisfactory. I also acknowledge that the overall global economic situation is unfavourable. Today, we are emphasising *Make in India*. If we are to strengthen our virtual image into a solid framework, we must promote our exports. The original question has avoided addressing one key aspect, what are the targets?

Wherever we can enter the market within two, three or five years, there must be a clear roadmap based on the prevailing conditions of those markets. Simultaneously, on the basis of demand in those

countries, how can we encourage our domestic industries accordingly? You have mentioned product-specific initiatives related to agriculture and food processing. However, in the current context, where our goods can find a viable market and where we can boost exports, has the Government undertaken any specific mapping of demand vis-à-vis our potential supply? If so, what steps have been taken in this regard so far?

[English]

SHRIMATI NIRMALA SITHARAMAN: Madam, the Hon. Member has asked a very important question which actually has been explained in detail... (*Interruptions*). In our Foreign Trade Policy, we are very clearly identifying newer markets and areas to which our exports can go globally. The Member is right in saying that globally the export situation is not very healthy, although I would like to say since June our exports are performing better than before. Not only are the new areas being identified but through Export Promotion Councils, we are also identifying sector-wise the potential that exists so that those targeted countries can receive these commodities and also services. This is what the Member has asked.

So the Foreign Trade Policy aims at identifying newer geographical locations and sector-wise the Export Promotion

Councils are co-opted to identify and tell us where these goods can go... (*Interruptions*) .

(Q. 206)

[Translation]

SHRI DHANANJAY MAHADIK: Madam Speaker, the Hon. Minister has given a detailed reply regarding the Ministry of Micro, Small and Medium Enterprises. This sector contributes nearly eight per cent to our country's GDP and is performing remarkably well. Around three crore sixty lakh units are functioning under this Ministry, providing livelihood to more than eight crore people. Nearly six thousand products are being manufactured through this sector. ...

(Interruptions)

Several new schemes have been launched by the Ministry, such as those related to leather, khadi and silver spinning. *ASPIRE* is a new scheme being implemented for agro-based industries. The Khadi and Village Industries sector is also functioning very efficiently and contributing significantly to livelihood generation. To support these initiatives, various online portals have been developed, including a B2C (Business-to-Customer) portal. However, the performance of this portal has been limited. According to the available data, there are only 1,442 suppliers registered on it. For a country with a population of about 125 crore and around 3,900 listed products, the portal has recorded merely two lakh hits so far.

At present, several major companies are entering the Indian market, and B2B (Business-to-Business) models are yielding substantial benefits. Those who adopted this approach in the past year have seen their business volumes double. The Hon. Minister, Shri Giriraj Ji, had visited Kolhapur and held a very productive meeting. I would like to cite an example, regarding honeybee traps. There were about ten thousand honeybee traps, but the price of honey in Maharashtra was different from that in Karnataka. The Hon. Minister had asked whether all such producers could be brought onto a single portal or platform so that everyone could benefit uniformly. I would, therefore, like to ask the Hon. Minister whether there is any plan to establish such a unified platform in the future. ... *(Interruptions)*

SHRI KALRAJ MISHRA: Hon. Speaker, the Hon. Member has raised a very important question. ... *(Interruptions)* He had asked about the mechanism to ensure the quality of products manufactured by MSMEs. ... *(Interruptions)* He had also referred to the classification and credit rating system in the context of *Make in India*. ... *(Interruptions)*

Our Ministry has launched a *B2C (Business-to-Customer)* web portal. ... *(Interruptions)* Several other web portals have also been initiated so that ordinary citizens and entrepreneurs may benefit from

them. The number of registrations on the B2C portal is steadily increasing, and it is being strengthened accordingly. ... *(Interruptions)*

We are making efforts to create greater awareness in this regard and are continuously working in that direction. ... *(Interruptions)*

In your district too, vendor development programmes have been organised, during which detailed information regarding the B2C portal was shared. ... *(Interruptions)* Through all these initiatives, our endeavour is to ensure that products manufactured by MSMEs reach more and more consumers across the country. ... *(Interruptions)*

12.00 hours

... (*Interruptions*)

HON. SPEAKER: Please, all of you return to your respective seats.

... (*Interruptions*)

HON. SPEAKER: Hon. Members, I have received notices of adjournment motions on various matters from Shri Jay Prakash Narayan Yadav, Shri Kaushalendra Kumar, Shri Gaurav Gogoi, Shri Jyotiraditya Scindia, Shri K. C. Venugopal, Kumari Sushmita Dev, Prof. Saugata Roy, Prof. K. V. Thomas, Shri P. Karunakaran, Shri Anto Antony, Shri Rajesh Ranjan, Shri Sudip Bandyopadhyay, Shri K. Suresh and Shri Mekapati Rajamohan Reddy.

The issues raised are indeed important, but there is no need to disrupt the proceedings of the House for the same. I have not permitted any of these notices of adjournment motions.

***WRITTEN ANSWERS TO QUESTIONS**

Starred Question Nos. 207 to 220

Unstarred Question Nos. 2301 to 2530

12.01 hours**PAPERS LAID ON THE TABLE**

[English]

HON. SPEAKER: Now, Papers to be laid on the Table of the House.

[Translation]

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA): Hon. Speaker Madam, I beg to lay on the table:

(1) (i) A copy of the Annual Report (Hindi and English versions) of the Mahatma Gandhi Institute for Rural Industrialization, Wardha, for the year 2014-2015, alongwith Audited Accounts.

(ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Mahatma Gandhi Institute for Rural Industrialization, Wardha, for the year 2014-2015.

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

[Placed in Library, See No. LT 4972/16/16]

**THE MINISTER OF STATE OF THE MINISTRY OF LABOUR
AND EMPLOYMENT (SHRI BANDARU DATTATREYA):**

Madam, I beg to lay on the Table:-

- (1)
 - (i) A copy of the Annual Report (Hindi and English versions) of the Central Board for Workers Education, Nagpur, for the year 2014-2015, along with Audited Accounts.
 - (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Central Board for Workers Education, Nagpur, for the year 2014-2015.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library, See No. LT 4973/16/16]

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): Madam, I beg to lay on the Table:-

(1) A copy each of the following Notifications (Hindi and English versions) under Section 62 of the Petroleum and Natural Gas Regulatory Board Act, 2006:-

(i) The Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Amendment Regulations, 2016 published in Notification No. PNGRB/CGD/ AMENDMENT/2015/2/SC in Gazette of India dated 27th April, 2016.

(ii) The Petroleum and Natural Gas Regulatory Board (Imbalance Management Services) Regulations, 2016 published in Notification No. PNGRB/M(C)/48 in Gazette of India dated 29th April, 2016.

[Placed in Library, See No. LT 4974/16/16]

(2) A copy of the Memorandum of Understanding (Hindi and English versions) between the Balmer Lawrie and Company Limited

and the Ministry of Petroleum and Natural Gas for the year 2016-2017.

[Placed in Library, See No. LT 4975/16/16]

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): Madam, I beg to lay on the Table:-

(1) A copy of the Newsprint Control (Amendment) Order, 2016 (Hindi and English versions) published in Notification No. S.O. 1690(E) in Gazette of India dated 9th May, 2016 under Section 18G of the Industries (Development and Regulation) Act, 1951.

[Placed in Library, See No. LT 4976/16/16]

(2) A copy of Notification No. S.O. 2313(E) (Hindi and English versions) published in Gazette of India dated 5th July, 2016, regarding collection of monthly price from organized manufacturing units for proposed new series of Wholesale Price Index under sub-section (3) of Section 33 of the Collection of Statistics Act, 2008.

[Placed in Library, See No. LT 4977/16/16]

THE MINISTER OF STATE OF THE MINISTRY OF CULTURE AND MINISTER OF STATE OF THE MINISTRY OF TOURISM (DR. MAHESH SHARMA): Madam, I beg to lay on the Table a copy of the Ancient Monuments and Archaeological Sites and Remains (Amendment) Rules, 2016 (Hindi and English versions) published in Notification No. G.S.R. 391(E) in Gazette of India dated 1st April, 2016 under sub-section (4) of Section 38 of the Ancient Monuments and Archaeological Sites Remains Act, 1958.

[Placed in Library, See No. LT 4978/16/16]

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRI UPENDRA KUSHWAHA): Madam, I beg to lay on the Table:-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Sarva Shiksha Abhiyan Society, U.T. Chandigarh, Chandigarh, for the year 2014-2015, alongwith Audited Accounts.
- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Sarva

Shiksha Abhiyan Society U.T. Chandigarh, Chandigarh,
for the year 2014-2015.

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

[Placed in Library, See No. LT 4979/16/16]

THE MINISTER OF STATE IN THE MINISTRY OF STEEL

(SHRI VISHNU DEV SAI): Madam, I beg to lay on the Table a copy each of the following papers (Hindi and English versions):-

(1) Memorandum of Understanding between the Hindustan Steelworks Construction Limited and the Ministry of Steel for the year 2016-2017.

[Placed in Library, See No. LT 4980/16/16]

(2) Memorandum of Understanding between the Steel Authority of India Limited and the Ministry of Steel for the year 2016-2017.

[Placed in Library, See No. LT 4981/16/16]

12.04 hours

**DEMANDS FOR SUPPLEMENTARY GRANTS
(GENERAL), 2016-17**

[English]

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): Madam, I beg to present a statement (Hindi and English versions) showing Supplementary Demands for Grants in respect of Budget (General) for 2016-17.

[Placed in Library, See No. LT 4982/16/16]

HON. SPEAKER: Hon. Members, Now, the House will take up the 'Zero Hour'. I will you allow you all. Zero Hour is the Hour of the Members. But first you have to go back to your seats. This is not the way. 'Zero Hour' is the Hour of the Members. Please go to your seats.

... (*Interruptions*)

HON. SPEAKER: How can we do it like this? 'Zero Hour' is the hour of the Members. Please go to your seats. Everybody wants to say something. They want to raise some important points. Please go to your seats. It is 'Zero Hour' and it is your hour. If you want to raise something, please go back to your seats. It is the Members' Hour. Please go back to your seats. All of you please go back to your seat.

... (*Interruptions*)

HON. SPEAKER: Please go to your seats. What is happening here? All of you go to your seats please.

... (*Interruptions*)

[*Translation*]

SHRI GAURAV GOGOI (KALIABOR): Madam Speaker, for the past two to three months, the lives of people in the northern and north-eastern regions have been filled with pain, fear and darkness due to severe floods. The death toll has reached around 90. ... (*Interruptions*)

There have been 45 deaths in Assam, 40 in Bihar, and 30 in Uttarakhand. ... *(Interruptions)* Floods have also affected Meghalaya and Arunachal Pradesh. ... *(Interruptions)* Similar flood situations are prevailing in southern Maharashtra and even in the Delhi–NCR region. ... *(Interruptions)* Nearly eight lakh people have taken shelter in relief camps. ... *(Interruptions)* However, the Government has remained silent on this issue. ... *(Interruptions)* These eight lakh people have taken refuge in about 850 national relief camps. ... *(Interruptions)* Schools, houses, and even temples have been submerged. ... *(Interruptions)*

HON SPEAKER: Gaurav Gogoi ji, please sit down.

...*(Interruptions)*

[English]

HON. SPEAKER: I am ready to allow all of you during the discussion under Rule 193.

... *(Interruptions)*

HON. SPEAKER: You give notice for a discussion under Rule 193 regarding the flood situation and I will allow you.

... *(Interruptions)*

12.06 hours**SUBMISSION BY MEMBER**

Re: Need for Government intervention to evacuate large number of Indians stranded in Jeddah, Saudi Arabia

PROF. K.V. THOMAS (ERNAKULAM): Madam, around 10,000 Indians are stranded in Jeddah of Saudi Arabia. They are jobless. They do not have any food to eat. This is a very serious situation.... *(Interruptions)* 10,000 Indians are stranded there. They are jobless and without food. Their passports are held up. So, immediate action should be taken to save them.... *(Interruptions)*

HON. SPEAKER: Shri Mullappally Ramachandran, Shri Anto Antony, Shri Kodikunnil Suresh, Shri N.K. Premachandran, Shri M.K. Raghavan, Shri Rabindra Kumar Jena Shri Rajesh Ranjan, Shri P. Karunakaran, Shri K.C.Venugopal, Shri Md. Badaruddoza Khan and Shri Sankar Prasad Datta are permitted to associate with the issue raised by Prof K.V. Thomas.

[Translation]

SHRI SHARAD TRIPATHI (SANT KABIR NAGAR): Hon. Speaker, a very serious incident has taken place in Bulandshahr. ...
(Interruptions) We demand a discussion on this issue. ...
(Interruptions) The entire State of Uttar Pradesh is in turmoil. ...
(Interruptions)

[English]

HON. SPEAKER: I will allow you. The Hon. Minister wants to say something on this issue.

... *(Interruptions)*

[Translation]

HON. SPEAKER: Please be seated. The Hon. Minister is making a statement.

... *(Interruptions)*

THE MINISTER OF EXTERNAL AFFAIRS (SHRIMATI SUSHMA SWARAJ): Hon. Speaker, with regard to the matter raised by Prof. Thomas in the House, I would like to inform the House through you... ... *(Interruptions)*

[English]

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI ANANTHKUMAR): It is an important issue. I request the Hon. Members to allow her to speak.... *(Interruptions)*

[Translation]

HON SPEAKER: Please, all of you be seated. More than ten thousand of our people are stranded abroad, and the Hon. Minister is taking action in this regard. Will you not even listen to what she has to say?

... *(Interruptions)*

SHRIMATI SUSHMA SWARAJ: I would like to request my fellow Members of Parliament to kindly listen to this serious matter for just two minutes, and you may express your views thereafter. ... *(Interruptions)*

[English]

SHRI ANANTHKUMAR: Please allow her statement.... *(Interruptions)*

HON. SPEAKER: Please take your seats.

... *(Interruptions)*

HON. SPEAKER: This is not the way.

... (*Interruptions*)

[*Translation*]

HON. SPEAKER: Please listen, I do understand. I would request all of you to maintain calm. More than ten thousand of our people are stranded abroad. The Ministry of External Affairs is extending every possible assistance to them. They are your own countrymen. Please show some patience and understand the gravity of the situation. A statement is being made on a very important matter. Kindly do not engage in arguments.

...(Interruptions)

[*English*]

HON. SPEAKER: Please keep quiet.

... (*Interruptions*)

[*Translation*]

SHRIMATI SUSHMA SWARAJ: Madam Speaker, the issue raised by Prof. Thomas in the House, and supported by several other Hon. Members, has been taken very seriously by the Government. The day before yesterday, I came to know that our workers are stranded in Saudi Arabia without food and water. Immediately, I contacted the

Indian Embassy in Riyadh and the Consulate General in Jeddah and directed them to distribute free ration among the workers in all the five camps where they were residing.

At the same time, I appealed to the Indian community there to lend their support in this humanitarian effort. I also made it clear that I would personally monitor the situation and instructed that hourly reports be sent to me. I am satisfied to inform the House today that the last message I received was at 2.45 a.m., confirming that the distribution of ration in all five camps had been completed.

Till late in the night, up to 2.45 a.m., officials of our Embassy, the Consulate General in Jeddah, and members of the Indian community worked together to distribute sufficient rations, providing food stocks for eight to ten days in each camp. However, this is not a permanent solution to the problem. The fact is that these are companies which have shut down their factories and left the country. We do not want our people to remain stranded there. Yesterday, we contacted both the Foreign Office and the Labour Office of Saudi Arabia regarding this matter.

In Saudi Arabia, there is a rule that if one wishes to obtain an emergency exit visa to bring back workers, a No Objection Certificate (NOC) is required from the employer. However, since the employers

of these companies have abandoned their businesses and left the country, there is no one available to issue such NOCs. Therefore, we have requested the Saudi Foreign Office to authorise us to bring back our stranded workers without the requirement of an employer's NOC.

At the same time, there are large amounts of unpaid salaries pending for these workers. We have conveyed to the Saudi Labour Office that before settling any dues of the concerned companies, they must first ensure payment of all outstanding wages to these workers, and for this purpose, all of them will sign a contract acknowledging this arrangement. Both these matters have been settled as of yesterday. Gen. V. K. Singh himself is travelling to Saudi Arabia to oversee the process personally. He will ensure that both issues are resolved and that our workers are brought back home safely. There is no problem regarding food supplies. Through my message on Twitter, I had assured the people of the country, and today I wish to reiterate before this House that not a single unemployed worker stranded there will remain hungry; each one will receive adequate food. I give this assurance to the nation through this august House. ... (*Interruptions*)

HON. SPEAKER: Very good, excellent work indeed.

...(*Interruptions*)

[*English*]

HON. SPEAKER: Please be quiet. She has done everything. Please take your seats. This is not the way.

...(Interruptions)

[Translation]

HON. SPEAKER: No one else would have done so much work.

[English] She has made the statement.

HON. SPEAKER: Shri Bhartruhari Mahtab and Shri Nagendra Pradhan, I received your further notices of privilege today, that is on 1st August 2016. I have already called for comments from the Minister. As soon as I receive the comments, I will take a decision.

... (Interruptions)

[Translation]

HON. SPEAKER: Shri Bholu Singh ji, please speak.

... (Interruptions)

HON. SPEAKER: No more questions. What more do you wish to add now? You have already made your statement.

...(Interruptions)

SHRI BHOLA SINGH (BULANDSHAHR): Madam Speaker, a most tragic and distressing incident has taken place in my parliamentary constituency, Bulandshahr, which has brought shame upon the entire nation. I would like to bring this painful incident to the notice of the House through you.

Madam, a family from Shahjahanpur, while travelling from Noida to Shahjahanpur, was stopped on the way by a group of miscreants who took the entire family hostage. They brutally assaulted the family and committed rape on the sister and the mother, keeping them captive for several hours. Madam, this is not an isolated case. Numerous such incidents are taking place under the present administration in Uttar Pradesh. From 15 March 2015 till now, 2,752 cases of rape, 1,246 cases of murder, and 8,153 incidents of hooliganism have been reported. ... *(Interruptions)* Those committing

these heinous crimes are functioning under the protection of the State Government. The police administration is unable to act under political pressure, and the Government's support lies with the criminals. ... *(Interruptions)* Madam Speaker, in such circumstances, the State Government is attempting to suppress the police administration. ... *(Interruptions)* The Chief Minister should resign. The leader of the Samajwadi Party is present in this House, and I would urge him to seek the resignation of the Chief Minister, as the law and order situation in the State has become extremely serious. The entire State stands shamed by the rising incidents of crime, hooliganism and lawlessness. ... *(Interruptions)*

HON. SPEAKER: Shri Bhairon Prasad Mishra, Shri Chandra Prakash Joshi, Shri Sudheer Gupta, Shri Rodmal Nagar, Shri Ravinder Kushwaha, Kunwar Pushpendra Singh Chandel, Shri Jagdambika Pal, Shri Kirti Vardhan Singh, Shri Devendra Singh Bhole, Shri Sharad Tripathi, Shri Vinod Kumar Sonkar, Shrimati Meenakshi Lekhi and Shri Keshav Prasad Maurya are permitted to associate themselves with the matter raised by Shri Bhola Singh.

[English]

SHRI SUDIP BANDYOPADHYAY (KOLKATA UTTAR): Hon. Speaker, I want to say that we, the Indians, are the firm believers of

secularism and communal harmony. We are also the believers of the philosophy of unity in diversity, which would be our ethos and philosophy but what we are finding at present is that Dalits and Muslims are being butchered in the country in different places. We should rise to the occasion. We want to feel that India wherein every section of the society can live peacefully. We believe that those persons who in the name of *Gau-Rakshak* they bring instability to our country, we should take stern measures against them. ... *(Interruptions)* They have to be dealt with sternly. ... *(Interruptions)* Publicity is being given in different newspapers about the success of the Government. ... *(Interruptions)* The Government's success cannot be projected; the Government's functioning is measured with the maintenance of secularism and communal harmony and the implementation process perfectly. ... *(Interruptions)*

[Translation]

HON. SPEAKER: Shri Ravindra Kumar Jena is permitted to associate with the matter raised by Shri Sudip Bandyopadhyay.

DR. ANSHUL VERMA (HARDOI): Hon. Speaker Madam, I would once again like to bring to your attention that the people of my parliamentary constituency have long been demanding the

construction of a bridge over the river Ramganga near Bargaon and Arjunpur. ... *(Interruptions)*

Madam, ever since Independence, for the past sixty-five years, a pontoon bridge has been temporarily installed at this location from time to time for facilitating movement, but it gets washed away every year during the floods. After the rainy season, the drums of the pontoon bridge are reassembled to resume traffic. ... *(Interruptions)*

Madam, I would also like to draw your attention to the fact that in the year 1976, on the occasion of Kartik Purnima, a boat capsized at this very spot, resulting in the tragic death of 90 pilgrims. Similarly, on 23 January 2012, at the same place, two persons from Hariyapur Madhya village drowned and more than a dozen people were injured when a tractor-trolley slipped into the river. Accidents of this nature keep occurring at this location throughout the year. If a permanent bridge is constructed here, the distance between Farrukhabad and Kannauj districts would be reduced to merely 10 kilometres, as against the present 50 to 75 kilometres that people have to travel. I, therefore, urge the Hon. Prime Minister to kindly sanction the construction of a bridge at this location. ... *(Interruptions)*

HON. SPEAKER: Shri Bhairon Prasad Mishra and Kunwar Pushpendra Singh Chandel are permitted to associate themselves with the matter raised by Shri Anshul Verma.

[English]

SHRI T.G. VENKATESH BABU (CHENNAI NORTH): Hon. Speaker Madam, over the years, there has been heavy traffic congestion between Chennai Beach and Gummudipoondi section. To ease the traffic congestion, a third line in this corridor has been commissioned between Korukkupet and Attipattu stations, which has a distance of 15 kms. This section is used by several passenger/mail/express trains going towards the northern and eastern parts of the country, as well as suburban and freight trains that cater to the heavily industrialized north Chennai. As far as construction of the fourth line in this stretch is concerned, it has almost been completed but there are certain bottlenecks between Tiruvotriyur and Wimco Nagar stations which has delayed the project.

Presently, every day, the trains on this section face a minimum delay of 15 minutes to half-an-hour because of congestion. The commissioning of this line will result in speeding up of suburban trains in this section and will improve punctuality.

Further, the quadrupling of this section between Chennai Beach and Attipattu has to be necessarily and urgently extended up to Gummudipoondi.. Existing double line track has to be declared as Dedicated Corridor for suburban EMU services, given that Ponneri lying in between is to be converted into a Smart City where an estimated population of around 5 lakh is to be cushioned.

HON. SPEAKER: It is okay. Such a long text you cannot read. Not to read one full page.

[Translation]

SHRI BIRENDRA KUMAR CHOWDHURY (JHANJIHARPUR): Madam Speaker, in the Jaynagar Railway Station area under the Samastipur Division of the East Central Railway, certain influential persons have encroached upon railway land. It is alleged that, with the connivance of officials of the Samastipur Division, illegal collections are being made from this encroached land every month. ... *(Interruptions)* There is a pressing need for this railway land to be reclaimed. ... *(Interruptions)* Earlier, goods trains used to reach the goods shed, but due to encroachment on railway land by these local elements, the goods trains can no longer reach there, causing great inconvenience to passengers and disruption in operations. ... *(Interruptions)*

I would, therefore, urge the Hon. Minister of Railways and the Hon. Minister of State for Railways to take immediate steps to remove these encroachments and restore the railway land for proper use in railway services. ... (*Interruptions*)

HON. SPEAKER: Shri Bhairon Prasad Mishra is permitted to associate with the matter raised by Shri Birendra Kumar Chaudhary.

[*English*]

***SHRI R. PARTHIPAN (THENI):** In my Theni parliamentary constituency, there is a plenty of production of mango, jackfruit and banana. But the farmers do not get remunerative prices for their produce. The State Government of Tamil Nadu led by Hon. Chief Minister Dr. Puratchithalaivi Amma supports these farmers in a big way. I therefore urge the Union Government to support the farmers of my constituency so that they get remunerative prices for their produce, especially fruits grown by them. Thank you.

[*Translation*]

SHRI JAGDAMBIKA PAL (DOMARIYAGANJ): Madam Speaker, I am extremely grateful to you for giving me this opportunity. Across the country, those who play a vital role in the

* English translation of the speech originally delivered in Tamil.

implementation of national programmes of importance, be it the Pulse Polio campaign, the work of Booth Level Officers, or the National Census, are our 28 lakh Anganwadi workers and helpers. However, the honorarium being paid to them still varies widely from State to State. ... *(Interruptions)* In Uttar Pradesh, Anganwadi workers receive only Rs. 3,000 per month and helpers Rs. 1,600, even though the Union Government provides Rs. 3,000. ... *(Interruptions)* As per the rule, 40 per cent of the share is to be contributed by the State Governments. ... *(Interruptions)* In Haryana, they are being paid Rs. 7,500, and in Uttarakhand, Rs. 7,600. ... *(Interruptions)*

Madam Speaker, through you, I would like to urge the Union Government to declare Anganwadi workers and helpers as temporary employees ... *(Interruptions)* and to increase their honorarium from Rs. 10,000 to Rs. 15,000 per month. ... *(Interruptions)* In Uttar Pradesh alone, there are about four lakh Anganwadi workers and helpers. ... *(Interruptions)*

HON. SPEAKER: Shri Bhairon Prasad Mishra, Shri Devendra Singh Bhole, Shri Sharad Tripathi, Shri Ajay Mishra Teni, Shrimati Neelam Sonkar, Shri Ashwini Kumar Choubey, Kunwar Pushpendra Singh Chandel, and Shri Rodmal Nagar are permitted to associate themselves with the matter raised by Shri Jagdambika Pal.

[English]

SHRI RADHESHYAM BISWAS (KARIMGANJ): Madam Speaker, due to citizenship issue, no more than 3.2 per cent only of Assam's population has been enrolled for Aadhaar. Enrolment for Aadhaar has started in only three districts of Assam, namely Golaghat, Nagaon and Sunitpur. Poor Aadhaar enrolment in Assam is causing difficulties for BPL families, students and many other people at the time of filing applications in various Government institutions and they also face problems in respect of various Government payments to be made to them. Assam is finding it hard to implement many of the technology driven social security programmes. The work of upgradation of NRC is in progress. Considering the slow progress of Aadhaar enrolment in Assam, I would request the Union Government to issue a separate direction to various Government institutions for allowing benefits to the respective beneficiaries and applicants without Aadhaar number till upgradation of NRC and issuance of Aadhaar Card.

HON. SPEAKER: Shri Bhairon Prasad Mishra and Kumari Sushmita Dev are permitted to associate with the issue raised by Shri Radheyshyam Biswas.

SHRI P.K. BIJU (ALATHUR): Madam Speaker, I thank you for giving me this opportunity. I would like to raise an important issue regarding the increase of atrocities against Dalits in our country. Recently, in Bihar, Rajasthan and Uttar Pradesh, many incidents of atrocities against Dalits have taken place. In Uttar Pradesh, in a fight involving just Rs. 15, a Dalit man was killed. Moreover, recently Dalits were attacked in Una, Gujarat. Yesterday there was a big rally there and I went there. I would like to raise this matter in this august House because the Dalits are living in pathetic conditions throughout the country. Their cases are not registered. Even when some cases are taken up, they are not inquired into properly. These growing incidents of atrocities against them have badly affected the Dalit community in our country. They have been raising this issue. So, Madam, the Parliament itself should take a strong stand to save the *dalit* community in our country. I would, therefore, urge upon the Government to take up the issue of *dalit* community very seriously to save them from atrocities being committed on them. Thank you.

HON. SPEAKER: Shri Ravbindra Kumar Jena is permitted to associate with the issue raised by Shri P.K. Biju.

SHRI J.J.T. NATTERJEE (THOOTHUKUDI): Hon. Madam Speaker, I wish to bring to the kind attention of this House a very important matter of urgent public importance.

There is a huge demand for a port in Manappad in my Tuticorin Parliamentary Constituency.

Madam, Tamil Nadu has 1076 kilometres of coastline, which is the second in the country. The demand for a port in Manappad, which is 60 kilometres from Tuticorin and 18 kilometres south of Tiruchendur is still in paper, even though Manappad is strategically and economically crucial for the country.

As maritime commerce has a deluge of economic ramifications both local and national, the steps to utilize the maritime potential of Manappad are the need of the hour.

Hence, Madam, I would urge upon the Government to take up the proposal to have a port in Manappad in true spirit with speedy execution. Thank you.

[Translation]

SHRI PASHUPATI NATH SINGH (DHANBAD): Madam Speaker, I am grateful to you for allowing me to raise this very important issue during Zero Hour. Through you, I would like to draw the attention of the Hon. Minister of Coal to the recommendations made by the Petition Committee of the 14th and 15th Lok Sabha, which stated that teachers of colliery schools should be paid salary as per the pay scale of educated workers, along with teaching allowance. However, these recommendations have not yet been implemented. Even today, these teachers are receiving a meagre monthly salary of only Rs. 5,000. The All-India Board of Directors had issued an order on 7 February 2009 that the monthly salary of teachers of colliery schools should be fixed between Rs. 4,000 and Rs. 5,500 with effect from 1 April 2008. However, the BCCL implemented this order only from the year 2012, and the arrears of salary for the period from 2008 to 2012 have still not been paid to these poor teachers.

I would, therefore, earnestly request that the Union Government issue necessary directions to ensure payment of the pending salaries to these underpaid teachers at the earliest.

[English]

HON. SPEAKER: Kunwar Pushpendra Singh Chandel and Shri Ravindra Kumar Pandey are permitted to associate with the issue raised by Shri Pashupati Nath Singh.

[Translation]

SHRI RAJEEV SATAV (HINGOLI): Hon. Speaker, I would like to raise a serious matter. Terrorism today is not only a challenge for our country but for the entire world. A few days ago, some of our colleagues from Kerala mentioned that several youths had gone missing from that State. In continuation of that, the Chief of the Maharashtra Anti-Terrorist Squad (ATS), Shri Kulkarni, stated in Latur that over a hundred youths from the Marathwada region are in contact with the terrorist organisation ISIS through the Internet. His statement has sparked a major discussion across Maharashtra. A few days ago, two youths from Parbhani city in Marathwada were arrested by the Maharashtra ATS. It was revealed that they were in touch with terrorists in Syria and had received online training in bomb-making. They were reportedly planning blasts in Aurangabad and Nagpur. This is indeed a matter of grave concern. As the Hon. Home Minister is present in the House, I would request him to take this issue

seriously. When the Head of a State Anti-Terrorist Squad himself makes such a statement, the Union Government should come forward and make a clarification before this House. The Government should inform the House whether it is indeed true that over a hundred youths are missing, and if so, in whose contact they are.

SHRI BHAIRON PRASAD MISHRA (BANDA): Hon. Speaker, in my parliamentary constituency comprising the Banda and Chitrakoot districts, as well as the entire Bundelkhand region, there is an acute shortage of healthcare facilities. Due to the absence of any advanced medical institution nearby, people are losing their lives prematurely. The PGI at Lucknow, which is about 350 kilometres away, is unable to accommodate patients owing to lack of space.

Similarly, the AIIMS in Delhi, which is around 700 kilometres away, gives appointments for medical examinations only after several months, and the dates for operations are fixed even up to a year later. By that time, many seriously ill patients lose their lives. Common people cannot afford the expenses of private, large hospitals. Bundelkhand, by itself, is as large as a State. I would, therefore, request the Union Government to kindly make provision in the forthcoming Budget for the establishment of an AIIMS at Banda, which lies at the central location of the Bundelkhand region.

[English]

HON. SPEAKER: Kunwar Pushpendra Singh Chandel is permitted to associate with the issue raised by Shri Bhairon Prasad Mishra.

[Translation]

SHRI RAVINDRA KUMAR PANDEY (GIRIDIH): Madam Speaker, I thank you for giving me this opportunity to raise a very important issue concerning my constituency. In the Giridih parliamentary constituency of Jharkhand, particularly in the Jaridih, Kasmar, Pirtand and Nawadih blocks, incidents of wild elephants causing damage have increased considerably. It has been observed that there has been loss of both life and property, as well as extensive damage to crops. Although the Forest Department provides some compensation, no assistance is given for the reconstruction of houses that are destroyed. I would, therefore, request that the Union Government ensure the construction of such houses under the Indira Awaas Yojana or the Pradhan Mantri Awaas Yojana (Grameen) so that our tribal brethren and other forest-dwelling people may benefit from it. Thank you very much.

[English]

HON. SPEAKER: Kunwar Pushpendra Singh Chandel and Shri Bhairon Prasad Mishra are permitted to associate with the issue raised by Shri Ravindra Kumar Pandey.

DR. THOKCHOM MEINYA (INNER MANIPUR): Thank you Madam Speaker. I rise to raise a matter of urgent public importance.

Madam, I stand here to convey my best wishes and best of luck to our sportspersons bound for Rio Olympics.

My State, Manipur, the sporting power house has every reason to celebrate because this tiny State has once again created history by sending six sportspersons to represent the country in the Olympic Games. The six sportspersons are namely Saikhom Mirabai Chanu, woman weightlifter (48 kilograms); Laishram Bombayla, women's archery; Capt. Sushila Chanu Pukhrambam and Anuradha Thokchom, Women's Field Hockey Team; Khadangbam Kothajit Singh and Chinglensana Singh Kangujam, Men's Field Hockey Team.

Altogether, 121 sportspersons will represent India. The State's first hockey Olympian is Nilkamal Singh, who played in the Los Angeles Games in 1984. India finished sixth in the Games.

It might be mentioned that five Manipuri players including the country's most decorated pugilist M.C. Mary Kom, who was nominated as Rajya Sabha Member on April 26th, participated in the London Olympics 2012 and she won a Bronze Medal. This time also, Mary Kom could have booked a berth in the Indian contingent, had her nomination to the Upper House been delayed till end of the World Championships in May, which was her last chance to qualify for Rio Olympics.

Yesterday, our Hon. Prime Minister in his 'Mann Ki Baat' has asked our sportspersons 'come with your heart won.' here, I would like to urge our good sportspersons 'come after winning a medal, just winning hearts is of little use.'

Once again, I do convey my best wishes and best of luck to all our sportspersons for Rio Games. Thank you, Madam.

HON. SPEAKER: Kunwar Pushpendra Singh Chandel is permitted to associate with the issue raised by Dr. Thokchom Meinya.

[Translation]

SHRI SANTOKH SINGH CHAUDHARY (JALANDHAR): Madam Speaker, in my parliamentary constituency Jalandhar, there is a highly revered religious dera known as Sant Sarwan Das Ji Dera

located in village Balla. This dera has lakhs of followers both in India and abroad and is dedicated to spreading the teachings and philosophy of Guru Ravidas Ji.

A peaceful protest was organised across all districts of Punjab by members of the Ravidas community. Unfortunately, certain mischievous elements infiltrated the protest and resorted to acts of vandalism. It is deeply regrettable that the Punjab Government registered numerous cases against innocent persons, in all, 73 cases were filed, out of which 30 were found to be untraceable and in 45 cases the accused were acquitted. The Punjab Government has since constituted a Claims Commission and issued a notification alleging that losses amounting to Rs. 700 crore were caused by members of the Ravidas community, and that double the amount should be recovered from 170 persons who have already been acquitted. This notification by the Punjab Government is highly unjust. On the one hand, they repeatedly approach the Union Government seeking clemency for extremists and those on the blacklist, while on the other, they are inflicting grave injustice upon the Ravidas community. I would, therefore, request the Union Government to intervene in this matter, have the Claims Commission annulled, and ensure that all false cases registered against innocent persons are withdrawn.

HON. SPEAKER: Dr. Kirit P Solanki - Not present.

[English]

***SHRI K. PARASURAMAN (THANJAVUR):** Hon. Madam Speaker, Vanakkam. Under the able guidance of Hon Chief Minister of Tamil Dr. Puratchithalaivi Amma, I want to raise an issue about the setting up of a National Ayush University in my Thanjavur parliamentary constituency.

HON. SPEAKER: You have to give notice if you want to speak in Tamil. Have you given notice? Ok. Now you can speak.

***SHRI K. PARASURAMAN:** Thanjavur is a historically renowned place. Most of the Indian medicines in our country are derived from the particulars collected from ancient manuscripts, palm scripts and

* English translation of the speech originally delivered in Tamil

stone inscriptions. We are aware of the fact that Indian medicines are based on ancient systems of medicine. Our ancestors have given us, in a secret way, these drug combinations which can prevent and cure several diseases. We have so many books pertaining to Indian medicine in the Saraswathi Mahal Library of Thanjavur. Books in several volumes on Ayurveda are available in this Saraswathi Mahal Library. This Indian medicine should be recognized by the Union Government. In our country, only 2% funds are allocated for Indian medicine, whereas 98 % funds are allocated for western allopathic medicine. During ancient days, we used Indian medicines primarily derived from plants and herbs. I urge that the Union Government should come forward to engage in research activities in the field of herbal and natural medicines besides setting up a National Ayush University. The Tamil University Campus in Thanjavur is spread across an area of 1000 acres. There are more than 300 varieties of plants and herbs available in this campus. I therefore urge upon the Union Government to set up a National Ayush University in my Thanjavur parliamentary constituency.

[Translation]

HON. SPEAKER: Shri Bhairon Prasad Mishra is permitted to associate with the matter raised by Shri K. Parasuraman.

SHRI SUBHASH CHANDRA BAHEDIA (BHILWARA): Madam Speaker, my parliamentary constituency Bhilwara is known as the “Textile City”, where approximately eight crore metres of cloth are produced every month. Through you, I would like to draw the attention of the Hon. Minister of Railways to the fact that at present, a train operates from Bhilwara to Mumbai three days a week, which runs from Ajmer to Bandra and connects with the Udaipur route at Chittorgarh Junction.

Madam Speaker, through you, I would like to request the Hon. Minister of Railways that there is another train operating from Udaipur to Mumbai six days a week, but for the remaining three days, coaches from Bhilwara are not attached to this train. There is a great demand for direct train service from Bhilwara to Mumbai, as thousands of people from Bhilwara travel there regularly. I, therefore, urge that coaches from Bhilwara be attached to the Udaipur–Mumbai train on the remaining three days as well, so that passengers from Bhilwara may have the facility of travelling to Mumbai six days a week. Thank you for giving me the opportunity to speak.

HON. SPEAKER: Shri Bhairon Prasad Mishra is permitted to associate with the matter raised by Shri Subhash Chandra Bahedia.

SHRIMATI ANJU BALA (MISRIKH): Madam Speaker, in my parliamentary constituency Misrikh, two pairs of trains, Nos. 54321 & 54322, and 54325 & 54326, had been operating for several years. These trains had been running regularly, but both pairs have been discontinued since the 29th of last month. This has caused immense difficulty to students commuting to schools and to those engaged in service. Since Misrikh is a pilgrimage centre, tourists visiting the place are also facing great inconvenience. These two trains were the main means of transport to and from Misrikh, and their sudden discontinuation has caused widespread resentment among the local people. Therefore, through you, Madam Speaker, I would like to request the Hon. Minister of Railways to kindly restore the operation of these two trains at the earliest. Thank you for giving me the opportunity to speak.

HON. SPEAKER: Shri Bhairon Prasad Mishra is permitted to associate with the matter raised by Shrimati Anju Bala.

[English]

The House stands adjourned to meet again at 2 p.m.

12.42 hours

The Lok Sabha then adjourned till Fourteen of the Clock.

14.04 hours

The Lok Sabha re-assembled at Four Minutes past Fourteen of the Clock.

(Hon. Deputy Speaker in the Chair)

MATTERS UNDER RULE 377 *

HON. DEPUTY SPEAKER: Hon. Members, the matters under rule 377 shall be laid on the Table of the House. Members, who have been permitted to raise matters under rule 377 today and are desirous of laying them, may personally handover the text of the matter at the Table of the House within 20 minutes. Only those matters shall be treated as laid for which text of the matter has been received at the Table within the stipulated time. The rest will be treated as lapsed.

* Treated as laid on the Table

(i) Need to increase the punishment and fine for offences of cruelty to animals.

[Translation]

SHRI MAHESH GIRI (EAST DELHI): Under Section 11 of the Prevention of Cruelty to Animals Act, 1960, a person found guilty of cruelty to animals is liable to pay a fine ranging from Rs. 5 to a maximum of only Rs. 100, irrespective of the degree of cruelty involved, and the maximum punishment prescribed is merely three months' imprisonment. Recently, a shocking incident of extreme cruelty to a dog in Chennai left the entire society horrified.

Between 2012 and 2015 alone, more than 24,000 cases of inhuman treatment towards animals have been reported. People, for their amusement, continue to inflict unbearable pain on voiceless animals, which is absolutely intolerable.

I would, therefore, request the Union Government to increase both the fine and the term of imprisonment so as to effectively curb crimes committed against animals.

**(ii) Regarding relocation of villages in Critical Tiger Habitat
(CTH) in Rajasthan**

[English]

SHRI DUSHYANT SINGH (JHALAWAR-BARAN): There are three tiger reserves in the Rajasthan namely Ranthambhore, Sariska and Mukundra Hills. There are about 108 villages in the Critical Tiger Habitat (CTH) which are proposed to be relocated. Out of these, 8 villages have been relocated so far and 100 villages having about 14000 families are remaining to be relocated from the CTH of these tiger reserves. It will require an amount of approximately Rs 1424 Crore. Central Assistance is imperative to ensure village relocation as envisaged in guidelines of Wildlife (protection) Act, 1972. Therefore, a request has been made to Hon'ble Minister of Environment, Forest and Climate change, Government of India by Hon'ble Chief Minister of Rajasthan in August, 2015 to release an amount of Rs150 crores in the current financial year for relocation of villages from tiger reserve. Hence I request for the kind intervention of Hon'ble Minister of Environment, Forest and Climate Change in the matter and an early release of fund for the same.

Apart from this, present package for relocation i.e. Rs 10 lakh per family is not adequate and villagers are not agreeing to this

compensation. Therefore, I also request the Hon. Minister to provide suitable directions to National Tiger Conservation Authority for enhancement of existing package of Rs 10 lakh per family to Rs 30 lakh per family for Sariska Tiger Reserve and Rs 20 Lakh per family for Ranthambhore Tiger Reserve.

(iii) Need to construct a wall along village Ratauli in Sitapur district, Uttar Pradesh to regulate the course of river Sharda

[Translation]

SHRIMATI RAKSHA VERMA (DHAURHARA): On behalf of all the residents of village Ratauli, Post Sansari, District Sitapur in Dhaurahra area, Uttar Pradesh, I would like to submit that an embankment has been constructed on the opposite side of our village, due to which the current of the river now strikes the bank located on our side. The entire village is living under constant fear of severe flooding. The western edge of the village is eroding rapidly. In July 2016, the area was already affected by heavy floods, but fortunately, the water level of the Sharda river receded quickly. However, due to continuous erosion, the river's course has now reached dangerously close to the village, creating a grave threat to its existence. If immediate measures are not taken, the entire village will be engulfed by the river, rendering hundreds of people homeless and compelling them to take desperate steps.

I would, therefore, request the **Union Government** to kindly accord approval for the construction of a 4-kilometre embankment on the side of our village and ensure its early completion so that the

village may be protected and the people saved from being rendered homeless.

(iv) Need to construct embankment on river Ganga in Amroha parliamentary constituency, Uttar Pradesh to prevent looming threat of flood in the region

SHRI KANWAR SINGH TANWAR (AMROHA): I would like to draw the attention of the Government to the problems faced by the villagers living along the banks of the river Ganga in my parliamentary constituency, Amroha.

Nearly thirteen villages of Dhanaura Tehsil in my constituency, namely Basi Aitmali, Bisawali, Deviwali, Rampur Khadar Bisawali, Mirapur Rampura Khadar, Wazidpur Sultanpur, Dhakowali, Jatowali, Shishowali, Chaknawala and Daranagar are submerged every year due to floods in the Ganga river. As a result, the entire crops of farmers are destroyed, and their cattle are also washed away, causing severe economic losses to the villagers. Floodwaters also inundate all connecting routes, cutting these villages off from other areas.

The entire stretch from village Darbar in Bijnor district to village Chaknawala in Amroha district, covering nearly 25 kilometres is affected by floods every year. At present, embankment construction work is being carried out from Darbar to Sherpur in Amroha, covering about 15 kilometres. However, thirteen villages lying within the

remaining 10 kilometres have not been included in this project. Consequently, once this embankment is completed, these villages will be left unprotected and devastated by floods.

I would, therefore, request the Union Government to kindly ensure the early construction of the remaining 10 kilometres of the embankment so that the villagers of this region may be protected from this recurring calamity. I have already made this request to the Hon. Minister through my letter dated 4 March 2016.

(v) Need to undertake research to explore the medicinal/Ayurvedic value of Tendu leaves

SHRI SHYAMA CHARAN GUPTA (ALLAHABAD): Only tendu leaves are used for rolling *beedis*. Is there any Ayurvedic reason behind this? It appears that *beedis* cannot be made using any other leaves such as those of peepal, mango, banana, banyan, mahua or palash. Tendu leaves grow only in the hilly regions of India and are used exclusively in India, that too solely for making *beedis*. *Beedi* smoking is an entirely Indian practice and is not found anywhere else in the world.

Is this a form of herbal smoking? It is said that *beedis* made from tendu leaves do not cause diseases such as cancer, as they involve only smoke inhalation and not the chewing or consumption of tobacco as in other products. Even most of those who smoke *beedis* regularly do not seem to suffer from ailments associated with smoking.

Perhaps owing to these unique qualities, tendu leaves fetch a price ranging from Rs. 100 to Rs. 200 per kilogram, which is much higher than that of other forest produce. The Governments also earn thousands of crores of rupees in revenue from it.

The tendu leaf alone generates revenue of about Rs. 10,000 crore annually for the State Governments. If these leaves are such a valuable source of income, why are they not being cultivated on vacant lands?

I would, therefore, request the Union Government to undertake research on the medicinal properties of the tendu leaf and to study the possible benefits derived from its use.

**(vi) Need to cancel the proposed Vadodara-Mumbai Express
Highway**

[English]

SHRI CHINTAMAN NAVASHA WANGA (PALGHAR): Mumbai-Ahmedabad National Highway No.8 passes through my constituency. This Highway is six lane and work of Eight Lane Highway is proposed. Work of Coastal National Highway is going on and construction of road is already completed upto Gujarat State boundary. But now Vododara Mumbai Express Highway is proposed by the Government and work of survey is going on. This highway is proposed between Mimbai-Ahmedabad National Highway No. 8 and national Coastal Highway. Distance between Mumbai-Ahmedabad National highway and National coastal Highway is just about 15 Kilometers Vadodara Mumbai Express Highway is proposed between two national Highways and the distance may be just five to eight Kilometers. Hence, there is no necessity of third National Highway. I therefore request the Government to cancel the proposed Vododara to Mumbai Express highway.

**(vii) Need to set up a big industry in Rohtas Udyog Punj,
Dalmianagar, Rohtas, Bihar.**

[Translation]

SHRI CHHEDI PASWAN (SASARAM): With the closure of the Rohtas Industrial Complex at Dalmianagar (Rohtas), Bihar, the district has become devoid of industries, resulting in widespread unemployment. The existing infrastructure of this industrial complex is suitable for the establishment of new factories, which would not only contribute to the growth of the national economy but also generate substantial employment opportunities for the local population.

In this context, the steps taken by the Union Government, in line with the policies of the Hon. Prime Minister, to revive the closed industrial units at Barauni, Sindri and Gorakhpur are indeed commendable.

I would, therefore, make a special request to the Union Government to issue necessary directions to the concerned Ministry for establishing a large-scale industry, a railway factory, or a fertiliser plant within the premises of the Rohtas Industrial Complex at Dalmianagar (Rohtas), Bihar, so that the idle land of the complex may

be put to productive use and the problems of unemployment and poverty in the region may be alleviated.

(viii) Need to provide water of Ravi and Beas rivers to Rajasthan as per agreement.

SHRI RAHUL KASWAN (CHURU): The States of Punjab and Haryana often do not release Rajasthan's due share of water. Particularly during the sowing and harvesting seasons, the State of Rajasthan receives a reduced quantity of water, which adversely affects the interests of farmers. The Bhakra Beas Management Board (BBMB) had constituted a Water Account Reconciliation Committee on 12 December 1974. Paragraph 3 of its resolution states that if any State receives less water than its entitlement, the shortfall should be compensated within the next fifteen days. However, this provision is not being implemented by the BBMB. The BBMB should, therefore, evolve an effective mechanism to ensure that Punjab and Haryana compensate Rajasthan for any shortfall by deducting equivalent quantities of water from their shares within the following fifteen days. Whenever Rajasthan receives less water, the State has repeatedly raised this issue before the BBMB and the Governments of Punjab and Haryana, yet no action has been taken to date. Furthermore, as per the agreement reached in 1981 among Punjab, Haryana and Rajasthan regarding the allocation of waters of the Ravi and Beas rivers,

Rajasthan's share was fixed at 8.60 MAF. However, 0.60 MAF of water is still being withheld by Punjab despite persistent efforts by the Government of Rajasthan over the years. In addition, under the agreement relating to the Sidhmukh–Nohar region of Rajasthan, the State was to receive 0.47 MAF of water, but Punjab and Haryana have so far failed to release 0.17 MAF of this allocation. I would, therefore, urge the Union Government to take necessary action to ensure that Rajasthan receives its rightful share of water from the States of Punjab and Haryana as per the agreements mentioned above.

(ix) Need to check the menace of substandard drugs

[English]

SHRIMATI RAKSHATAI KHADSE (RAVER): There is a huge trade in substandard drugs each year. The figure for NCR Delhi alone is around Rs. 300 crore and more. As per a survey report of ASSOCHAM, every third of the drugs sold on this region are substandard. There is a need to save patients from substandard drugs. As selling sub-standard medicines called ‘not of standard quality drug’ would fetch the profit margin to around 25% or more while for that of standard drug this works around 5% to maximum 10%. There is no surveillance or regulatory regime in place to control this menace. Drug Inspectors are seen around for taking samples which they suppose to do secretly and surprisingly. Many a time at places, drug sellers turn into Doctors prescribing common drugs which may be a fake or substandard. Poor and common people in these cases think they have saved on the consultations fees and costly medicine. But because of the use of substandard drugs there have been a growing numbers of patients with drug-resistance tuberculosis. As the basic reason of the problem is an outdated and confused drug controlling regime in our country governed by preindependence law i.e. the Drug and Cosmetic Act 1940. Under the act, the states’ regulatory bodies

are authorize to issue licenses for the manufacture and sale of drugs and also to check these for quality while controlling import & export of drugs, introduction of new drug and overall supervision lies with Centre. The fund starved states neither have good laboratories nor can they hire experts to keep tabs on drug makers. The committee in 2002 headed by Dr. R. A. Mashelkar, an eminent scientist was constituted to undertake comprehensive examination of drug regulatory issues including the problems of spurious drugs. The Committee has submitted its recommendations. Through the august House, I request Hon. Minister to propose amendments based on these recommendations.

(x) Need to set up a high-power Radio Station in Dhanbad parliamentary constituency, Jharkhand.

[Translation]

SHRI PASHUPATI NATH SINGH (DHANBAD): My parliamentary constituency, Dhanbad, has been playing an important role in meeting the mineral requirements of the entire country. The coal found in Dhanbad fulfils the nation's energy needs. Several national and international level institutions are located in Dhanbad, such as BCCL, CIMFR, DGMF, CMPF, and ISM (which was accorded the status of IIT during the last Budget Session). Considering all these factors, there is a pressing need to establish a high-power Radio Station at Dhanbad. Such a station would provide a platform to promote the talent of local artists. It would offer an opportunity to local residents to understand each other's traditions, values, and customs. The farmers of Dhanbad and neighbouring districts would also benefit from it. It would help in the dissemination of education and culture, and provide the people of Dhanbad and adjoining districts with an easy and accessible medium to connect with the rest of the world. At present, due to weak signals from the Radio Stations of Ranchi, Patna and Bhagalpur, the people of Dhanbad, Giridih, Jamtara, Dumka, Sahibganj, Deoghar and Pakur

districts are unable to receive proper broadcast services. Although the building of Akashvani Dhanbad has been completed on the right side of the road from Koylanagar to Baliapur in Dhanbad city, the requisite infrastructure for setting up a high-power Radio Station is still lacking there.

I would, therefore, urge the Hon. Minister of Information and Broadcasting to establish a high-power Radio Station in my parliamentary constituency, Dhanbad, so that it may play a leading role in the progress of the region.

(xi) Need to ensure transparency and standards of works as per specified norms and standards in construction of school building for girls in Sant Kabir Nagar parliamentary constituency, Uttar Pradesh.

SHRI SHARAD TRIPATHI (SANT KABIR NAGAR): Under a scheme of the Union Government, funds were allocated in the year 2015-16 for the establishment of Government Girls' Degree Colleges in 28 districts of Uttar Pradesh to promote higher education among girls. The executing agency for this project is the Uttar Pradesh Rajkiya Nirman Nigam. It is, however, a matter of regret that this construction agency has allegedly been awarding tenders arbitrarily to its own favoured persons. In this context, the construction work of a Government Girls' College is presently being carried out at Vara Khaal in Mehdawal Tehsil of Sant Kabir Nagar district, where, like in other works undertaken by this agency, serious irregularities and substandard construction have been observed. I would, therefore, urge the Union Government to conduct an inquiry against the aforesaid agency and to have the matter investigated by a Parliamentary Committee.

(xii) Need to provide houses to all the eligible persons under Pradhan Mantri Awas Yojana (Grameen) in Kanpur dehat district, Uttar Pradesh.

SHRI DEVENDRA SINGH 'BHOLE' (AKBARPUR): I would like to draw the attention of the Government to the fact that the Indira Awas Yojana has been implemented by the Ministry of Rural Development, Government of India, for several years, which is now being operated under the name Pradhan Mantri Awas Yojana (Grameen).

In pursuance of the Hon. Prime Minister's vision of "Housing for All", the implementation of this scheme by the State Governments has not been carried out effectively. As a result, eligible beneficiaries in Uttar Pradesh and other States have been deprived of the benefits of this scheme. Under the Indira Awas Yojana, houses were allotted to ineligible persons, while eligible persons were denied the benefits of the scheme.

In the Kanpur Dehat district, which falls under my parliamentary constituency, information regarding the number of houses allotted and the names of beneficiaries for the years 2012-13, 2013-14, and 2014-15 has not been provided by the departmental officers. During my

visits to the rural areas, several complaints were received from eligible villagers regarding irregularities in allotments under the Indira Awaas Yojana. Upon inquiry at my level, it was found that gross financial irregularities had been committed at the block and district levels, resulting in allotment of houses to ineligible persons. Such a situation prevails in almost all districts of the State.

I would, therefore, request the Union Government to kindly constitute an inquiry committee at its level and issue necessary directions to the concerned authorities to ensure that houses are allotted to the rightful and eligible beneficiaries.

(xiii) Need to release arrears of funds for disbursement of scholarships to students belonging to Backward Classes in Maharashtra.

SHRI GOPAL SHETTY (MUMBAI-NORTH): The Secretary, Social Justice and Special Assistance Department, Government of Maharashtra, has sent proposals to the Secretary, Ministry of Social Justice and Empowerment, for the release of Rs. 1392.61 crore as reimbursement amount pending from the Union Government for the period between 2001-02 and 2013-14 for the welfare of backward classes. In this regard, as many as 29 reminder letters have also been sent. However, the said pending amount has not yet been released by the Union Government. The allocation of the outstanding Central funds for scholarships to eligible students belonging to the backward classes in the State should be ensured at the earliest.

I would, therefore, request the Hon. Minister of Social Justice and Empowerment to kindly issue necessary directions to ensure the early allocation of the pending Central funds for scholarships to eligible students belonging to the backward classes of Maharashtra State.

**(xiv) Regarding implementation of Kandi Master Plan in
Murshidabad district of West Bengal**

[English]

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR):

Flood management can save crops which may translate into the growth of the economy. The people of my district had been agitating for the execution of Kandi master plan since independence. Kandi is the subdivision of my district Murshidabad which is prone to flood resulting in huge losses to the farmers.

After a long struggle Union Government had sanctioned the “kandi” master plan in the year (2010-11) and included it in the budget proposing Rs. 439 crores. Work had commenced thereafter. It was assumed that Kandi master plan would be the game changer for the people of Kandi sub-division as this area is regarded as a rice bowl of Murshidabad. But suddenly all the works which were progressing well have been discontinued. According to the state government, the Union Government has stopped allocation of fund.

I request the concerned Ministry to kindly intervene in the matter and resolve the fund-constraint.

**(xv) Need for strict implementation of the Street Vendors
(protection of Livelihood and Regulation of street Vending) Act,
2014**

SHRI RAVNEET SINGH (LUDHIANA): The UPA Government brought The Street Vendors (protection of livelihood and Regulation of Street Vending) Act, 2014 to protect the livelihood rights of street vendors by regulating the street vending through demarcation of vending zones.

I would like to draw the attention of the Government towards the fact that though it has been more than two years that the Act has come into force, but till date in Ludhiana City neither any survey has been conducted to identify the number of vendors nor have the places where the vending zones such as Sunday market, Night Market, Food Markets, Heritage Markets etc. are to be set up been identified. Even a single meeting of the Town Vending Committee has not been called by the Municipal Corporation till date. This may have been the case in other cities and towns of the country as well.

We can't overlook the contribution of poor vendors in our economy. They are working hard in adverse weather conditions to sell their products to the weaker sections of our society and are sustaining their families.

In the absence of proper implementation of the Act, they are allegedly being forced to pay bribes to the officials of the Municipal Corporation and Traffic police on a weekly basis, otherwise, they are harassed and their products are seized by them. I, therefore, request the Government to take immediate steps for the strict implementation of the Act in the interest of vendors.

**(xvi) Regarding the repair of National Highway No. 66 in
Tamil Nadu**

SHRIMATI R. VANAROJA (TIRUVANNAMALAI): The condition of National Highway No. 66 from Pudcherry to Krishnagiri covering five districts viz Tindivanam, Villupuram, Tiruvannamalai and Krishnagiri is very pathetic. The entire stretch is having large potholes. Using of vehicles on this National Highway is at users' risk. Repair work was undertaken some time back, however, half of the distance of this National Highway is still in dangerous condition. Accidents at many points of this national Highway is a regular phenomenon. The task of completing the repair work is yet to be completed. It is an important National highway both in the national interest as well as in the interest of Tamil Nadu. Therefore, I urge upon the government to direct the National Highways Authority of India to take up the repair work of national Highway No. 66 at the earliest and complete it on a time bound basis.

(xvii) Regarding Chennai Metro Rail Project

SHRI S. R. VIJAYA KUMAR (CHENNAI CENTRAL): In order to provide the general public of Chennai with an efficient, pleasant, affordable and green commuting experience, the Government of Tamil Nadu has initiated the Chennai Metro Rail Project. Chennai metro Rail is in operation between koyambedu and Alandur under phase-1. I also take this opportunity to wholeheartedly thank the Union Government for its full support for the extension of Corridor I of phase I of Chennai Metro Rail Project.

Here I would like to mention that phase II of Chennai Metro having three corridors with a total length of approximately 76 kilometers have been identified for implementation. The tentative cost for these corridors will be around Rs. 36,100 crores. I urge upon the Union Government to lend full support for phase II also.

Chief Minister of Tamil Nadu has already requested the Centre for the integration of the Chennai Mass Rapid Transit system (MRTS) with the Chennai Metro Rail Ltd. For effective synergy between various modes of public transport. I would be thankful if speedy action is taken on this issue also.

I look forward to complete success of all phases of Chennai Metro Rail Project.

**(xviii) Regarding the visit of Union Home Minister to
Pakistan**

PROF. SAUGATA ROY (DUM DUM): The Union Home Minister, Rajnath Singh is travelling to Islamabad next week to attend the SAARC Ministerial conference, beginning on 3rd August to discuss regional cooperation. But it is implied that the Home minister will use the opportunity to hold bilateral talks with his Pakistani counterpart. It is expected that the talks will include the Kashmir unrest, arrest of Lashkar-e-Toiba terrorist and the pending visit of NIA team to Pakistan. India has already asked Pakistan to step up vigil and check their cross border infiltration to prevent terrorist activities. It was raised during the talks between the Border Security Force and Pakistan Rangers which ended in Lahore recently. Both sides also discussed ways to strengthen measures to co-ordinate border patrolling on their respective sides of the border. I urge the Government to make its stand clear on Indo-Pak relations.

(xix) Need to check the discharge of polluted water into the Jalangi river in West Bengal from Bangladesh side

SHRI TAPAS PAUL (KRISHNANAGAR): Jalangi river is a Ganges in Murshidabad and Nadia districts under Krishnanagar constituency in West Bengal. There is regular release of polluted water from Bangladesh. This water is one of the major causes which is causing water pollution in the Jalangi River. The issue needs to be urgently taken up by the government as this is increasing water pollution besides being a cause of many diseases. The pollution in the river also renders the use of water of this river not fit for human consumption. I urge the Government to take suitable steps to check the discharge of pollutants into the jalangi river from Bangladesh side.

**(xx) Need to start a Vividh Bharti radio service in Sambhaji
Nagar in Aurangabad parliamentary constituency,
Maharashtra.**

[Translation]

SHRI CHANDRAKANT KHAIRE (AURANGABAD): There is an Akashvani Centre in Sambhaji Nagar, within my parliamentary constituency Aurangabad (Maharashtra). On my request, and through the efforts of Jagannath Basaiye (Bandhu), the transmission capacity of this Centre was increased from one megawatt to ten megawatts in the year 2011.

The number of listeners of programmes broadcast on Akashvani is quite large, and people from both urban and rural areas listen to it with great interest. The listeners have, for several years, been demanding that an independent Vividh Bharti Akashvani Kendra be established at Sambhaji Nagar (Aurangabad) for the entire Marathwada region. If it is necessary to increase the transmission capacity from 10 megawatts to 50 megawatts for this purpose, it should be done immediately, as it would benefit the people of all eight districts of Marathwada. This demand has been continuously raised by the people of the Marathwada region since 2006, but justice has not yet been done to the listeners of Marathwada.

I would, therefore, request the Union Government to kindly take immediate necessary action to start an independent and full-fledged Vividh Bharti radio service at Sambhaji Nagar for the Marathwada region, keeping in view the sentiments of the people of Marathwada (Maharashtra).

**(xxi) Need for expeditious development of LNG Terminal At
Gangavaram port in Andhra Pradesh**

[English]

**SHRI MUTHAMSETTI SRINIVASA RAO (AVANTHI)
(ANAKAPALLI):** I would like to raise the issue of development of LNG terminal at Gangavaram Port in Andhra Pradesh.

M/S Gangavaram Port Ltd. Proposed to construct and operate a 5 MMTPA LNG terminal with a provision to expand further to.10 MMTPA, with the help of M/s Petronet LNG Ltd. (PLL). The proposed LNG Terminal is to be designed, developed, financed, constructed, managed, operated and maintained by the Joint Venture Company, which will have equity contributions from Petronet LNG Ltd (76%), Gangavaram port Ltd. (8%) and other parties such as prospective LNG suppliers/buyers or any strategic investor. Petronet LNG Ltd. Will be the majority share holder and will have complete management control over the JV Company.

In this respect, Government of Andhra Pradesh have issued orders according approval to M/s. Gangavaram Port Ltd., for establishing a LNG Terminal at Gangavaram Port and to allow the grant of License rights under the concession agreement to the JVC. In the letter dated 20-09-2014 the MD, Petronet LNG Ltd was requested to send the

details for creating connectivity from LNG Terminal to Kakinada Srikakulam Pipeline to the APGDC. He has been requested to expedite implementation of the project as agreed in three years period.

Vice President (Finance), Petronet LNG Ltd. had informed on 6-11-2014 that all statutory clearances from Government of India had been received and that they were in correspondence with APGDC for having pipeline connectivity of Kakinada to Srikakulam. Discussions were also held with other pipeline operators-RGTIL and GITL for connectivity with East-West pipeline and Mallavaram Bilwara pipeline.

I would request the Ministry of Petroleum to issue necessary instructions to the concerned for early commencement of the work relating to development of LNG terminal at Gangavaram Port in Andhra Pradesh as the said terminal will contribute immensely for the development of the region by providing low cost alternate fuel to the sectors like power, fertilizers etc., which in turn will result in substantial downstream investments in these sectors.

(xxii) Regarding pricing of life saving drugs in the country

SHRI P. K. BIJU (ALATHUR): The Department of Revenue issued a notification on January 28, withdrawing the exemption of import duty on a number of drugs, including cancer and other lifesaving drugs. This resulted in excise/ import duties to the extent of over 22 percent, which made these drugs more expensive. The price of Glivec, an anticancer tablet, for example, has risen from Rupees 8,500 to Rupees 1.08 Lakh. There are over 75 drugs on this list. The medicines on which customs duty will now be imposed include the ones used for treating kidney stones, cancer chemotherapy and radiotherapy, life-threatening heart rhythm disorder, diabetes, Parkinson's disease, bone diseases, and antibiotics to treat infections. Besides, drugs used for bacterial infections, leukaemia, anaesthetic medication, human immunodeficiency virus (HIV) or Hepatitis B virus cells, allergies, allergies, arthritis, lupus and ulcerative colitis might also see a spurt in prices. This will also impact the indigenous drugs being manufactured in SEZS, thus adversely impacting the government's aim of making healthcare affordable and accessible to patients in India. India was the only country where drugs were available at

affordable prices and even the third world countries depend on India for its drugs.

I urge the Government to desist from its move to hike the price of life-saving drugs which could adversely affect the poor patients.

**(xxiii) Regarding the problems faced by Non-Resident
Indians**

SHRI PREM SINGH CHANDUMAJRA (ANANDPUR SAHIB):

I want to raise an important matter regarding the problems of Non-Resident Indians (NRI). It is a well known fact that larger number of Indians go abroad to earn livelihood through illegal travel agents. At the border at the time of entry, their passports are taken away by these agents. As a result, entry of these innocent Indian Citizens is considered as illegal entry and respective Governments treat it as political asylum.

After many years when they want to return to their homeland, the citizenship rules do not allow issuance of passports, so I would urge upon the Government of India to amend the laws accordingly and also consider it as Economic asylum so that they can come back.

Secondly, in United States of America, Canada and Australia Offices of Consulate General are located at long distance. There should be sub-offices to make them easily accessible.

14.05 hours**ENFORCEMENT OF SECURITY INTEREST AND
RECOVERY OF DEBTS LAWS AND MISCELLANEOUS
PROVISIONS (AMENDMENT) BILL, 2016**

HON. DEPUTY SPEAKER: Now, we are taking Item No. 11 - The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, as reported by Joint Committee.

THE MINISTER OF FINANCE AND MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): Sir, I beg to move:

“That the Bill further to amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, and for matters connected therewith or incidental thereto, as reported by the Joint Committee, be taken into consideration.”

Sir, in the last Session, this Hon. House had approved the Bankruptcy Law. The law is now becoming operational. One of the big challenges that we face is with regard to the enforcement of securities and the recovery of debt by financial institutions. Now, the entire package of empowering financial institutions and banks really comprised amendments to different laws, including the enactment of the Bankruptcy Law.

That having been done, two important laws, namely, the securitisation law and the DRT law require to be amended. These laws were initially legislated in order to give a quick disposal remedy as far as banks and financial institutions are concerned. DRT as a law was meant to be an alternate or a substitute for a civil court. Earlier the banks and financial institutions used to move to the civil court for recovery of their dues. Once the DRT law came, they started moving under the Debt Recovery Tribunal itself. There is a tribunal and there is an appellate tribunal over and above that. That has slightly expedited the matter, but things need to move faster.

The procedures before the DRT cannot be similar to that of a civil court. Otherwise, the very purpose of creating the DRTs itself is getting defeated. So, the present law simplifies the procedures by

which there will be a quick disposal of claims of banks and financial institutions before the DRT itself.

As far as the securitization law is concerned, this was enacted really with the idea of a bank or a financial institution being entitled to enforce a security because, earlier the concept was that if the creditor required to recover his money from the debtor, he had to chase the debtor. The Securitisation Law was a landmark law which changed the position. This law came at a point where banking NPAs were almost 13 per cent. This law, after its enactment and implementation, significantly brought down the NPAs to two to three per cent. The procedure under this law was that the bank would enforce the security after giving a notice that 'we will take possession of whatever asset or property has been securitised'. Thereafter, it is for the debtor now to start chasing the creditor for a settlement or for a scheme of repayment or move an appropriate remedy as far as the Debt Recovery Tribunal is concerned.

In the Budget this year, I had announced several reforms with regard to the asset reconstruction companies because as a part of the enforcement of the security, these companies have a very important role to play. Therefore, those norms are being liberalised which have been in the current amendments. These amendments were all referred

to the Joint Committee. The same Joint Committee which recommended the enactment of Bankruptcy Law, has recommended the changes to these laws and consequential changes to the Stamp Act and the Depositories Act itself. The Report of the Joint Committee is unanimous. The Government has accepted all the suggestions which the Hon. Members of the Joint Committee have given. Along with those amendments, the Bill is before this Hon. House.

I commend the Bill to this Hon. House for acceptance.

HON. DEPUTY SPEAKER: Motion moved:

“That the Bill further to amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, and for matters connected therewith or incidental thereto, as reported by the Joint Committee, be taken into consideration.”

KUMARI SUSHMITA DEV (SILCHAR): Mr. Deputy Speaker, Sir, the Hon. Finance Minister had introduced this Bill - The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016 – in the Lok Sabha on 11th May. This Bill seeks to amend four Acts which the Hon. Minister has just stated. I would not like to repeat it.

Primarily, apart from the Indian Stamp Act and the Depositories Act, those amendments are minor and consequential on the amendment of two major legislations that India as a country had introduced as a part of the reforms in the financial sector. That is the DRT Act, 1993. I refer to it as the DRT Act for the sake of convenience, and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, which we commonly refer to as the SARFAESI Act. As the Hon. Minister said, on 22nd July, the Joint Select Committee tabled its Report in Lok Sabha. This Committee was chaired by Shri Yadav. We had about seven sittings. We also had a Study Tour. We visited Mumbai where we heard detailed submissions of various private banks; and we heard detailed submissions from various DRT Lawyers' Associations. Over and above that, we also had the opportunity to listen to the Governor of the RBI.

Today, as we debate this Bill, which is placed for the consideration of and passing by this House, the Hon. Finance Minister said that these changes actually became imminent due to the passing of the Insolvency and Bankruptcy Code that this House passed after the same Joint Select Committee had given its recommendations. I had spoken on that Bill also. We were on the verge of going a few notches up in the World Bank's ranking of 'ease of doing business', as a nation. I assume that, that must have happened by now.

As a consequence of that Code, what we managed to do is we actually freed the liquidation of companies and individuals from the tenuous and the very lengthy procedure of judicial system into an exercise of a commercial decision where the creditors of the company and the debtors of the company together will sit down and take a decision, either to revive the company or to liquidate the company. The idea being that ease of doing business must also provide a mechanism to exit a business without any stigma.

Consequent to that, this amendment Bill that we are debating today was moved. The Statement of Objects and Reasons, as enunciated by the Government, makes it clear that this has become necessary because of the Insolvency Code, and some of the changes that we see will confer powers upon the Reserve Bank of India to

regulate Asset Reconstruction Companies. This was the requirement of the changing business environment. Apart from that, once you transfer the assets to an ARC (Asset Reconstruction Company), then that transfer will be exempt from the Stamp Duty. Apart from that, we actually enabled non-institutional investors to invest in security receipts, which was not there earlier. Debenture Trustees have been included as secured creditors, and specific timelines have been given to take possession of those secured assets.

I remember, recently, when we were debating the issue on price rise, the Hon. Finance Minister said to the House, and with some pride, that despite the state of the economic affairs worldwide, India is still considered as one of the fastest growing economies. I feel, if that is the case, then there is cause for some alarm when we look at the growth of NPAs, which has increased a lot in the banking sector. Today, these amendments, however minor they may seem to be, or however consequential they may seem to be upon the Insolvency Code, sitting in this august House, with these amendments, we are hoping that we are fulfilling our duty as policy-makers. But I am pained to say that although India as a country has consistently strived to bring reforms as per the international standards to give our banks a level-playing field, we have consistently strived towards reforming

this sector. There was a time, when it was individual money lenders who lent money for business or personal use at high interest rates.

I believe, in India, the banking system was initially brought by the Europeans, and I think the first bank was the Hindustan Bank. Since then, over the last so many decades we have seen various reforms. We have seen our late Prime Minister Indira Gandhi-ji nationalise the banks. We have seen in 1991 massive liberalisation reforms were brought. I think the contribution to the reform of the banking sector does not just go to us the Parliamentarians but I have to say this entire concept of asset reconstruction funds was introduced by the Narasimhan Committee. We also remember the findings of the Tiwari Committee which gave some comprehensive suggestions about how to amend the DRT. So, today this Bill may seem sufficient or ample or substantive or comprehensive when it comes to reforming the financial sector yet again, but we do need to ask ourselves despite consistent reforms in this country what is the state of our banking sector, in particular the public sector banking?

Deputy Speaker, Sir, I refer to a report of the Standing Committee on Finance chaired by Mr. Veerappa Moily-ji which tabled its report on the 5th of February 2016. That report actually reflects the state of affairs when it comes to securitisation of assets, when it comes to the

status of DRTs, and when it comes to the health of the banking sector be it scheduled commercial banks or be it public sector banking companies. Just to draw from that, it states that the banks are currently faced with a debt of around Rs.8 lakh crore. It states that as on September 2015, 6.2 per cent of the total loans of the public sector banks have been categorised as bad loans or NPAs, another 7.9 per cent is restructured loans where bad loans have been renegotiated and written off or extended, 2.9 per cent of per cent of these are straight write offs.

In fact, that Committee extensively heard various business associations and even the RBI Governor. It must be noted that whereas we always look at public sector banks with some, I would say, suspicion, the RBI Governor has said that there is an inherent reason for the public sector banks facing the problem of non-performing assets much more than other private banks. And the reason for that he says is - he does not deny that there is malfeasance – that it is the public sector banks that have invested the maximum in large infrastructure projects as opposed to private banks. And in 2007-08 when the growth story was very strong and we were expecting even better projections, it was the public sector banks which injected maximum resources into infrastructure projects. But as we all know,

due to the crash in the financial markets after that, the NPAs of the public sector banks took a huge hit.

Today the Standing Committee says that as of September 2015, the net NPAs of public sector banks is at Rs.2,05,024 crore and the gross NPAs is at some Rs.6 lakh crore and is likely to touch around Rs.4 lakh crore by the end of the fiscal year. We all have a consensus on this Bill, we all agree that these changes have to be made. But the question that comes to my mind, and I think I am duty bound to say it, is that given the state of health of the public sector banks we cannot pull the banking system out of this crisis unless we legislate in Parliament like we have today, but we also need to rethink about the governing structure that today manages these loan accounts. Today the Reserve Bank of India has certain duties towards it, today the banks themselves have certain duties towards the health of the banking sector, and apart from that we are hoping that these amendments will in turn expedite securitisation of assets and recovery of debts.

Sir, I want to say as far as I know and my research says there are 27 DRTs and there are some five or six DRATs that already exist in this country. But the question is, as we heard all the witnesses, just to take one example, most of the DRT lawyers or people who practice in

the DRT repeatedly complained about the fact that despite the fact that recovery officer has huge powers in his hands, we end up seeing that recovery officers have turned out to be a whole genre or a whole set of officers who have not succeeded what we tried to do by way of a legislation. So, the larger point that I am trying to make rather than go through every amendment over which any way we have no dispute is that what is it we need to do to inject life into our Bills, into our Acts. What is it we have to do to ensure that our policy is not just a piece of paper and that when this actually is notified by the Government, it has the intended impact. Some suggestions have come from the Standing Committee and I hope that the RBI and the banking sector will take these things seriously. The emphasis is on recovery of debts, securitisation of asset comes after an asset has been declared as nonperforming asset. But what as a nation, as a government and as Parliamentarians we need to think is as to what are the reforms we should make to avoid an asset turning into a nonperforming asset.

By way of example, Sir, I would like to say that most banks suffer from lack of credit appraisal capabilities, especially project appraisal capabilities as pointed out by the Standing Committee. How can we improve on it? We can expect that the RBI will invest more time and energy in capacity building exercises for the banks. Today the

Standing Committee consistently says that one of the main reasons why assets turn into NPAs, Deputy Speaker, Sir, is because we are unable to detect at the right time, in a timely manner, when an asset is going to turn into an NPA. So, they suggested that lead indicators about the health of a project should be devised so that a bank knows on a timely basis when a default is about to happen.

Apart from that, NPAs are created due to the quality of promoters' equity. We often see that the promoters' equity comes from borrowed money from other projects. The brief point I am making is that today the Bill we are passing which will inject technology like filing of e-applications in the DRT, today we have changed the timelines for securitising our assets, for recovering our assets, today we have taken the entire system of liquidation out of our tenuous judicial system and given it to insolvency professionals. All of that has to work. But what also has to work for us is avoiding a performing asset turning into a nonperforming asset.

I hope that we achieve that purpose. I hope that these amendments that we have introduced today in the DRT Act, in the SARFAESI Act, achieve that purpose. I also hope that the reforms that we hope that the financial sector will see, that these Bills will go a long way in achieving that. But today I repeat that unless the adjudicating

authorities on which we depend on to see us through when it comes to actual implementation of this law have to work in this nation. Otherwise, opening more DRTs, opening more DRATs, changing these various Bills alone will not eventually ensure good health in the banking sector.

I thank my party for giving me an opportunity to be a Member of this Committee. It was an enlightening experience. One of our Members Shri P.P. Chaudhary even went on to become the Law Minister. I heard senior Parliamentarians like Shri Mehtab, Shri K.C. Venugopal and also Shri Nishikant Dubey. The debates were very fruitful. It is a unanimous and consensual Select Committee report and I hope it brings the desired results. But I am pained to say that every time when the House is doing something with consensus, the attendance is low; every time we take an adversarial position in this House, the House is always full.

Today, I can say with some pride that I have participated in a debate where we all stand together to actually see ease of doing business in India. I hope that at least in my tenure we will have to see no further amendments in these two Bills. It will send the message to the House and the nation that this Committee and this Government

has given a legislation to this nation which will ensure good health in the banking sector.

[Translation]

SHRI GAJENDRA SINGH SHEKHAWAT (JODHPUR): Hon. Deputy Speaker Sir, at the outset, I would like to thank my Party for nominating me as a Member of the Joint Parliamentary Committee. I am also thankful to my Party for giving me the opportunity to be the first speaker to speak on its behalf on this Bill.

Sir, I rise to speak on The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. The growing concern over the increasing NPAs in the country has been continuously discussed both inside and outside this House by those who analyse the state of our economy. The entire nation is worried that our banking sector is moving steadily towards stress. It is to address this very problem that this Bill has been brought before the House.

During the 1960s and 1980s, when the banks were nationalised, there was a tremendous increase in the number of banks and in the expansion of their branches both numerically and geographically. Banking coverage across the country continued to grow, and it appeared that the people would finally be relieved and freed from the clutches of private moneylenders. It was indeed a significant step. However, due to low efficiency, lack of productivity, and bad

portfolio management, the profitability of banks kept declining. As a result, both Government and private sector banks began facing several difficulties. Under the Banking Regulation Act and the RBI Act, banks were required to maintain a statutory liquidity ratio (SLR) and cash reserve ratio (CRR), and these ratios kept increasing, which placed additional pressure on the banks. A situation eventually arose that by the 1990s, Indian banks were struggling to maintain their credibility. Many of us will recall the securities scam of the 1990s. Following that, the circumstances changed and the then Government constituted a committee known as the Narasimham Committee. Since this was an important committee in the field of banking reforms in India, it was also referred to as the BSR Committee. In its report, the Narasimham Committee proposed the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, commonly known as the DRT Act. The Government of India brought this legislation before Parliament in 1993 and got it passed because it had come to light that, prior to this, banks had to approach civil courts to recover their debts by selling the mortgaged assets held as security. Resorting to civil courts caused long delays, as the process was extremely time-consuming, and banks had to wait for years to recover their dues by selling such secured assets.

On the basis of the recommendations of the Narasimham Committee, Parliament enacted the DRT Act, through which special tribunals were established in the country, special judicial bodies known as Debt Recovery Tribunals, along with Appellate Tribunals. These tribunals enabled banks to recover their loans and sell their secured assets without having to approach civil courts. However, the Sick Industries Companies Special Permission Act and the provisions of the BIFR, which came into force in 1985 following the Tiwari Committee's recommendations, created a shelter for many defaulting companies and industries. As a result, the expected outcomes of the DRT Act were not achieved. The banks of the country once again found themselves struggling to protect their assets and recover their loans. To study this situation further, the Government once again constituted another Narasimham Committee, under the same Chairmanship of Shri Narasimham, who had earlier recommended the DRT Act. This new Committee was entrusted with the task of examining the evolving scenario. It submitted its report, but unfortunately, no substantial action was taken on its recommendations.

By the year 2000, the situation had become even more serious. In that year, under the Chairmanship of the former Solicitor General of

India, Shri Andhyarujina, another Committee was constituted. This Committee studied the matter in depth and observed that State Financial Corporations and Primary Land Development Banks already had the authority to sell the mortgaged assets held with them, without having to approach regular courts or special tribunals. The Committee recommended that similar powers should also be conferred upon the banks. On the basis of these recommendations, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, commonly known as the SARFAESI Act, was introduced and enacted by Parliament in 2002. Through this Act, it was envisaged that banks in the country would be empowered in three major ways: first, through securitisation; second, through asset reconstruction; and third, through enforcement of security interest without the interference of courts. These three provisions were expected to make it easier and more convenient for banks to take possession of their mortgaged assets and to recover their dues by selling such assets.

Undoubtedly, this Act proved to be a milestone for the Indian banking industry. Under its provisions, banks were empowered with the authority of self-adjudication to sell mortgaged assets and recover their dues. However, soon after the Act was passed in Parliament in

2002, it was challenged in various courts across the country. It was described as a draconian law, with the contention that it protected only the interests of creditors while striking at the rights of borrowers. Nevertheless, in 2004, the Hon. Supreme Court, in the Mardia Chemicals case, delivered a clear judgment upholding the validity of the law, with a few minor modifications. The Court granted borrowers the limited right to appeal and, with these adjustments, allowed the law to be implemented across the country. After coming into force in 2004, this law led to positive progress towards reducing the burden of NPAs. Yet, it came to be realised that while the law had indeed tightened its hold on small borrowers, making the recovery process stricter for them, large corporate borrowers seemed to remain beyond its effective reach.

In 2013, further amendments were introduced to the Act. Through these, banks were given two or three additional powers. They could convert debt into equity to facilitate recovery and were also allowed to acquire a property at the reserve price with their own funds if two consecutive auctions failed. Moreover, by the 2013 amendment, multi-State cooperative banks were also brought under the ambit of the SARFAESI Act, empowering them to sell the mortgaged properties in their possession and recover their dues. Comprehensive

legal provisions were made in this regard, but even then, the burden of NPAs in the country continued to grow. The weight of bad debts and non-performing loans on the banks kept increasing. The number of cases pending before DRTs and DRATs also continued to rise, and it appeared that satisfactory results were still not forthcoming. The matter of the mounting debt burden of Indian banks became a subject of serious discussion.

A short while ago, Sushmita ji was referring to the report of the Finance Committee, according to which the debt burden of listed Indian banks has been continuously rising and NPAs have now reached Rs. 8 lakh crore. The bad debts, which stood at Rs. 2.97 trillion barely a year and a half ago, have now increased to Rs. 4.37 trillion. Based on the same report and several others, it has come to light that more than 10,000 wilful defaulters alone owe around Rs. 76,000 crore of bad debts to banks. At present, more than 70,000 cases are pending before DRTs and DRATs. It has also been noted that when banks and financial institutions approach Collectors or Metropolitan Magistrates for permission to take possession of or assistance in taking possession of the mortgaged properties for recovery, the process takes a very long time due to various procedural delays. Following the global recession of 2010-11, the worldwide

economic slowdown led to severe liquidity crunches across industries, thereby increasing the pressure on our banks as well. To recover these stressed assets and to create an environment conducive to Ease of Doing Business in the country, the present Union Government decided to initiate a comprehensive set of economic and banking reforms simultaneously.

Under the guidance of the Hon. Prime Minister and the leadership of the Hon. Finance Minister, Shri Arun Jaitley, the Government accorded top priority to economic reforms and began implementing long-term structural changes in the country's financial framework. In his 2016 Budget Speech, the Hon. Finance Minister had also expressed the Government's intention to establish a two-tier mechanism to address these issues. The first tier was the Insolvency and Bankruptcy Code, 2016, which has been passed by both Houses of Parliament. The second tier of this reform initiative is this very Bill- The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016 which is now under discussion in this House.

As the Hon. Finance Minister has mentioned, this Act primarily proposes to amend four legislations, the SARFAESI Act, 2002, the Indian Stamp Act, 1899, the Depositories Act, 1996, and the Recovery

of Debts Due to Banks and Financial Institutions (DRT) Act. After being laid on the Table of the House, the Bill was referred to the Joint Parliamentary Committee. The Committee held detailed consultations with all stakeholders, including various components of industry, the Reserve Bank of India, commercial and trade organisations, and banks. After wide-ranging discussions and careful examination, the Committee submitted its Report, incorporating certain amendments to the proposed Bill.

To begin with, as I mentioned earlier, when banks seek to take possession of the mortgaged assets held as security for loan recovery, they must first obtain permission from the Collector or the Chief Metropolitan Magistrate. This process earlier used to take a very long time. In the proposed Bill, a time limit of 30 days has been fixed for this purpose. However, during the discussions, it was also brought to the Committee's notice that in certain situations, such as when there are law and order issues or elections are in progress, the Collector may not be able to grant such permission within the stipulated period. Therefore, to avoid any possible hindrance or litigation arising from such circumstances, this period has been extended to 60 days. But it has also been clearly provided that if the Collector or the Chief

Metropolitan Magistrate extends this time, they must record in writing the reasons for such extension and place them on record.

Keeping in view the crucial role of the DRTs, their jurisdictions have been clearly defined. Alongside this, a proposal has been made to digitise the functioning of the DRTs, so that swift action may be ensured and delays in processing documents, filing statements and applications can be avoided, leading to quicker disposal of cases. Accordingly, it has been proposed to introduce online facilities in the DRTs for filing applications and recording statements, with a view to expediting the process and ensuring timely resolution of cases.

To provide greater convenience to financial institutions across the country and to maintain a proper record of assets pledged as collateral against loans with banks and financial institutions, the concept of a Central Registry was originally envisaged under the SARFAESI Act. However, since it was not mandatory, the expected results could not be achieved. In the proposed Bill, although it has not been made mandatory in express terms, it has been indirectly strengthened by providing that whenever any financial institution seeks to recover its assets, sell them, or take possession of them, it will first be necessary to register such assets with the Central Registry. Moreover, under the Bankruptcy Code, the entity whose asset is first registered in the

Central Registry will enjoy the first right of claim, thereby indirectly reinforcing the importance of this Registry. Another benefit of this provision will be that whenever any financial institution intends to extend a loan to a borrower, it can verify through the Central Registry whether the assets being offered as collateral are already pledged with any other financial institution. This will help prevent the fraudulent practice, previously prevalent, of pledging the same asset with multiple banks and financial institutions, one of the key causes of bad assets and NPAs. Further, to strengthen Asset Reconstruction Companies (ARCs) and to make their functioning smoother, several provisions have been incorporated in this Bill.

It had earlier been observed that when an ARC purchased assets from a bank and sought to transfer them in its own name before resale, different States levied different rates of stamp duty. The variation in rates was very high, and given the large value of such assets, the stamp duty burden was considerable. Therefore, this Bill provides that when an ARC transfers an asset in its own name for the purpose of loan recovery, it will be exempted from the payment of stamp duty.

To broaden the investor base of Asset Reconstruction Companies (ARCs), it has been proposed that investors who are deemed 'fit and proper' by the Reserve Bank of India (RBI) shall be considered

eligible to invest in them. Alongside strengthening the effectiveness of ARCs, it had also come to notice that, in some instances, ARCs had been taking unfair or arbitrary actions against borrowers. To ensure proper oversight and prevent such misuse, the RBI has been vested with regulatory authority over ARCs. Under this proposed Bill, the RBI has also been empowered to audit the accounts of ARCs and to conduct inspections of their operations. Furthermore, if the RBI finds that its directions are not being complied with, or that its orders are being disregarded, the penalty for such non-compliance has been substantially increased, from Rs. 5 lakh to Rs. 1 crore and the daily penalty for continuing default has been raised from Rs. 10,000 to Rs. 1 lakh. In addition, if the RBI deems it necessary, it will have the power to alter the management of an ARC, including the authority to replace its Chairperson or Directors. Through these provisions, safeguards have been introduced to ensure that ARCs do not violate the rights of borrowers, nor act in an arbitrary or high-handed manner.

The proposed Bill also seeks to amend the definition of secured creditors by including debenture trustees and other trustees registered with the Securities and Exchange Board of India (SEBI) within its scope. Consequently, any secured trustee registered with SEBI, who has secured the debentures of a company, will now be able to initiate

recovery proceedings for the debts under the provisions of the SARFAESI Act. I believe that the passage of the IBC Code, 2016, and the proposed bill will lead to significant positive outcomes in the country's economic landscape. Thank you very much.

Further, the Bill redefines the concept of security interest. Previously, the term 'property' was used to define assets, and only tangible properties were covered. This definition has now been broadened and clarified to include both tangible and intangible assets. Thus, any tangible or intangible asset that has been pledged, mortgaged, or hypothecated as security for obtaining a loan or hire-purchase finance will now fall within the ambit of this definition, enabling recovery action to be taken against such assets under the law.

Aligning this legislation with the Insolvency and Bankruptcy Code (IBC), it has been expressly provided that if proceedings have already commenced under the IBC for the resolution of a case and a moratorium period has been granted by the concerned court, no action shall be initiated under the SARFAESI Act during that moratorium period. This ensures harmony between the two Acts, as both share the common objective of enabling effective and coordinated action for debt recovery and financial restructuring.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 did not earlier specify the jurisdiction of Appellate Tribunals. This Bill clearly defines that jurisdiction. It also proposes that experienced individuals should serve in these DRTs and Appellate Tribunals. Therefore, the age limit for their Chairpersons and Members has been enhanced, from 62 to 65 years for DRTs and from 65 to 67 years for DRATs. Their territorial jurisdictions have also been specified to ensure clarity and efficiency. The proposed Amendment Bill, together with the Insolvency and Bankruptcy Code, 2016, will not only usher in a new chapter of economic reform in the banking sector but will also help free Indian banks from the heavy burden of NPAs. Moreover, it will bring Indian banking operations on a level playing field with international banking standards. Through these measures, the Union Government seeks to bring about a fundamental transformation in the national economy, strengthen it through banking reforms, and realise the vision of Ease of Doing Business so ably articulated by our Hon. Prime Minister and Hon. Finance Minister.

In this context, I would like to express my gratitude to the Hon. Finance Minister for having allocated Rs. 25,000 crore to strengthen Indian banks in the 2016-17 Budget. I also commend the decision to

grant greater autonomy to bank managements in taking commercial decisions and inducting professional management at various levels.

I firmly believe that the Insolvency and Bankruptcy Code, 2016, which has been passed by Parliament, together with this proposed Bill, will undoubtedly yield the desired results in the economic sector of our country. Thank you very much.

[English]

DR. P. VENUGOPAL (TIRUVALLUR): Hon. Deputy-Speaker, Sir, at the outset, I would like to thank you for giving me this opportunity to speak on this important Bill, the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016.

Sir, in order to reduce the huge level of Non-Performing Assets in the banks, especially the public sector banks, which have become a perennial source of embarrassment for the Government of the day, the Government has proposed certain amendments in the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act and the Recovery of Debts due to Banks and Financial Institutions Act, 1993 to make the process of debt recovery effective. The amendment Bill also gives more powers to the Reserve Bank of India to regulate Asset Reconstruction Companies (ARCs).

Sir, being a Member of the Joint Committee which examined the Bill, I would like to draw the attention of the Government to some issues in the Bill which escaped the attention of the Joint Committee due to paucity of time but which merit the attention of the House and warrant action from the Government.

Non-Banking Financial Companies have been, for long, requesting the extension of the benefits of SARFAESI Act, 2002. I would like to bring to your notice that as per the Budget announcement of 2015, NBFCs registered with RBI and having asset size of Rs. 500 crore were to be notified as 'financial institution' under SARFAESI Act. For some strange reasons known best to the Government, it has not yet issued such a notification.

The RBI, on its part, has been extending various guidelines to NBFCs which were initially meant only for banks and financial institutions such as SDR guidelines, prudential norms on asset classification, sustainable structuring of stressed assets, etc.

The current regulatory environment discourages Non Banking Financial Companies to accept mortgages of immovable property because of the enforcement of security interests, the only recourse available to Non Banking Financial Companies is to approach the civil courts or the arbitration which is a time consuming exercise, whereas banks have the privilege of using the SARFAESI Act which is a powerful weapon with regard to recovery of loans.

The Amendment Bill has also done nothing to provide coverage of SARFAESI Act and Recovery of Debts due to Banks and Financial

Institutions Act to deposit taking NBFCs and non-deposit taking systematically important NBFCs.

Tamil Nadu is one among the foremost manufacturing States. Ancillary industrial units and small scale industrial units are found in good number only in States like Tamil Nadu. The amendments proposed by the Government will greatly affect the small entrepreneurs in a big way. Many of the MSME Associations are seeking total exemption from the SARFAESI Act, but the proposed Bill does not address the issues of the MSME sector. The MSMEs must get patronage similar to corporate debt restructuring packages from the banks.

The interest rate for the MSMEs should be less and they must also get purchase preference from the public sector undertakings. The MSMEs must get special care as provided by the developed and industrialised countries like the USA and China.

Clause 4 (v) of the revised Bill, which defines ‘debt securities’, proposes to keep unlisted debt securities away from the purview of the SARFAESI Act. I see no reason in keeping unlisted debt securities, which is a legitimate source of debt financing and even permitted under the Companies Act, 2013 outside the definition of ‘debt securities’. If unlisted debt securities are included under the

definition of ‘debt securities’, it will also enhance the bond market as was envisioned by the Government while passing the Insolvency and Bankruptcy Code.

Clause 32 (i) of the revised Bill amends Section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act by widening the basis of jurisdiction of the DRTs. The amendments proposes a new jurisdiction in favour of banks and financial institutions by providing that recovery claims can be filed where branch or ‘any other office’ of the banks is functioning and maintaining an account in which debt claimed is outstanding. The term ‘any other office’ should be deleted from the Clause as it promotes cherry picking of forums by banks to settle their debt recovery cases. Further, it runs counter to the principle of law pertaining to cause of action as upheld by the Supreme Court in various cases.

The Bill, through Clause 35, has further amended Section 21 of the Recovery of Debts Act by providing pre-deposit of 50 per cent of the amount due from the applicant who prefers an appeal before the Appellate Tribunal. This can be reduced to 25 per cent by the Tribunal. However, in view of the recent cases of wilful default by certain individuals as reported in the media, my suggestion to the

Government is that pre-deposit requirement should be increased to 75 per cent in cases where debtor has been categorised as ‘wilful defaulter’. This would ensure that assets are not siphoned off by such persons before the recovery process is complete.

I would like to point out that in the existing system Asset Reconstruction Companies, the ARCs, purchase Non Performing Assets of the banks and issue Security Receipts, SRs. The ARC pays only 15 per cent of the net value of assets upfront and issues SRs for the remaining 85 per cent. In fact, the same bank subscribes to the SR of its NPA portfolio.

Thus, there is no actual transfer of risk but only window dressing of books of accounts. Bad assets are now categorised as investments in the books of banks. There is nothing in this Bill to address this abuse of the system.

The performance of the ARCs in restructuring stressed assets in India has been less than satisfactory. The Amendment Bill does not provide for any measures which incentivise the ARCs to expedite the restructuring efforts. The ARCs are slow towards resolving the issues as they are getting their management fees year after year.

15.00 hours

Though not directly related, I must also point out the death of an engineering graduate in Tamil Nadu on account of harassment by a private collection agent retained by a nationalised bank. Banks should follow the due process of law while recovering their dues and unwarranted muscle power should not be used.

With these suggestions, I support the Bill. Thank you, Sir.

PROF. SAUGATA ROY (DUM DUM): Sir, I rise to speak on the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. It was immediately referred to a Select Committee. The Select Committee had submitted its Report in July, 2016. Fortunately, there was no Dissent Notes in the Select Committee Report. So, you can say that the Select Committee was unanimous in its recommendations. Hence, we should not, since the Select Committee is an all-Party Committee, oppose the Bill too much.

Having said that, let me point out some other matters to the Finance Minister, who must be a little tense because tomorrow, the GST Bill is to be introduced in Rajya Sabha. It has not yet been circulated. I am reading in the newspaper about it. The Finance Minister must be tense because of that reason. He must have been holding the last moment parleys. Our Party has supported the GST Bill from the beginning. Only I hope that in the last moment small contradictions that are there will be ironed out.

Before I speak on the Bill, let me point out this. We are talking about banks. Regulator of the banks is the Reserve Bank of India. I must put on record that the controversy by a BJP MP on the RBI Governor was absolutely unwarranted. It has lowered our prestige in

the international market, and ultimately, the RBI Governor decided to leave. He will leave in September. It should not have happened.

Also, I want to point out that the other day we were discussing prices. Now, the RBI is caught in a peculiar situation. It cannot lower interest rates till food inflation comes down. Unless RBI lowers the interest rates, there cannot be big investment coming. So, the problem of prices which is linked to the Finance Ministry is also related to the problem of industrial development. This I wanted to bring it to your notice.

The Finance Minister being a lawyer believes in bringing laws. There is nothing wrong. Lok Sabha is for passing laws. But as I will point out a little later, merely passage of laws does not change a situation. Where administrative and management actions are called for, just by having a law does not help anybody. Political will is necessary as Shri Premachandran was pointing out from the back and that seems to be missing. Why is it so? We have passed the Bankruptcy and Insolvency Code, which takes care of insolvency problem. He has two targets – one is the black money and the other is the NPAs of banks. But so far we have not seen, in spite of passage of laws, much progress on these two fronts.

Before coming to the Bill, let me paint a picture of the banking industry. The banking industry is at the worst situation that you can consider. Stressed assets amount to Rs.8 lakh crore, that is, 5.6 per cent of the GDP. The RBI Governor in a meeting in February had advised deep surgery. Since then, public sector banks have started making hefty write off of stressed assets. What is this leading to? By December, 2015, the value of all stressed assets was Rs. 7.4 lakh crore which has now gone up to Rs. 8 lakh crore. The Reserve Bank of India has said that one-tenth of all loans are stressed. In the quarter ended on 31st December, 2015, the State Bank of India, the biggest bank, has posted 67 per cent decline in consolidated profit to Rs. 1,259 crore for the third quarter due to higher provisioning for bad loans. The total provisioning for NPAs jumped to Rs. 7,644 crore. The Government has kept that separately.

Similarly, other smaller banks have bled even more. Banks are in a bad shape and are in dire need of capital infusion from the Government. The banks say that RBI ordered an Asset Quality Review and that is why they have been forced to increase the provision for stressed assets. But this is not enough. You will be surprised to know that depositors' money is with the banks. The public sector banks have written off Rs. 1.14 lakh crore of bad loans from

2012 to 2015. That will never be recovered. That is the condition of banks. Can this be made up by loss alone? That is my question. In 2014-15, the State Bank of India wrote off Rs. 1,313 crore and the Punjab National Bank wrote off Rs. 6,587 crore. All is not right in the State of Denmark. Things are very wrong with the banks. I hope the Government realises that.

Now I come to the laws that are there for recovery of bad debts. The Recovery of Debts Due to Banks and Financial Institutions Act was passed in 1993 and through this Act, Debt Recovery Tribunals were set up for recovery of loans. But you must be aware that 70,000 cases are pending in Debt Recovery Tribunals. Though the law originally stipulated that all DRT applications should be disposed of in six months, for years together these cases are pending in DRTs due to adjournments and other reasons. The DRTs are not functioning properly.

The other law that was enacted was the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. This gave rise to a new type of companies called the Asset Reconstruction Companies and this law is known as SARFAESI Act. Now, recovery of debts is available to both secured and unsecured creditors. But they must be banks or notified financial

institutions. Cases of over Rs. 10 lakh would be automatically transferred to Debt Recovery Tribunals.

Now, what changes have been brought? In this whole Bill, there are four Acts which are to be amended. The SARFAESI Act has to be amended, the Recovery of Debts Due to Banks and Financial Institutions Act has to be amended, the Indian Stamp Act has to be amended and the Depositories Act also has to be amended. What are the amendments that have been brought now? One is expeditious disposal of all applications.

Second, it is an important change, is that there can be electronic filing of applications. Three, the priority of secured creditors is enforced through this DRT Amendment. Four, debenture trustees will be treated as financial institution. Five, empowering Union Government to provide for uniform rules for conduct of proceedings of the DRTs. So, these were the five changes made in the DRT Act.

Now, in SARFAESI, Section 13 went in for serious changes. First is to enforce security interest for NPAs without intervention of Tribunals. If an asset was declared as a Non-Performing Asset, he could directly go for SARFAESI to the Asset Reconstruction Company. Second, in the new Amendment, any appeal against action taken under SARFAESI, will lie with Debt Recovery Tribunal. Now,

what will this Asset Reconstruction Companies do? The Asset Reconstruction Companies take-over Non-Performing Assets of banks at discounted rates and manage and dispose of such assets. This is a funny thing. If there is Rs. 1,000 crore loan from a bank to a company, then the ARC will purchase that loan for Rs. 600 crore. Then, it will take-over the properties of the company and sell them off and try to recover these Rs. 600 crore and make a profit in this manner. So, this is a way we have thought of...

HON. DEPUTY-SPEAKER: Please try to conclude.

PROF. SAUGATA ROY: Sir, am I speaking out of the point or I am speaking in point?

HON. DEPUTY-SPEAKER: You are not out of the point, but you are going beyond the time allotted.

PROF. SAUGATA ROY: Sir, I would not take much time.

Then, RBI is the regulator according to the Amendment. What happened earlier is that a lender used to take loan from different banks showing the same property. That is why, a Central Registry has been created; and now, to prevent multiple loaning from different banks on the same immovable property, the Central Electronic Registry has been set up. It is operational since 2011. Now, in the new Amendment,

there will be a registration of creation, modification and satisfaction of Security Act by all secured creditors and provision of integration of the security system. That means, if a person has cars under the Motor Vehicles Act, if a person has immovable property, everything will be registered together in one registry so that bank, at the push of a button, will know that what are the properties which have been given to the bank as a security. It is like AADHAAR, yes. The idea is to create a central database of security interest in property right.

Secondly, in the Amendment, it empowers the Reserve Bank of India, which has been a little disempowered due to controversy of Raghuram Rajan, to regulate the ARCs, to carry out audit and inspection of the ARCs and to impose penalty on the ARCs.

Thirdly, there is a big change that there will be an exemption of Stamp Duty on loans assigned by banks and financial institutions to Asset Reconstruction Companies.

Fourthly, the Amendment will enable the Non-Institutional Investors to invest in security receipts by the Asset Reconstruction Companies.

Fifthly, about those who are issuing debentures – even the Government issues debentures – the debenture trustees will have same rights as secured creditors.

Sixthly, there would be specific timelines for taking possession of secured assets.

Seventhly, the priority will be given to the secured creditors in the repayment of debts.

Amendment of the Indian Stamp Act and amendment of the Depositories Act, 1996 will help banks and financial institutions to recover bank loans faster.

We are members of the Standing Committee on Finance. The Committee went deep into the problem of Non-Performing Assets. We made certain recommendations – it was an all-party Committee – some of which has been followed by the Government but some have not been. For instance, our Committee pointed out that total credit take off in December, 2014, was Rs. 60.60 lakh crore. That was the total credit given by all the banks.

Now, the gross NPAs will touch Rs. 4 lakh crore in 2015-16. Our Committee was not happy with the management of the problem both by the Reserve Bank of India and banks. Banks have failed to notice early signs of stress on the loans disbursed by them. Our Committee had suggested that they should have intervened at the right time as early and timely measures are necessary too. It is an important recommendation. Secondly, forensic audit should be made

compulsory for specific class of borrowers so that diversion of funds by promoters to unrelated business do not take place. Thirdly, developing a vibrant bond market is necessary because most of these big defaulters are actually infrastructure companies and for that, it is necessary to develop a vibrant bond market to finance infrastructure projects. It is our suggestion that has not been accepted by the Government. The biggest loans are all in infrastructure sector.

Sir, you will be surprised to know that the wilful defaulters like Vijay Malya owe the PSU banks a total of Rs. 64,335 crore which is 21 per cent of the total NPAs. The suggestion was that every bank must focus on 30 stressed accounts so that Vijay Malya incidents do not take place any more. Our Committee also suggested that the RBI has not succeeded as a regulator in implementation and enforcement of its own guidelines. RBI must monitor and follow it up with banks.

We further said that corporate debt restructuring (CDR) has failed as a method to achieve desired objectives. Steps should be taken to take charge of failed CDR companies. The Committee also recommended that more DRTs to be taken up.

The recovery of NPAs through DRTs and SARFAESI Act has shown a decline trend from 2010-11 to 2013-14. So, just because you have an Act, it does not mean that NPA will go down. Many members

of the Select Committee suggested that agricultural loans, if they are taken as collateral, should be omitted from the scope of recovery. That was not listened too.

Lastly, I say we have supported the law but the banking system is in its worst crisis. If one bank fails, there will be cascading effects. What the Finance Minister should be concerned more than GST is the state of the banking system.

I also want to mention one thing that the Reserve Bank Governor came to our Standing Committee on Finance. He showed us a graph which was showing that the credit from public sector banks has less than the credit from private sector banks. Actually, credit is not flowing into the market. Industrial development and recovery are in a stagnant process. So, with that I say, let the Minister have all the Acts and powers but just as the Benami Transactions Act should not lead to tax terrorism, the SARFAESI Act should not lead to bank official terrorism where they will even drag the small lender to the court.

Thank you very much.

SHRI TATHAGATA SATPATHY (DHENKANAL): Sir, *namaskar, pranam*. This is a complex, financial, corporate issue that took me quite some time to understand. So, I tried to do an 'ELI5'. What is the intention of this Bill? As we all know, there is something called, out of sight, out of mind. We have had very learned senior, junior colleagues speaking earlier. All of them, as I noticed, have been in this privileged Committee except Saugata *babu*. I have not been unfortunate enough to be included in that Committee. So, I can speak what, I think, should concern the future of this country, the youth of this country.

15.21 hours

(Dr. Ratna De (Nag) *in the Chair*)

Out of sight, out of mind means, Madam, you would have noticed, you would have seen children, suppose a glass falls down and breaks, the child's intention is to kick the glass under the bed so that the parents do not see it. The effort of the child is not to clean the floor so that somebody does not get hurt like an elderly person, like a grown up would do, but to hide the broken glass. Similarly, here, this piece of legislation wants that the bad loans of banks that have been because of errant banks, because of bad management, because of bad managers, because of political interference, but more so because of bureaucratic pressure, the loans that these banks have been giving out

to bad companies, many of which are known to be defaulters, they are trying to clean them out, completely remove them from the books of the banks, from the books of the errant banks so that it is out of Parliamentary scrutiny and also public vision.

The name of this Bill is the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. Let us break it down and let us simplify it. It could be renamed thus: HFHWHM. The long title could be: 'Helping Friends who Had Helped Me by Removing their Loan Details from Records at the Cost of Nation'. If it is not there in the books, it does not exist. What is your problem? Of course, with brute majority in a democracy or in a House, we know this Bill will pass. Of course, there are also people from time immemorial who think that reasoning is their prerogative only. You cannot reason; I cannot reason. Either you agree with them or you are wrong; my way or the highway.

As I understand, the matter at the core of the issue is bailout of banks. This is not just one Bill. There have been a whole chain, whole plethora of Bills from Bankruptcy Act to this and many more to come, up to your, so called, Black Money Bill. It is all to cover up fiscal deficit which is increasing at a fast pace. Banks have, up till now, declared some 7.6 per cent of total borrowings as NPAs. RBI, till the

other day, as long as it remained as an independent institution – now it will change its colour – has predicted that this may go up to 8.5 per cent by March, 2017. Not even a year is left for that. So, in this clever method of sweeping the bad loans under the carpet, we are also trying not to acknowledge that a similar situation had arisen in the US when their subprime crisis had overtaken them, and 25 per cent of that nation's savings were wiped out at one go.

So, we also hear many important people keep repeating about prudent fiscal policy. In Parliament, we keep hearing that. But here, we stand in an age of fiscal irresponsibility. Year after year, we spend the tax payers' money to bail out financial institutions, PSUs and various enterprises due to their irresponsible activities.

However, what tickled me most is the information that the Bill is going to create these Asset Reconstruction Companies. When a bad loan from a bank is handed over to an Asset Reconstruction Company (ARC), the onerous task of getting back the assets, which are pledged as collateral with the banks will have to depend on the ARCs but the interesting part is that when ARC takes over these dead assets from a defaulting company it does not have to pay anything to the bank. It does not have to pay even stamp duty when a deed is registered.

So, what you are doing is you are not only cleaning the books but you are also closing your eyes on how ARCs will function. So, the Stamp Act is also being reviewed in this whole deed. This is kind of making a future contract. The payment then will be made by the ARC as and when it gets hold of the assets of the defaulting company. And yet, we are being told there will be FDI in this sector. I wonder and I cannot understand why we would want FDI when actually there is no investment being made?

Madam, you could start an ARC tomorrow and a bank can give you all the properties of the defaulter. Say, for example, wherever Adani has defaulted, it can be given over to you. Imagine Madam, how lucky you will be. ... (*Interruptions*) That is TMC. It will not go to CPM.

The collaterals, thus, handed over to ARCs will enable the bank to clean its books just like that. And, the interesting part is, once again the banks can restart on their process of misadventure, and this time because there is a new bunch of people and new bunch of bosses to please these bosses, the banks can restart again on their misadventures. But my whole worry is that okay, we have been hearing about the technicalities of the Bill. But who is discussing? What are the legacies we are creating today for the youth of

tomorrow? The nation is watching us. I am not talking like some TV anchor. I am talking about the reality.

Now, the people are actually bothered about what the Parliamentarians are doing. Are these people all corrupt? Are these people all filled with money from companies, from corporates that they are willing to swallow lock, stock and barrel whatever is dished out to them, who is dishing out and who is cooking the dishes that we are swallowing whatever is given to us.

I would like to give you one example Madam about the UDAY scheme. All the State power discoms put together have about Rs. 4.3 lakh crore which they owe to the banks. Now, they are being told that upto September, 2015, the State Governments will create bonds which will be sold in the market to repay these debts. That means, this debt is now being split into two parts and sold back to the customers disguised as secured Government bonds. So, the Government is on a task and on a path of trying to fool the people. You are involving the State Governments. You are compelling them under these plethora of laws that you are bringing that you start cheating the people. Is it okay to take the money from the people without informing the people that the Government will not be able to repay these debts or bonds. This Government has earmarked Rs.70,000 crore from the tax payers'

money to something they are calling recapitalised banks. It would be much better if they came out with an open admission that this is a bail out. There is nothing called recapitalising the banks. This is a complete bail out. The banks have failed. You are again taking the tax payers' money. The bank, as it is, took away our money. Now again you are giving the tax payers' money to make the banks survive, and then you are passing these laws without giving the nation an assurance that these laws will not fail in the future, and that we will not be victimised again. 'We' means the citizens of India will not be victimised again for your follies, for the Government's follies, for the bureaucrats' follies and for the follies of our corporate sector which is known and is clearly standing exposed today as one of the worst corporate sectors in the world.

I would suggest that there is a need to revamp the whole system by which you give loans. You have to differentiate and take the grain out of the chaff. I am not saying, dump everybody into one basket and tell all of them are bad. But you have to differentiate and you have to see genuine loanees who want to do things, who are enterprising and then the others who are scoundrels, who need to be taken care of under the legal system.

Coming back to Bill, I have a few questions. The Minister is here. This Bill allows the RBI to appoint or remove members from the Board of a company under the guise of public interest. On this, I feel, you are thrusting the might of the Central Bank on the companies. Is this advisable? Do you not think that too much Government supervision might dissuade enterprise? No other country has this kind of an arrangement where the Central Bank is also a quasi-judicial body. So, there the question arises, who will guard the guards? Would this act of Parliament result in hounding genuine enterprises? What is the safeguard?

Land is a State subject. When ARC is going to take over the land under the guise that these are assets of a defaulting company, to whom will the land go to? It is because that land might have been given by the State Government or the State authorities or the State Industrial Development Corporations on a long-term basis. So, will that go to the ARC, then to the bank and then to the Union Government? Or, will you return it to the State?

The Debt Recovery Tribunals, as we see here, have a terrible shortage or terrible dearth of manpower. You are increasing the retirement age. What is your long-term policy to build a proper cadre to handle DRT operations? Finally, Madam, before you ring the bell,

what if the ARCs fail in their responsibilities? Does the Government think of this? Has it got any contingent plan suppose the ARCs fail? It is because you are letting wolves out amongst the sheep. ARCs are going to have a field day. They have no burden; they have no monetary involvement; and they are a free-for-all company. You will choose and give licence to who can start an ARC and who cannot. So, this is a kind of wolf amongst the sheep. Who is going to or what is going to check that if ARCs fail? What is the contingent plan you have? Or, is it that we will say as a Government that let the river come, then we will think of how to cross it. I do not have my swimming trunks now. Is that the attitude that the Government is having?

So, these are serious issues, and I think that this is a Bill which is part of a chain, which should not be taken as an individual Bill and we should not get into the nitty-gritty. If we get into the nitty-gritty, that is what the Government, that is what the bureaucracy wants us to do. Are we willing to shift from there and look at it as people who are formulating the future so that the youth of this country has a better life? Thank you, Madam.

SHRI ANANDRAO ADSUL (AMRAVATI): Madam Chairperson, I rise to support the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. This Amendment Bill has been brought by the Finance Minister at a proper time. In the circumstances which exist in banking sector today, which everybody knows, there is a higher rate of NPA in each and every public sector bank, private bank and cooperative bank. The reason for this situation is that there are two types of borrowers. One type of borrowers are those who could not repay their loan because of some unavoidable circumstances, for natural reasons. The second type of borrowers is of those who are the wilful defaulters. They are having the capacity to repay but are not prepared to pay. That is why, I say that in these proper circumstances, this Bill has been brought.

Meanwhile, in the Question Hour, I have raised one issue. The money of the common persons is in the banks. None of them is a big shot who has put a deposit of Rs. 1,000 crore, Rs. 2,000 crore or Rs. 3,000 crore. The depositors are the small persons, the middle class persons. Out of that deposit, loan is given to the borrowers. Who are the defaulters? The big shots are the defaulters. On the one side, those defaulters are enjoying the money of the common persons and bank is getting into the trouble and on the other side is the Government. Last

year, in March, 2015, the total amount of NPAs was Rs. 1,40,000 crore and we have made a budgetary provision of Rs. 1,25,000 crore. The money which goes out of the Budget for this provision is the money which was to be utilized for the common persons of this country and it is being used for those defaulters. Anyway, it is there, but as I told, this Bill has been brought at a proper time.

This Bill seeks to amend four Acts. This is an important legislation which seeks to amend the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and to make consequential amendments in the Indian Stamp Act, 1899, and the Depositories Act, 1996.

The object of the amendments proposed in the Bill is to improve the ease of doing business and facilitate investment, leading to higher economic growth and development. Hon. Finance Minister is not here, but fortunately, my colleague, Minister of State for Finance is here. I would request him to note down one point which is very much important that from 2002 when the Recovery of Debts due to Banks and Financial Institutions Act, 1993 and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security

Interest Act, 2002 had already been in force, initially, as per the definition, they were for banks and financial institutions.

What has happened? From that date, whenever any cooperative bank issued a notice to the defaulters/borrowers, they approach the courts and obtain stay by arguing that the cooperating banking industry is registered under the State Cooperative Societies Act and, therefore, it is a 'society' and not a 'bank'. But on the other side, the total cooperative banking sector is working under the Banking Regulation Act. Also, the Reserve Bank of India is making an inspection every year; in some cases, in alternate years. It means it is totally controlled by the Reserve Bank of India. Then, how can it not be a bank? Each and every transaction done by a cooperative bank is being done on the lines of a public sector bank. Also, there is a regulator, which is the Reserve Bank of India. Then, why should this Securitisation Act be not amended to include the cooperative banking industry as well?

In the meanwhile, I had raised the same issue with the then Finance Minister, Shri P. Chidambaram who said that multi-State cooperative banks would be added. I told him that unless it is a cooperative bank, it cannot be a multi-State scheduled bank. That is why, if we simply mention 'cooperative banking industry' here, it will

serve the purpose. There are wilful defaulters and the rate of NPAs is high. If it is to be recovered, then this Act should be applied by them. There are so many cases pending with the High Courts just because this is not a banking industry and that this is only a society.

I am raising this issue right from 2002 in front of the Hon. Finance Minister. Fortunately, both the Minister of Finance and also the Minister of State for Finance know about the cooperative banking industry very well. That is why you should consider this immediately under this Act.

Secondly, very intelligently, these suitably amended four Acts aim at fast recovery, to improve the ease of doing business, and to facilitate investment leading to higher economic growth and development. There is a very good purpose behind it. I think it will serve that purpose.

As good as the above amendments, the SARFAESI Act allows the secured creditors to take possession over the collateral against which loan had been provided, upon a default in repayment. As my friend, Shri Satpathy mentioned, the assets which are in default are handed over to the ARC. There is a proper agreement between the ARC and that particular bank. The liability or responsibility of a bank remains the same until that is recovered because special machinery is being

used by the ARC on behalf of that particular bank. That is why, when recoveries are made, the bank's balance-sheet will be clean. That is the main purpose behind it.

Thirdly, the process is undertaken with the assistance of the District Magistrate. Now-a-days, our experience is not good. The machinery of the District Magistrate is not taking much care of it. But now it is compulsory that within three months, he has to take over whatever asset is there and hand it over to the ARC. Afterwards, it will be handed over to the particular bank. This is a good provision in this Bill. Not only that, whatever collateral security is there, it will be taken over by the ARC and handed over to the bank. If there is no money coming out of it, then it will be treated as an equity share up to 51 per cent, which will be held by the bank. That is also a good amendment here.

Really, in very appropriate time, this Bill is being amended including the four Acts. This will help the banking industry, the financial institutions and also the cooperative banking industry, if you are going to add it. Thank you very much.

SHRI JAYADEV GALLA (GUNTUR): Madam, I thank you for permitting me to speak on this Bill, that has passed through the Joint Committee of which I was also a part of. It is connected to the Insolvency and Bankruptcy Code. Both the Bills are inter-twined -- the first Bill aims to address the issues relating to insolvency and bankruptcy of individuals and companies and this Bill's objective is to fast track in disposal of debt recovery applications pending before tribunals. It also proposes to arm the RBI with powers to regulate asset reconstruction companies and helps to work in tandem with the Government initiative to reduce the NPAs of banks by providing a framework that would quickly bring wilful defaulters to book and enable creditors to recover their dues.

When I talk about NPAs, I should mention about rapidly rising NPAs of banks, as many of my colleagues have already done. The gross NPAs have gone from Rs.2.67 lakh crore, which is 5.45 per cent at the end of last financial year to Rs.3.6 lakh crore which is 7.3 per cent as of December, 2015. This is a very serious situation. I am sure and confident that this Bill will help in reducing these NPAs and 70,000 cases that are pending involving more than Rs.5 lakh crore in debt recovery tribunals in India today. So, I welcome this Bill and congratulate the Hon. Finance Minister for bringing this legislation.

The Bill is proposing to amend four Acts -- the SARFAESI Act of 2002; the Recovery of Debts Due to Banks and Financial Institutions Act, 1993; the Indian Stamp Act, 1899; and the Depositories Act, 1996. Out of these four, the major amendments are proposed to the first two Acts. So, I would focus more on the first two Acts.

First, I would talk about the SARFAESI Act. The Committee has brought out some valuable modifications with regard to the definition 'asset reconstruction company' and brought it in tune with the Companies Act. But, if one looks at the provisions of the SARFAESI Act, it did not specifically mention cooperative banks. The Government of India in 2003 brought cooperative banks under the SARFAESI Act through an executive order. But if you look at the present amendment, it does not include cooperative banks. This issue is *sub judice* since banks are registered under the State Acts. Here, the objective is not under which legislation they are included. But the objective is to bring down NPAs of each and every bank. Even the RBI was in favour of bringing State, district and urban cooperative banks under the SARFAESI Act. So, my point is, solution to a problem is more important than legislative competence. The Hon.

Finance Minister himself is a legal luminary. So, I am sure, he can find some way to include cooperative banks under this Act as well.

The Bill also does not have a definition for ‘borrower’. It should specifically include a person who has taken loan or advance from an institution other than the bank. Say, for example, if a person takes loan from an NBFC and subsequently, such loan has been acquired by the bank, in such a case, when banks try to recover dues under the SARFAESI Act, people are going to court by simply arguing that the original lender, the NBFC in this case, is not a secured lender under the SARFAESI Act and the acquired bank has no jurisdiction. So, I would suggest for consideration of the Hon. Minister to also include definition for ‘borrower’ to make this clearer.

This Bill also helps in ease of doing business. For example, reforms proposed in the registration system will improve access to credit because lenders will be able to ascertain whether there are any encumbrances on property offered as security and speed up loan application. And, with easy accessibility to credit, more entrepreneurs will be encouraged to start new business ventures which will, ultimately improve the ease of doing business.

Amendments to the SARFAESI Act are also important because if you look at the implementation of this Act, it is quite pathetic. It is

because of the hurdles that DRTs put in. I will give an example. When action for recovery of nonperforming loans by banks or financial institutions is initiated under Section 13(4) of SARFAESI Act, the borrower immediately files an application under Section 17 before the DRT. And, DRTs are routinely granting *ex parte* stay of such action and thereafter the matters will hang fire for years together. So, I suggest for consideration of the Hon. Minister that stay under Section 13(2), 13(4) and 14 of the SARFAESI Act up to 10 lakhs should be given to District Magistrate or Civil Court instead of giving elbowroom to borrower to maneuver and sneak away under Section 17 from DRT.

A positive aspect of the Bill is that it proposes to integrate registration records of other registration systems operated by States and other Central laws such as Registration Act, Companies Act, Motor Vehicle Act, etc., with the Central Registry for recording rights over any property or creation, modification or satisfaction of any security interest on such property under Section 20(A). Secondly, it also enables extension of registration system to all secured and unsecured creditors and taxation authorities issuing attachment orders with the object of creating a Central database of encumbrances on property rights under Chapter IV A. It is also a welcome measure.

I have a small suggestion to make with regard to Clause 10 of the Bill which proposes to amend Section 12 which deals with penalties for non-compliance of directions of the RBI. Rs. 1 crore is proposed, Madam. It is good enough. But no time-frame has been fixed within which it has to be paid. Since the amount is quite a bit, I submit that the penalty should be paid within a period of 30 days from the date of issue of notice under 12 (C)(2).

I now come to amendments relating to the second Act, in other words the RDDB & FI Act, 1993. Clause 26 of the Bill proposes to amend Section 6 of the Act. The proposed amendment increases the age of the Presiding Officer of a Tribunal from 62 to 65 and Chairperson from 65 to 67. But, there is a proviso which says, 'Provided that any Presiding Officer of a Tribunal who has completed his term, shall also be eligible for reappointment as a Presiding Officer and similar provision for Chairperson. It means, the PO can be appointed again and again. How many terms can he be appointed, the amendment is silent. I suggest for the consideration of the Hon. Minister that only one additional term may be permitted, because by that time he will already be 70 and that will be the right time to leave such a crucial office.

The second point I wish to make is relating to Clause 29 of the

Bill which proposes to substitute sub-section 5 with a new sub-section. But in this clause no period has been specified within which defendant has to submit the documents. So, I suggest that it should be specified that the defendant will not have any right to file written statement after expiry of 45 days. Otherwise, the defendant may take undue advantage by not filing written statement by taking excuse of non-availability of original documents, which will prolong litigation and defeat the very objective of the Bill.

I will, now, talk about the vacancies in DRTs and DRATs. Out of five Chairpersons of DRATs in the country, only two are in position today and three are lying vacant. Out of 39 Presiding Officers of DRTs, 30 are in place and nine are vacant. There are three DRTs – two in Hyderabad and one in Visakhapatnam. All these three posts of Presiding Officers are lying vacant in the States of Andhra Pradesh and Telangana. I wanted to know from the Hon. Minister what steps he is taking to fill the vacancies and by when they are likely to be filled.

Also, I welcome that Clause 30 of the Bill permits electronic filing of recovery applications, documents and written statements. This is a good move. It should be followed in all judicial matters. This will not only save time but also money.

With these observations, I once again support the Bill and request the Hon. Finance Minister to ponder over the suggestions made by me which, I am confident, will help in better implementation of the Bill.

Thank you.

SHRI KONDA VISHWESHWAR REDDY (CHEVELLA):

Madam Chairperson, the Enforcement of Security Interest and Recovery of Debt Law and Miscellaneous Provisions Bill also amends four other laws as explained in the Bill.

Madam, first this Act ascertains the question of collateral by the creditors in the situation of default in payment, with the help of the District Magistrate. The DM can assist the banks in taking over the management of the company itself in case the company is defaulting. All the provisions in this Bill are very much needed for the country at this time. Hopefully, the banks are on their way to recovery since the debacle of CDRs, bad debts and NPAs over the last decade. So, the Bill is indeed welcome. But does it meet the objectives? Does it meet the required goals?

I have a few limited points that I would like to point out. The Bill proposes a Central Registry that integrates the records of transactions related to secured assets of various registration systems in the Companies Act, Registration of motor vehicles and so on and so forth. The intent is very well, but can it ever be implemented? Can it ever be used? It is because assets have to be identified; assets have to be uniquely and immutably identified. If the collateral given is a car, then it can be uniquely and immutably identified because a car has a

number. If it is a share, then once again the share has a number. An equity share has a number and it can be uniquely and immutably identified. But the more valuable thing is land. Unfortunately, in our country, land and real estate assets cannot be uniquely and immutably identified. I will give you an example. Nowadays, land is very expensive. Because of this flaw, I can give the same land to one bank as collateral and also give it to another bank as collateral. Lands do not have a registration number or share number. They have a survey number and location. A land can have a building and the building may have a municipal number. So, in one application, I will say this building number and in another registry, I will show it as the survey number.

The other day, during the discussion on IITs, I think there was confusion in the House whether Dharwad should be pronounced as Dharwad or Dharwar. It is both. Once again, it is ambiguous. It is because there are not thousands but lakhs of assets and you need identification systems. This can be identified and caught manually. You need databases and computers. The survey number 56 in Dharwad to a computer is totally different from survey number 56 in Dharwar. India is one country where we do not have what is called as location codes. We have codes which are unique, but we don't have

location codes. So, these are some of the flaws in implementation. The intent of the Central Registry is very good, but implementation will become a problem.

In the original Bill, the farm land belonging to farmers did not come under the purview the Bill. I am very glad that here also the farm land belonging to farmers does not come under the purview. But today, farm lands around metro cities are worth tens of crores of rupees. This is a huge asset which most of the corporates use for parking investments. What about the farm land owned by corporates? I think, it should be treated as corporate asset, not a farm land meant for agriculture for the poor farmer. I think they should differentiate it. Farm lands around Delhi, Mumbai, Kolkata etc. have a value of tens of crores of rupees. You go past Gurgaon and corporates have assets worth hundreds of crores of rupees. The book value is only Rs five lakh or ten lakh per acre. I think, these have to be examined properly.

Lastly, I have a few more points to make. There are a lot of solar companies which are in distress and they have taken huge loans. They have hundreds and thousands of acres of farm lands. They are still shown as farm lands; they are not converted lands. These also have to be treated as corporate assets.

Shri Tathagat Satpathy called this Bill with the name HFWHHM Bill, 'Helping Friends Who Had Helped Me' and things like that. Probably, I would not go so far, but in many countries we hear of successful entrepreneurs. Among the successful entrepreneurs, we hear the stories of small guy from rags to riches through hard work and entrepreneurship. They have come out and built success upon success. They have a small success, and then they move on and have a big success.

16.00 hours

Probably, India is the only country where we have huge successful business built upon failures upon failures. First, they take a small loan of Rs. 1 crore and they fail; then they convince the banker that they need to start a bigger business of Rs. 10 crore, take a Rs. 10 crore loan and fail; then they take a Rs. 100 crore loan; and then a Rs. 1,000 crore loan; and so on. So, India is one country where failures upon failures have built successful empires. But how has this happened? Again Shri Satpathy mentioned the example of a child breaking a glass and pushing it under the bed so that the parents do not see it. The child is fooling the parents. That is bad enough but what if the parent is fooling himself and the nation? What if the bankers are themselves fooling, Madam? They are looking the other way because

they knew he took a bad loan. But he is giving a larger loan so that the larger business can pay the loan of the smaller business. There are multiple examples like that, many in our combined Andhra Pradesh State where I think Vijay Mallya actually pales! In his case, it is only Rs. 6,000 crore; but here it is much, much more.

It is not the business acumen that is required in our country to succeed but it is the loan taking acumen. I think, there are multiple ways around. We have the group companies. More so, we have seen this in infrastructure companies. I start an ABC Infrastructure Company and I have huge unpaid loans; then I start another ABC Power Company. Most of our loans are to do with PSU banks and our contracts are all government contracts. The mechanism is, when I start a new company, I take the technical credentials of the first company but not the credit history of the first company. Since ABC Infra has taken the credentials of ABC Roadworks, I am technically qualified to bid for the tender but I hide that ABC Roadworks has a bad credit history. I think, we also need to look at the CDR policy if we really need to look at it in its totality.

Thank you.

SHRI MD. BADARUDDOZA KHAN (MURSHIDABAD): Hon. Chairperson Madam, I am thankful to you giving me a chance to speak on this Bill.

I am here to speak on behalf of my Party regarding the Enforcement of Security Interest and Recovery of Debts Laws (Miscellaneous Provisions) Amendment Bill, 2016. I heard from here the speeches of four Members who are also Members of the Joint Parliamentary Committee. I also heard some other eminent Members speak about the Bill. I am not so experienced in financial transactions. So, I would just speak about some points regarding this Bill.

Our Finance Minister has told several times in this House that our country has the world's fastest growing economy in spite of bad financial condition throughout the world. But we have to remind him that this growing economy is not generating enough jobs for the unemployed youths of our country.

A few months ago, we passed the Insolvency and Bankruptcy Code, 2016 in this House, especially to recover huge amount of NPAs in the banking sector. In the last two to three years, NPA has been increasing faster than ever before. There are many laws and Acts to deal with these cases. I can give some examples of these like the Indian Stamp Act, 1899, the Motor Vehicles Act, 1988, the RDDB

Act, 1993, the Depositories Act, 1996, the SARFAESI Act, 2002, the Companies Act, 2013, and the Insolvency and Bankruptcy Code, 2016.

16.04 hours

(Shri Hukum Singh *in the Chair*)

In spite of all these Acts, there is no way of speedy recovery of bad debts due to some loopholes and some inefficiency of the present system. The RDDB Act provided for the establishment of debt recovery tribunals and DRAT, that is Debt Recovery Appellate Tribunals for speedy recovery of dues to help banks and financial institutions. But what is the position of DRT now? There are 33 DRTs and five DRATs in India. Most of these tribunals are sick due to lack of experts and staffing. Can we imagine that the pendency of cases before the DRT has increased from 42,819 as on 31st March, 2013 to 69,659 as on 31st December, 2015 and pendency of cases in five DRATs is 2,938. It is increasing every day.

The debt recovery process in our country is very much lengthy and complicated. In India it takes 4.3 years on an average, due to various reasons, whereas in UK it takes one year, in USA 1.5 years and in South Africa it takes 2 years to wind up the recovery process.

In this context, the Enforcement of Security Interest and Recovery (Amendment) Bill, 2016 has been introduced in this House.

Sir, the Bill has been examined by a Joint Parliamentary Committee which has submitted its recommendations. The Bill seeks to amend four Acts. There are some positive steps recommended which will help to remove some loopholes in the law. The Bill creates a Central Electronic Registry which will create a data base to prevent fraud in loan cases involving multiple lending from different banks on the same immovable property. It is a good positive step.

At Page No.7, Sl. No.12 of the Amendment Bill some powers have been given to the District Magistrate, with a time limit of 30 days, to pass an order to complete the process but the Joint Committee observed that this time limit should be extended to 60 days. In my view, DM is a person who is already over-burdened with so many responsibilities. They head hundreds of Committees at the district level. When there is some natural calamity or during the time of election they are the sole authority and they have no time to look into other matters. So, how is it possible for a DM to look into this matter? My suggestion is that this responsibility should be given to some other district level officer other than DM.

At Page No.16, Sl. No.28, there is a provision which says: “Provided that no person shall hold office as the presiding officer of the Tribunal after he has attained the age of 65 years”. At Sl. No.29 the same age limit for the Chairman of an Appellate Tribunal is 70 years. Why the presiding officer of a Tribunal is not fit for service up to 70 years of age? My suggestion is that in both these cases the age limit should not exceed 67 years.

Sir, I am not an expert in financial matters. Recently, we have passed the Insolvency and Bankruptcy Code, 2016. I wish to say that both this Code and this Bill are similar in nature. There is a chance of interruption also. Though in section 26 (e) (Page 11), section 31(b) and section 20 (a) (b) (page 20) there are some explanations given about stopping such *Interruptions*, I would like to know whether it is possible to attach the Insolvency and Bankruptcy Code with this Amendment Bill.

At Page No.22, Sl. No.40, section 30(a), it says and I quote: “Where an appeal is preferred....such appeal shall not be entertained by the Tribunal unless such person has deposited with the Tribunal 50 per cent of the total debt due as determined by the Tribunal”. Sir, I am not against any such recovery but where there is a chance of appeal how can we charge 50 per cent of the total due before the appeal? You

can instead charge processing fee along with the interest for the delayed payment. In this case, punishment is started before the appeal.

Lastly, it is true that in this Bill some positive steps are there for recovery of debt. But if something happens like liquor baron Kingfisher Airlines owner case, who will recover? In what way the loan will be recovered? Interestingly, the Government has given him a safe passage to go to a safe country. Now the Government is taking some action just to eyewash the public.

What happened in case of an auction done by the Service Tax Department which was published in the newspapers? The Service Tax Department tried to auction the luxury jet of Shri Vijay Mallya. They announced a reserve price of Rs.152 crore but the highest auction bid was for Rs.1.09 crore and finally the auction was cancelled. How will the loan be recovered?

The same thing is going to happen in the case of Reliance India Limited in the K G Basin oil. Some experts are now apprehending that after a certain period, oil lifting will be closed. Once oil lifting is closed, the same thing will happen. Then who will recover Rs.20,000 crore of bank loans from them? If you want to sell the infrastructure, who will purchase that infrastructure? So is this Bill sufficient to

recover such loans? I hope our Finance Minister who is present here will comply with his words.

With these words, I conclude.

SHRI MEKAPATI RAJA MOHAN REDDY (NELLORE): Sir, I thank you for the opportunity given to me to speak on this subject – Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016.

This is a very important Bill providing for quick resolution to management of assets funded by banks and financial institutions and which have, for whatever reasons, become sick or underperforming. This will help improve the 'ease of doing business' by faster resolution of bad loans.

As per the latest available data, as on September 2015, 6.2 per cent of the total loans of public sector banks have been categorised as bad loans or non-performing assets.

Another 7.9 per cent were restructured loans after previous bad loans were negotiated, with part of them written off and the timeline for payment extended.

Yet another 2.9 per cent loans were straightaway written off. In all, 17 per cent of state-run banks' portfolios were either written off or dodgy.

This Bill seeks to amend four laws: (i) Securitisation and Reconstruction of Financial Assets and Enforcement of Security

Interest Act, (ii) Recovery of Debts due to Banks and Financial Institutions Act, 1993 (iii) Indian Stamp Act, 1899 and (iv) Depositories Act, 1996.

To keep a check on Asset Reconstruction Companies, it is proposed empowering the RBI to carry out their audit and inspect them from time to time. RBI has been empowered to penalize erring institutions.

The changes will empower district magistrates to help banks take over the management of a company if the entity is unable to repay loans. Banks can then convert a company's debt into equity shares, taking up a majority stake of 51 per cent or more in the company. It will be a fast-track mechanism where the banks can take steps unilaterally within 30 days.

The bill also seeks to create a central database to integrate the records of property registered with the promoters anywhere in the country.

While we need such bills in the larger interest of quicker resolution of bad debts, what is more important is what we will do with these acquired assets. During the last Budget session, the Parliament passed many legislations calculated to improve Ease of

Doing business aiming to make India a hassle free destination for investments.

Passing of this Bill has become necessary for removal of the inherent friction between the laws for insolvency and the laws for security enforcement for providing clarification about the uncertainty over the rights of secured creditors during an insolvency process.

This particular legislation has also been brought as part of the part of the effort to improve ease of doing business. So, we wholeheartedly support this Bill.

Sir, having said that, I want to raise a fundamental question here in this House. What is the use of legislation and promises which we are making here, if we do not adhere to it? Take for example the legislation of the Andhra Pradesh State Reorganisation Act. The then Prime Minister of India, in the Rajya Sabha, had promised to give a special status to the State of Andhra Pradesh with so many other concessions. The then Prime Ministerial candidate of the Bhartiya Janata Party, Shri Narendra Modi had visited Andhra Pradesh and campaigned in the same way stating that the State of Andhra Pradesh will get special status for a period of 10 years and that a capital like Delhi for the State would be constructed. Many such promises were made but now after 26 months, all those promises are being forgotten.

So, what is the use of all these legislation if promises made on the floor of the House are not kept?

Sir, after hearing the speech of the Hon. Finance Minister in the Rajya Sabha the other day there is a lot of resentment amongst people in the State of Andhra Pradesh. Around five crore people in Andhra Pradesh is very much worried. They were expecting special status so that they can come on par with their neighbouring States. But now all hopes seems to have been dashed. Even now I would like to request and make an appeal to the Hon. Prime Minister and the Hon. Finance Minister to adhere to the promises that were made. If there are any political reasons, then they can cite the reasons. The State of Andhra Pradesh is a special case. When the State was bifurcated, the Government made a number of promises and if those are now not kept, then it is not good for the spirit of democracy.

Sir, the same is the case with the Tenth Schedule of the Constitution which relates to the Anti-Defection Act. Powers have been given to the Hon. Speakers which they never act upon and this is high time that power should be given to the Chief Election Commissioner and a time limit of three months should be fixed for it. Until and unless we rectify ourselves, the future of democracy would be at stake. It will become a laughing stock. India is the largest

democracy in the world. We are proud of our democracy and we should keep it up and we should all try to keep the values of democracy intact.

Thank you.

[Translation]

SHRI JAGDAMBIKA PAL (DOMARIYAGANJ): Sir, I am deeply grateful to you for giving me an opportunity to speak in the House. Today, Hon. Members of this august House have agreed that if India is to enhance its growth rate in the future and stand firmly in the global race for development, it must also strive to surpass others. Our Hon. Prime Minister, Shri Narendra Modi, envisions a future where India not only stands in that competition but also achieves a higher growth rate than China in the days to come. We must work collectively to realise this vision. The Bill presented by the Joint Parliamentary Committee (JPC) has been supported unanimously in the Committee, as Hon. Sushmita Dev also mentioned. I am confident that this House too will pass it unanimously. The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016 seeks to amend the Recovery of Debts Due to Banks and Financial Institutions Act, 1993.

Why was this Bill necessary? When I entered the House, I heard the concluding remarks of Shri Satpathy, who said that this Bill should not be one that merely reflects the suggestions of the bureaucracy. I would like to clarify that this Bill has not originated from bureaucratic quarters. It is the result of the collective work of the Joint

Parliamentary Committee comprising esteemed Members of Parliament. Each clause and amendment has been carefully examined. At the outset, I would like to congratulate the Committee chaired by Shri Bhupender Yadav. The Committee, comprising Members from both the Lok Sabha and the Rajya Sabha, has, in a very short time, brought forward this Bill, which, I firmly believe, will prove to be a milestone in the country's economic reforms, in reducing bank NPAs, and in strengthening debt recovery mechanisms in the years ahead.

[English]

SHRI TATHAGATA SATPATHY: Sir, I did not mean to disrespect the Committee. I gave my opinion as a Member of this House.

HON. CHAIRPERSON: You have got your own right to do so.

SHRI TATHAGATA SATPATHY: The convention of the House which has been followed for many years says – there is no written law – that normally those who are in the Committees are not allowed to participate in the discussions because other members should be given an opportunity to air their views. Thank you, Sir.

[Translation]

SHRI JAGDAMBIKA PAL: Hon. Deputy Speaker Sir, if we look back to September 1990, there were more than 15 lakh such loan cases

pending in various courts across the country, involving an amount of Rs. 6,013 crore at that time. I would like to state that before 1993, if anyone had taken a loan from a bank and even if he became a wilful defaulter, the bank had no authority to recover that money. At that time, there were no DRTs or RCs; banks could only approach the civil courts and file civil suits. The cases went on in the courts for years together, and recovery was seldom achieved. It was because of this very situation that the Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI Act) was enacted in 1993. After this Act came into force, DRTs were established. Even today, as Hon. Members have stated, around 70,000 to 72,000 cases are still pending. It is true that the number of cases has reduced, but despite that, NPAs have risen to more than Rs. 5 lakh crore. The RDDBFI Act had a provision that cases must be disposed of within six months; however, due to repeated adjournments and prolonged hearings, judgments could not be delivered for years. In recent times, whether it was the Indian Banks' Association, the bankers or the stakeholders, all gave their suggestions on this matter, and those have been incorporated into the present Bill.

As the Hon. Minister also mentioned while introducing the Bill, through this legislation we are bringing amendments to four Acts,

including the RDDBFI Act. In doing so, certain restrictions have been placed. If NPAs continue to rise in banks, it will, in the future, affect social schemes, infrastructure projects, and even credit availability to the people. If the banks are unable to recover their money, they will face the challenge of how to extend loans in the future.

Through this Bill, we are empowering the DRTs and the RBI to address the difficulties that have been faced so far and to find their solutions in the coming days. Earlier, the borrower used to sell off the secured asset kept as collateral for the loan. This amendment will now prevent such practices. Once the DRT delivers its judgment, it can issue an RC (Recovery Certificate). The most significant aspect is this, wherever a decision is made, priority was earlier given first to Government revenue, arrears and labour dues. However, to protect the financial institutions, the secured creditors, we have made this amendment so that their priority will now rank above even that of the Government, ensuring that they receive their due payments.

The terms of service of the Chairpersons of the DRTs have been modified. A large number of cases are pending in DRTs due to vacancies that have not been filled, which is indeed a matter of concern. The amendments proposed in this Bill also seek to reduce the period for filing an appeal against the decision of a DRT. A borrower

will now have to deposit 50 per cent of the due amount before approaching the Appellate Tribunal. Earlier, in the absence of such a restriction, borrowers used to approach the Appellate Tribunal merely to gain time, thereby delaying the recovery of debts.

Similarly, important changes have been made in the SARFAESI Act, 2002. Under these, powers have been given to debenture trustees to enforce securities in the interest of public debenture holders.

Further, under the SARFAESI Act, certain relaxations have been provided with respect to the investments of Asset Reconstruction Companies (ARCs). Previously, only entities with large capital could form ARCs, but now the process of setting up an ARC has been liberalised. Most importantly, the Reserve Bank of India is being empowered to regulate the ARCs. With the RBI being vested with regulatory authority, the functioning of ARCs will become more transparent.

Our colleagues have mentioned that earlier, as per a Supreme Court judgment, certain matters had to be decided by the concerned judicial authorities. However, despite that, whether it was the Chief Metropolitan Magistrate or the District Magistrate, decisions regarding banks' collateral securities used to remain pending for years. Now, under the proposed amendment, if a collateral security

has to be taken over, the District Magistrate or Chief Metropolitan Magistrate will have to take a decision within 30 days of receiving the application, so that the bank or the financial institution concerned may have the assurance that it will be able to take possession of its collateral security without undue delay.

In the same manner, it was often found that secured assets were being shown as collateral assets elsewhere. However, such assets frequently had a third-party interest, there could be a tenant or an occupant and whenever such a third party raised an objection, a question arose as to whether the decision regarding such tenancy rights would be taken by the District Magistrate or by the Court. Pursuant to the Supreme Court's judgment, this led to prolonged pendency, as decisions on such third-party objections were not delivered in time. When we speak of debt recovery or prevention of NPAs, the most important point is that over the years, several challenges have persisted, whether before the bankers, the financial institutions, or other related entities. Even in cases where loans were given against machinery or other assets, whether tangible or intangible, those are now being brought under the purview of this Bill. Through this amendment, the DRTs are being empowered to decide upon objections raised by third parties or matters relating to tenancy

rights. Henceforth, such decisions will not be made by the District Magistrate or the Chief Metropolitan Magistrate; instead, the DRT will now adjudicate upon third-party tenancy rights.

Naturally, by bringing this jurisdiction under Section 7 of the DRT, the process, which earlier used to be delayed and cumbersome, will now become smoother and quicker, ensuring faster resolution of cases.

Likewise, in cases where banks or financial institutions transferred assets to Asset Reconstruction Companies (ARCs), certain complications had arisen. As the Hon. Minister stated today, amendments are being made to four Acts, including the Indian Stamp Act, to address these issues. ... (*Interruptions*) Hon. Chairperson Sir, I would like to take just two or three more minutes. I believe I am the second speaker from my Party.

HON. CHAIRPERSON: You are a very good speaker, but you are going into too much detail.

SHRI JAGDAMBIKA PAL: I am not elaborating, Sir. I am only referring to the amendments that have been made.

Therefore, a provision has been made for exemption from stamp duty. Likewise, amendments are also being made in the *Depositories*

Act so that the pledged shares can be transferred, which will certainly be beneficial.

Sir, there are two or three important points. As far as the question of jurisdiction under this Bill is concerned, earlier the borrower or wilful defaulter had to file his application before the DRT where he resided. Now, however, the creditor can file it before any DRT where his account or the branch of the bank is located. In addition, all documents and statements will now be filed in electronic form with digital signatures. I believe that the important decisions taken in this regard, whether under Section 14 of the SARFAESI Act relating to the Chief Metropolitan Magistrate, or concerning secured creditors, are indeed significant.

HON. CHAIRPERSON: Hon. Member, you have been speaking for 15 minutes.

SHRI JAGDAMBIKA PAL: Hon. Sir, I am merely referring to the points.

In this way, we intend to make the recovery process faster and more comprehensive. For this purpose, we have widened the definition of 'debt'. Earlier, the definition of debt covered only loans from banks and financial institutions. Now, both tangible and intangible assets, if obtained on credit, have been included so that their

liabilities may also come within the purview of this list. Such liabilities can be brought into the recovery process through intermediaries and scrutiny mechanisms. In today's world, there are different types of debts, and these provisions have been introduced to ensure recovery in all such cases.

HON. CHAIRPERSON: Please conclude now. You have been speaking for more than 15 minutes.

SHRI JAGDAMBIKA PAL: Property registration is a State subject. You too have served as a Minister in the State, as Revenue Minister, and have long experience as a legislator. The records of properties are maintained by the States. It has come to the notice of the Government and the Committee that the same property is sometimes mortgaged at multiple places. To address this issue in the recovery process, we have brought provisions relating to property... .. *(Interruptions)*

HON. CHAIRPERSON: You have made your point. Please conclude.

SHRI JAGDAMBIKA PAL: Sir, I will take just one or two minutes more.

HON. CHAIRPERSON: Please conclude your remarks. You have been speaking for more than 16 minutes.

SHRI JAGDAMBIKA PAL: Under Section 20, integration of property registration has been provided. The records of all authorities will be incorporated in this system, enabling lenders to verify the title of any property being mortgaged.

HON. CHAIRPERSON: Now I am constrained. Please leave some time for other Members as well.

SHRI JAGDAMBIKA PAL: I will conclude with one final point.

Earlier, in the case of ARCs, only Qualified Institutional Buyers could make offers, but under this Bill, a provision has been made to allow Non-Institutional Investors to make offers as well. This will make the liquidation of assets easier and will attract more bids. I believe that all these provisions, whether under Sections 7, 14, or 26, will prove beneficial. These measures will help reduce NPAs from 14 per cent to about 3 per cent and will accelerate the wheel of progress of our nation.

SHRI SHAILESH KUMAR (BHAGALPUR): Hon. Chairperson Sir, I rise to speak on The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, which is being discussed in the House today. Indeed, this is a good Amendment Bill that has been brought before the House. It has been consistently emphasised that to bring about economic reforms in India in line with the global markets, this Bill was much needed. Many Hon. Members have already elaborated upon this issue, observing that prior to this Bill, there were numerous difficulties in recovering loans from those who had taken money and fled abroad.

Whether big industrialists or other prominent persons who used to take huge loans and then abscond, they often cited bankruptcy or other such grounds, leading to persistent problems in debt recovery. In this context, the Report presented by the Joint Committee is indeed highly commendable. I support it, as the Committee has made valuable efforts to introduce an effective amendment and to plug the existing loopholes. Particularly, the provision of electronic registration will put a check on those who, by showing the same property as collateral, used to take loans from multiple banks. This provision will certainly prevent such fraudulent practices.

The Amendment Bill which has been brought for big industrialists and influential persons certainly needs to be passed with even stricter provisions. However, in this context, I would like to draw attention to another aspect. Ours is a country of the poor, and in the rural areas, the poor people live in great hardship. I come from Bhagalpur in Bihar, which is one of the poorer States. I have seen how poor people there take loans and the kind of exploitation they face in the process. I would like to point this out before the House. The poor people who take loans are often unable to repay them, and we must understand their circumstances. It is indeed true that their inability to repay is also linked to their difficult economic condition. Many of them take loans under the impression that it is a grant. In such cases, whether it be bank officials or the middlemen in the villages, they take their share from the loan amount before it reaches the borrower. For instance, if a person receives a loan of Rs. 1 lakh and Rs. 20,000 to Rs. 25,000 are taken away by the middlemen or bank officials, how can that poor borrower possibly repay the entire loan? Therefore, I would like to urge that the rules and procedures for loan recovery from the poor be suitably amended, keeping their circumstances in view, and that a more lenient and humane approach be adopted for them. As for the rules and laws framed for big industrialists and wealthy persons, I

fully support them and would like to see them implemented in letter and spirit.

I have observed in villages and in society that even where people do not own land, forged documents are prepared in collusion with bank officials. The person in whose name the loan is taken is often untraceable, and even fake residential proofs are created to secure fraudulent loans. Therefore, I would like to urge that the rules and laws relating to loan recovery from the poor be suitably amended. Keeping their condition in view, a more considerate and flexible mechanism for loan recovery should be introduced. As for the laws framed for big industrialists and influential persons, I fully support them and would like to see their proper implementation.

I have often seen in rural areas that even when there is no land, fake land papers are prepared in connivance with bank officials. The person who takes the loan is not traceable, and false residential proofs and other documents are fabricated to obtain loans. I would like to draw the Union Government's attention to this issue as well. Many such cases have come to light, and several middlemen have been found involved. The Union Government should take strict action against such people.

The proposal brought to amend these four laws is indeed a major step taken by the Union Government and the Joint Parliamentary Committee. I would, however, urge the Union Government to simplify and make the process of loan recovery for the poor more accessible and humane. This is a good Bill, as it will help our country reach a competitive level in the global market. I extend my best wishes to the Union Government and urge that it be implemented with full sincerity and transparency.

Thank you very much.

SHRI KAUSHALENDRA KUMAR (NALANDA): Hon. Chairperson Sir, I am thankful to you for giving me an opportunity to speak on The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. The Hon. Finance Minister had introduced this Bill in the House on 11 May 2016, and the matter was referred to the Joint Parliamentary Committee for examination. The Hon. Finance Minister has now brought before this House proposals to further amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, with a view to strengthening and improving their administrative effectiveness. I welcome these proposals.

16.42 hours

(Hon. Deputy Speaker *in the Chair.*)

Hon. Deputy Speaker Sir, when the SARFAESI Act, 2002 was enacted, it was widely believed that banks would henceforth become so empowered that they would be able to recover any outstanding dues without delay. However, what has transpired since then is quite the contrary. The NPAs of banks have continued to rise steadily. Major industrialists, in collusion with the Union Government, have

plundered the banking system. The hard-earned money of ordinary citizens has been looted by a handful of people, and today our banks stand at the brink of bankruptcy. The Union Government itself has stated that NPAs amount to about Rs. 4 lakh crore. Financial experts, however, have predicted that by the end of this year, the figure may reach around Rs. 8 lakh crore. Some bank officials have even informed me that NPAs could rise to as much as Rs. 20 lakh crore. The Union Government must answer why, amidst such large-scale loot, the savings of the common man have fallen into the hands of a few. If the Government was not complicit, how did persons like Shri Mallya manage to leave the country? According to the Union Government's own data, of the total Rs. 4 lakh crore NPAs, about 90 per cent of the amount is owed by merely seven thousand persons, each of whom is a defaulter of loans exceeding Rs. 1 crore. All of them are wilful defaulters. The list of these individuals has only recently been made public by the Bank Officers' Association.

Hon. Deputy Speaker Sir, I would like to draw the attention of the Union Government to a few points. The Government says that this amendment is essential to facilitate trade and accelerate the pace of the economy. Could you please inform how many cases are presently pending before the D.R.Ts. and D.R.A.Ts., and how many are pending

before other courts? If we examine these numbers, it appears that even in the next twenty years the Government will not be able to dispose of all these cases. The law has already prescribed a time limit of 180 days, yet why are as many as 70,000 cases pending only before the D.R.Ts.? Could the Union Government also inform this House how many recoveries have actually been made by the banks under the SARFAESI Act, 2002? If recoveries have indeed taken place, then how has the NPA amount risen to Rs. 4 lakh crore? Unless the Union Government rectifies its own shortcomings, enacting stricter laws will serve little purpose, and success will remain difficult without their proper implementation.

It is, however, a positive step that a database will be created and all information will be available digitally. The linking of banks and other financial institutions will enable them to share information, preventing an individual from pledging the same asset at multiple places and committing fraud. The removal of stamp duty is also a highly commendable measure, which will strengthen the hands of the Reserve Bank of India. This is indeed a welcome step. I hope that after enacting this law, the Union Government will be able to bring down the level of NPAs effectively.

Sir, I shall conclude my remarks by citing one example. The extent of corruption and scams in the country can be gauged from the fact that in September 2013, the National Spot Exchange (NSE) in Mumbai witnessed a scam amounting to Rs. 5,600 crore. A large number of investors' funds were misappropriated by certain brokers in collusion with the Exchange. All Government agencies were directed to conduct investigations. The Union Government even ordered a forensic audit. FIRs were lodged, and a few individuals were sent to jail merely for formality and were released the very next day. Even today, the brokers who embezzled the hard-earned money of the common people are moving about freely while the Union Government remains a silent spectator. The Government agencies such as SEBI, EOW, the Ministry of Finance, the Enforcement Directorate and the Police have not yet been able to file a charge sheet. Assets worth Rs. 6,115.25 crore have so far been seized. I have cited this as an example of a major instance of corruption and financial misconduct. With these words, I conclude my submission. Thank you.

[English]

SHRI M.I. SHANAVAS (WAYANAD): Thank you Hon. Deputy Speaker, Sir, for giving me this opportunity to intervene in this important debate.

This is a very important legislation. I do not want to criticize the intention of the Government. But if the banks have got so many NPAs or if they are not being paid the debts due from the customers, then they cannot move ahead.

I would like to point out the main target of these amendments. Are these amendments for the upliftment of the poorer sections of the country? Many Hon. Members, who have participated in this debate, have also explained as to how the banks are functioning. Even without any amendment in the SARFAESI Act, banks could have taken back the money from poor farmers or students.

Now, I would like to point out two or three very important points because I do not want to take much time of this august House. Here, the statistics give us a very clear picture as to how banks are being used by the corporate sector. The public sector banks, at present, have almost given Rs. 4,87,522 crore to the corporate sector. That is more than one-third for the farmers etc. Therefore, how the agricultural sector is being financed by the banks? The outstanding loans of PSBs

to the agriculture and corporate sectors is Rs 6.83 lakh crore and Rs 27.71 lakh crore, respectively. The banks are being used by the corporate sector. So many issues are coming in the newspapers.

Mr. Deputy Speaker, Sir, you may remember that according to a news item, in your own State, Tamil Nadu, so many bad things have come. Now, there is an Asset Reconstruction Company in Kerala which is being managed by the Reliance Group. So many cases have been filed in the High Court of Kerala. The Hon. Minister of State for Finance may see as to why you are engaging such companies to extract money from the people. This ARC goes to the poor people's houses. They attach their properties. They threaten them. But the High Court of Kerala has said that this is a wrong practice; banks shall not use such coercive means to extract money. Let me ask the Hon. Government, will this Government take action against the corporate houses who have NPAs? Many corporate sectors have lakhs of crores of rupees of NPAs in various banks. They are getting the money. They are getting deposits in the banks. But the poor people, who take a simple loan, are being harassed.

I will cite one report from *The Indian Express*. A lady took a loan of about Rs. 70,000 and her outstanding amount was Rs. 58,000. Her photograph was given in the advertisement showing her as a defaulter

by the Asset Reconstruction Company. Has the Asset Reconstruction Company given the photograph of a corporate MD, of a corporate man, or a rich man? But, the list of these poor people is being published by the Asset Reconstruction Companies.

I come from a very poor area of my State, that is Wayanad. There are tribal people who have taken loans. There are farmers who have taken loans. For small farmers, if a loan of Rs. 50,000 or Rs. 1 lakh is outstanding, their houses are going to be attached under the SARFAESI Act.

I would like to conclude. Before concluding, I want to say that the intention of the Government is good. But, this Act is against the poor people and against the education loans. Thousands and lakhs of students have taken the education loans. SBT and SBI are engaging the Reliance company to extract money. They are going to the poor people. They are not going to get money from the rich people. Since the Hon. Minister of State for Finance is here, I would like to point out that amalgamation of SBT and SBI is going to happen in my State.

The SBT is the treasury of Kerala for the past so many years and even now also, it is working as the treasury. It is the common man's bank. Now, when the SBT is amalgamated with the SBI, the problem comes is that the SBI has got the greatest number of defaulters of the

corporate sector. The entire amount of SBT will go to corporate. When the poor people of Kerala go to the SBT, they see the SBT as their own bank. The Kerala Assembly discussed it and almost unanimously said that the amalgamation of the SBT and the SBI should not happen. The SBT has got Rs. 1,80,000 crore. So, please desist from amalgamating the SBT with the SBI. I would finally appeal to the Government to desist from taking these steps in the name of the SARFAESI Act.

[Translation]

SHRI DUSHYANT CHAUTALA (HISAR): Hon. Deputy Speaker Sir, I am grateful for the opportunity to speak on The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. This Bill is not confined to one but brings amendments to four Acts, the SARFAESI Act, the Recovery of Debts Due to Banks and Financial Institutions (Amendment) Bill, the Indian Stamp Act and the Depositories Act, 1996. It is, therefore, a very important Bill for discussion. Several Members before me have expressed their views on this Bill. Our colleague from Kerala raised very serious points. Shri Jagdambika Pal of the Bharatiya Janata Party, while initiating the discussion, had said that in the 1990s the NPAs were Rs. 6,000 crore. Today, in 2016, NPAs have increased to Rs. 4.25 to Rs. 4.5 lakh crore. A colleague from Meghalaya mentioned that they have reached Rs. 8.25 lakh crore. If NPAs have increased to such a great extent, what is the reason? Certainly, previous Governments were also at fault. But when we speak of outstanding loans, if we look at the share of the poor whether farmers, workers, or students, their portion would perhaps come only in points of a percentage. But when it comes to the big defaulters, they are the big capitalists. Till today, whenever we talk of

recoveries through DRTs, we have never seen recovery from big capitalists by seizing their properties in this country. But when it comes to a farmer, a student, or a worker, if they take a small loan, after the first and second warning their photograph is published in the newspaper. Their land is sealed under the orders of the Deputy Commissioner and the District Magistrate.

Hon. Deputy Speaker Sir, the Government appears serious in this matter. Under this Bill, the Deputy Magistrate has been given 30 days' time. But by giving such powers to the Deputy Magistrate, are we not re-establishing Inspector Raj? Such great authority is being vested in the hands of a Deputy Commissioner. If the Government is indeed so serious, why not bring institutions like the DRT to the district level? Small debt-related cases could be sorted out at the village, tehsil or sub-division level.

We also see that the Bill mentions a Central Registry, which will maintain a centralised record. But the biggest question is: when will the country have the Central Registry established? Because if the Central Registry is not established, even if we pass this Bill today, even if the Rajya Sabha passes it tomorrow, and even if the Hon. President gives assent the day after, it will remain incomplete without that Registry.

17.00 hours

Hon. Deputy Speaker Sir, until a Central Registry is established in this country, we will not be able to see this law being implemented in its entirety. The Bill provides that if a person takes a loan today and deposits the properties of any secured creditor with the bank in accordance with the provisions of this Bill, it is indeed a commendable step that recovery may be made through such means. That is a welcome provision. However, if I lend even five rupees to someone on the basis of trust, and that person defaults, then the fault partly lies with me as well, for the trust was mine. But will that secured creditor also be given time, or will the Government seize my amount within five days for another's fault, without giving any grace period? The Government should give due consideration to this aspect as well.

Hon. Deputy Speaker Sir, there is another matter which I found rather unfortunate... (*Interruptions*) I shall conclude in a minute. Where we are providing for the enhancement of the age of Members of the Tribunal from 62 to 65 years, and from 65 to 67 years, with a further possibility of extension, I believe this needs reconsideration. Ours is a young nation. Instead of merely extending the age of retired persons, what is more essential is to bring in new talent and fresh thinking into the system. Since the Hon. Finance Minister is present

here, through you, Sir, I would urge him to kindly amend this provision. The Ministry has talented lawyers. Eminent lawyers like him can inspire new ideas in the system. Kindly provide opportunities for young minds to participate in it. As our Hon. Prime Minister has often said, the youth must be brought forward. If we continue to entrust the same set of people who have been bringing amendments and framing Bills, we will continue to encounter shortcomings in those very laws.

Finally, Sir, I would urge that the Government should re-examine this matter thoroughly and take suitable measures, particularly keeping in view the interests of small and marginal farmers and students.

I sincerely thank you, Sir, for giving me the opportunity to speak.

SHRI HUKUM SINGH (KAIRANA): Hon. Deputy Speaker Sir, I rise to support the Bill brought by the Hon. Finance Minister.

I have studied this Bill and I can say with certainty that it is going to be a very effective legislation. If Rs. 5 lakh crore or Rs. 8 lakh crore are stuck, one can understand how much impact it will have on the economy of our country. If that money had been available with the banks today, it would have been available throughout the country for setting up industries and undertaking developmental works. I believe that the Bill has been brought precisely to recover that money and to prevent recurrence of such situations, although attempts had been made earlier also and in 1994 a Bill was brought in this regard.

Sir, earlier the procedure was very simple and general. If someone owed money to the banks, the matter had to be taken directly to a civil court and a suit filed. When this did not prove effective, the system was changed. All cases involving amounts above Rs. 10 lakh, which were pending in banks' courts, were automatically transferred to the tribunals and an attempt was made that such cases be disposed of within 180 days. However, the judicial process is so complicated that no matter how many laws we may enact, we are unable to break through that complexity. It was clearly laid down that decisions be given within 180 days, but due to adjournments and other reasons,

pendency has now reached 70,000 cases. Where 70,000 cases are pending and such huge sums of Rs. 8 to 9 crore are stuck, it will certainly have an adverse impact on our economy.

Sir, now the question arises as to what should be the solution to this problem. One solution the Hon. Finance Minister has provided by bringing this Bill is that we shall make the system effective, simplify it, and along with enacting the law, the Government has also taken the power to frame the rules. It has been provided that the procedure of the courts may also be regulated by us, which will take matters forward. However, there is a difficulty. Therefore, I would request that when the Hon. Finance Minister replies to this debate, he should clarify this issue, if the problem could be solved merely by making a law, then there would be no difficulty. The problem would be solved. But the decision of the Tribunal, though final, can still be challenged in other courts, even in the High Court, and no one can be prevented from going there.

Sir, I would like to substantiate my point with an example. An industrialist came to me, an upcoming young man who had purchased an industry auctioned by a bank. After purchasing that industry, he invested all his money in it. When he began to run the industry, he needed more capital, but could not raise it. In the meantime, the bank

issued him a notice. That industrialist wanted some arrangement for OTS, that is, a one-time settlement, so that he could repay the amount gradually. Despite all his efforts, he could not arrange it. He even went to Mumbai and met many people, but to no avail. No one listened to him.

Sir, in the end, he obtained a stay from the High Court. Our entire banking system was rendered ineffective. If our outlook were to become a little more positive, and if we sought to resolve problems with understanding at the outset, much litigation could be avoided. It is a matter of approach, because a bank is not just an ordinary institution; it is our trust. We repose faith in the banks as institutions that should adopt a pragmatic approach. I would like this matter also to be considered, whether reforms are required in their thinking and outlook.

Sir, yesterday I went to Noida. There are 20 to 25 storey buildings standing there, but no one resides in them. All those buildings are lying vacant. In Ghaziabad too, the buildings are lying vacant. In Faridabad as well, buildings are lying vacant. Similarly, the situation is the same in Gurugram. At least hundreds of crores of rupees have been invested in these buildings. Now where has this money come from? Either the builders have taken loans from banks or they have

used their black money, or a mix of both, and invested it there. Today, under the law, we have acquired the right to take over such buildings. But what will happen then? We will not be able to maintain them or to secure them. We need to think about how to solve this problem. The problem will be resolved only when there is the will to resolve it. Instead of going into cases and litigation, an arrangement should be created within banks, among bank officers, who will deal exclusively with such matters. Senior officers of banks should listen to both parties and resolve the issue there and then. This way, much of the problem can be resolved.

Hon. Deputy Speaker Sir, you may recall that some years ago there was a major crisis in the United States which led to the collapse of the entire banking system. Even the largest bank in America failed. I studied somewhat why this happened. Despite America having such a large economy, why did this situation arise? I learnt that in the world there are people who have seized power without any popular base, relying instead on military or other force, particularly in some African countries and even in some Asian countries and who, as dictators, considered the American economy safer than Switzerland to deposit the money looted from their poor citizens. That money was unaccounted, but their banks did not ask where it came from. With the

inflow of such money, the banking economy appeared to improve greatly because of the sudden availability of huge sums. Instead of generating new resources, the bank employees, managers and chairmen raised their salaries and perks enormously. They enjoyed facilities greater than those available to any Government officer. Eventually, despite having excess deposits, the banks collapsed. Ultimately, America was compelled to enact a law that any money coming in must disclose its source.

Sir, in our country we have a good Government, a good Finance Minister and good intent. Along with that, why should we not also seek to reform our system so that people cannot block money in this manner, as is happening today? This is a matter for serious consideration. Many speakers have said, and it has also appeared in newspapers, how one individual became so powerful. What was our system that enabled him to steal Rs. 9,000 crore and take it abroad successfully? There is certainly some deficiency somewhere. We may continue to prosecute him, but will prosecution bring the money back? That money will not return. The situation should never have arisen that such money could be taken out. If our employees and officers had been alert and vigilant, this would not have occurred. Today there is a need to reflect upon the entire system.

Sir, your Bill is welcome because you have made it simple and practical. Measures have also been taken to restrain those who wished to abscond after committing fraud. My view is that merely enacting laws will not suffice. We need a fundamental change in our thinking, and a change in the approach of banks, so that in future they may consider carefully where to invest, and whether the money will be recoverable. The money which was given to those who constructed buildings in which no one resides, investing in real estate, should have been considered by the banks at the time. Perhaps then this situation would not have arisen.

I certainly expect that we will reconsider this subject seriously and, after consideration, establish a proper system. Along with amending laws, it is equally necessary to develop the system.

With these words, I conclude my submission. Thank you.

SHRI PREM SINGH CHANDUMAJRA (ANANDPUR SAHIB):

Hon. Deputy Speaker Sir, I rise to speak on The Enforcement of Security Interests and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016.

As far as the intention of the Government in bringing this Bill is concerned, and the necessity of this Bill, I believe they are absolutely justified. For the country's economy to move forward, for the economy's engine to run, it is necessary that the financial institutions which are lying paralysed, with brakes applied, should be set right. In a country where the NPAs of banks and financial institutions have exceeded Rs. 8 lakh crore, the economy is bound to be held back. Therefore, I believe that the Hon. Finance Minister has brought these amendments to remove the brakes, to move the economy forward and to facilitate debt recovery. These amendments will certainly help in advancing this objective. I have risen only to seek two or three clarifications and to offer some suggestions.

17.12 hours

(Hon. Speaker *in the Chair*)

Hon. Speaker Madam, my first point is this: many attempts have been made earlier for debt recovery and laws have been enacted, but they were not effective. I believe it is most necessary that NPAs also

be classified to identify who is responsible for them. To some extent, the financial institutions are themselves responsible. Those who take loans, the big companies, are also responsible. If a proper study is undertaken, the names of big people will come out, whereas the small borrowers are forced through the courts and the law to repay. Therefore, classification is necessary, because often the guilty escape and the honest get trapped.

I would like to give an example. The UPA Government had waived farmers' loans, stating that only the loans of defaulters would be waived, and not of others. In Punjab, people take loans to repay loans. It is their habit that they do not wish to let their debts mount, and so Punjab's loans were not waived. The truth is that per acre, per family and per person, the debt burden of Punjab was the highest. Therefore, those who misuse, those who knowingly exploit financial institutions and divert funds elsewhere, must be identified.

On the issue of debt recovery, I would like to ask the Hon. Finance Minister that while efforts are being made to strengthen financial institutions and to accelerate their functioning, which is a good step and will help the economy to grow, it is equally true that the backbone of the economy is the agriculture sector, and it is also true that today farmers are the most indebted. In the country, no other sector is facing

suicides; it is only the farmer who is being driven to that path. To make the farmers debt-free, and to provide a one-time settlement of agricultural loans, is the Government taking any measures? Just as concern is being shown for financial institutions, there should also be measures for a one-time settlement to relieve the farmers of debt. The Prime Minister has stated on many occasions that unless the farmer progresses, unless the agriculture sector becomes profitable, and unless the economy of agriculture improves, the GDP of the country cannot rise. Therefore, when it is accepted that agriculture is the backbone of the country's economy, what has the Hon. Finance Minister thought of, and what measures are being taken, for a one-time settlement of agricultural debt? This is the clarification I seek.

I thank the Hon. Minister for bringing this Bill to revitalise the financial institutions. At the same time, I would also urge that a scheme for one-time settlement of agricultural loans be introduced. Thank you.

[English]

SHRI N.K. PREMACHANDRAN (KOLLAM): Madam Speaker, I thank you very much. The proposed Amendment Bill is mainly intended to amend two Acts, that is, the SARFAESI Act of 2002 and the DRT Act 1993 along with two other Acts – the Stamp Act as well as the Depositories Act of 1996.

The main objective of the proposed Bill is to improve the ease of doing business so as to facilitate investment leading to higher economic growth and development in our country. I fully support the Government as far as the intention of the Bill is concerned, that is, NPA which is accumulating like anything in the country has to be checked in a strict manner. That is the need of the hour. I fully agree with that position. The intention of the Bill is to address the issue of the stressed assets. Most of the Hon. Members have already pointed out about the present situation in our country regarding the stressed assets. The present situation is that we have Rs. 8 lakh crore of stressed assets. That means, 5.6 per cent of the Indian GDP is the stressed asset. It is an alarming fiscal situation in our country. The latest forecast shows that the stressed assets of Indian banks would grow 11 per cent to 12 per cent in the financial year 2016-17. According to the Reserve Bank of India, 10.9 per cent of all loans are

stressed. It would cross Rs.8 lakh crore by March. The public sector banks have already written off Rs.1.14 lakh crore as bad debts or debts which are not recoverable.

The question which I would like to pose before the Hon. Finance Minister is as to who are the real defaulters contributing to these huge non-performing assets in our country. Kindly see that bad loans in the banks are increasing day by day. The statistics which we have taken from the Library shows that as on 31st March, 2002, the gross NPA in terms of rupees in public sector banks alone is Rs.54,673 crore. When we come to 2016, it has come to Rs.5,39,995 crore as NPA of the public sector banks alone. That means, there has been a ten times increase within a span of 14 years. It means, we are not able to check NPA. This is in respect of the public sector banks alone. If we calculate this in terms of private banks, it will approximately cross Rs. 10 lakh crore. So, where is the country going with this non-performing asset? Why is this? Who is to answer for this?

The Hon. Finance Minister recently stated that there are 7,000 wilful defaulters. That will come around Rs.76,000 crore as the amount of wilful defaulters. Wilful defaulters and other defaulters are entirely different. Out of the 7000 wilful defaulters, 5,601 wilful defaulters are from the public sector banks. That will come around

Rs.58,000 crore. Here lies the main question. My question to the Hon. Minister is that wilful defaulters should be treated as criminal offenders. It is because they are cheating the country. They are having the money but they are not paying it. 'Wilful default' means defrauding the bank, misusing the money, abusing the loan and diverting the money. These kinds of transactions are called as 'wilful default'. My point is that instead of considering it as a civil liability or a civil dispute, wilful defaulter should be treated as criminal offenders and it should be treated as a criminal offence. That is the first point which I would like to make regarding this Bill.

Coming to the Act, most of the points that have been made is that there are two Acts, that is, the SARFAESI Act as well as the DRT Act of 1993. Both these Acts have already been discussed. The point is that even after the legislation of these two Acts we are not able to check the increase in nonperforming assets and we are not able to recover bad loans so far.

I now come to the statistics of the performance of Debt Recovery Tribunals and Debt Recovery Appellate Tribunals. You may kindly see the percentage of realisation of amounts through DRT. In the year 2010-11 the money which was recovered compared to the number of cases referred and the amount of rupees in bad debts was 27 per cent;

in 2011-12 it was 17 per cent; in 2012-13 it was 14 per cent; in 2013-14 it was 10 per cent; and in 2014-15 it was 14 per cent. That means, recovery of bad loans through the Debt Recovery Tribunals is declining. Statistics of realisation of loans through DRTs is not satisfactory. The functioning of DRTs and DRATs have to be reviewed. That is the request I would like to make before the Hon. Minister.

Madam, by virtue of the 1993 Act, the banks and financial institutions are having the easiest remedy to recover their loans. However, cases in which amount of recovery is more than 10 lakh have already been transferred to DRTs. What was the provision? Actually the time for disposal of cases before the DRT should be a maximum of 180 days. However, now years are being taken to dispose of the cases. The amendment seeks expeditious disposal of recovery applications and electronic filing of applications. All these things are there.

The point which I would like to highlight is that legislations are not sufficient to meet the situation. The Hon. Finance Minister with his legal background is pushing through many legislations so as to have fiscal reforms in our country. But unfortunately the results as far as recovery of loans and checking of NPAs are not up to the mark.

Mere legislations and new mechanisms enunciated out of legislations are not sufficient. The Government should have the will power, especially political will, to control and check NPAs, especially those created by the rich and the corporate entities.

It is the poor students who are being punished. The SARFAESI Act is being implemented not against the rich people. We know the example of ... *.

HON. SPEAKER: No names.

SHRI N.K. PREMACHANDRAN: It is being applied against farmers, students, MSME loans, housing loans etc. The SARFAESI Act as well as the DRT Act have to be implemented in a stringent manner. They should be applied against the rich and the corporate entities. I would like to know from the Hon. Minister whether a list of wilful defaulters will be published and whether he will have the will power to control and check corruption as also contain NPAs by addressing them.

With these points, I conclude.

SHRI C.N. JAYDEVAN (THRISSUR): Respected Chair, the Enforcement of Security Interest and Recovery of Debt Laws and

* Not recorded

Miscellaneous Provisions (Amendment) Bill 2016 seeks to amend four Acts including the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 and Recovery of Debts to Banks and Financial Institutions Act 1993.

This amendment Bill is very important considering the grim situation of the banking sector in the country today. The gross bad loans of commercial banks increased to 8.5 per cent of total advances by March 2017 from 7.6 per cent in March 2016 according to the Reserve Bank of India's Financial Stability Report released recently. The gross bad loans of public sector banks increased to 9.6 per cent as of March 2016 from about six per cent a year earlier.

The gross Non-Performing Assets to total advances of public sector banks as on 31.03.2016 was Rs. 4,76,816 crore that is 9.32 per cent. The All India Bank Employees Association has announced the names of 5,600 wilful defaulters who collectively owe public and private sector banks over Rs. 58,790 crore as on March 2016. The State Bank of India was defrauded by more than 1,030 borrowers totalling Rs. 12,091 crore.

The higher rate of NPAs has weakened the profitability and liquidity position of the banks, necessitating the recent recapitalisation of public sector banks to the tune of Rs 22,915 crore. It is the public

funds or the taxpayers' money being provided year after year to the ailing banks without any commendable changes in the governance of these banks. The Reserve Bank of India has taken some measures since January 2014 after Shri Raghuram Rajan became the Governor of RBI for recovery of bad loans, like restructuring bad debts, boosting the Asset Reconstruction Companies etc. But these measures have not served their intended purposes.

In such a situation, I hope the present Bill will help in expeditious recovery of bad loans and strengthen the ailing public sector banks and financial institutions in the country. With this, I support the Bill. Thank you.

[Translation]

SHRI GOPAL SHETTY (MUMBAI NORTH): Hon. Speaker Madam, I rise to support The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016.

In relation to this Bill, Shri Shekhawat and Shri Jagdambika Pal have, in their opening speeches, already spoken on all the amendments. Therefore, I would not like to go into the details.

I would like to thank all the Members of the Committee and the Chairperson, Shri Bhupender Yadav, for the way in which they worked. I would also like to thank the officers who worked hard, even late at night, to ensure that this Bill was brought before the House in time. For their contribution in bringing the Bill to this stage, I thank them. I would further like to thank the officers for willingly accepting the amendments that were right and for convincing all the Members on those that were not.

In the past ten to fifteen years, there has been a period of wilful defaulters. Loot took place in the country; there was no one to watch, no one to speak. There was no watchman, so the country was looted. The wilful defaulters looted as much as they wanted. Many Members ask whether everything will be set right merely by bringing this

Amendment Bill. I would say, not entirely so, but it will certainly bring many changes. Through the Enforcement of Insolvency and Bankruptcy Bill, the wilful defaulters will flee, and many of the complications which exist will, in the coming days, find great help towards resolution. This is what I believe.

It has been said regarding NPAs that the amount which was Rs. 4 lakh crore has risen to Rs. 8 lakh crore, and one Member even stated that it may reach Rs. 20 lakh crore. Will this Bill bring that figure down? From the statistics you have presented, it appears that due to the changes made in RBI guidelines, NPAs are likely to increase in the coming days. However, through this Bill, substantial relief will be provided and it will also greatly help in bringing changes towards financial inclusion. Without going into the details, I would submit to the Hon. Finance Minister that there are very few Presiding Officers, and through this discussion we have learnt the reasons for this. Retired judges are appointed, but their numbers are very limited. If in some Department there is no work, then their deployment is prioritised here. I had also suggested in the Committee that if senior advocates are entrusted with this work, it would greatly help in resolving the 70,000 pending cases in DRTs.

Therefore, with the coming of The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, many changes will take place. As our Prime Minister has said, “I am a watchman.” Even a watchman of a very large company can handle all the companies, because those who loot will now know that there is a watchman here. In the country, due to the absence of watchmen and security persons, all these frauds and irregularities took place. Earlier, there was one law for giving loans to wilful defaulters and another for giving loans to others. With the coming of one uniform law, all these problems will be resolved. This is my firm belief.

I would also like to urge the Hon. Finance Minister that if the norms relating to Presiding Officers are changed, it will be greatly beneficial. Once again, I thank all the Members of the Committee and the Chairperson. Thank you.

[English]

ADV. JOICE GEORGE (IDUKKI): Thank you, Madam Speaker, for giving me this opportunity.

The letting of loans and their recovery are equally important. This Amendment is mainly for enabling the system of recovery of loans, especially of bad debts. Unfortunately for letting of loans, our State-run banks are more eager to give loans to the corporate companies; and they are not much eager to recover bad debts from the corporate companies. On the other hand, the banks are not that much eager to advance loans to the poorer sections especially, educational loans, MSME loans and farm loans. At the same time, they are very much interested in recovering these loans even by foreclosing the loans advanced to students, farmers and others. This is unfortunate.

Coming to the Bill, the Amendment to the SARFAESI Act, 2002 and the DRT Act, 1993, in the SARFAESI Act, more thrust is given to asset reconstruction companies. The practice is in place but the system is being misused. In educational loans, as we are aware, the State Bank of India has sold its loans to Reliance which is an asset reconstruction company and Reliance is taking steps to recover loans from poor students who are not in a position to find employment after their education. This is happening in my constituency too. The people

are coming to us and complaining about atrocities meted out by these asset reconstruction companies.

Again coming to the Bill, earlier there was a provision to exempt all farm properties from the provisions of the SARFAESI Act. Even though offered as security, they were exempted from the purview of the SARFAESI Act. But in this Act, there is a grey area. I would like to know from the Minister whether the agricultural properties are exempted from the purview of this Bill and the SARFAESI Act or not. There are a number of cases pending before the High Courts and the Supreme Court as regards particular aspect; further the rubber plantations are not treated as agricultural property but commercial property. So, I want a clarification on that point also.

With these words, I conclude.

Thank you.

SHRI GAJANAN KIRTIKAR (MUMBAI NORTH WEST):

Thank you, Madam Speaker.

I rise to support the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. In fact, this Bill ought to have been brought much earlier, owing to the mounting bad loans of the banks.

Listed Indian banks were burdened by Rs. 4.37 trillion of bad loans in the quarter ended December, up from Rs. 2.92 trillion a year ago which is a matter of great concern. Almost 70,000 cases are pending in DRTs as per the data available with the Government. This is despite the fact that there is a timeline of 180 days for disposal of recovery applications.

It is the need of the hour to introduce a number of changes in existing laws to speed up the bad loan recovery process, including a limit on the number of adjournments in cases being heard at the DRTs and time limits being set for quick disposal of loan recovery cases at DRTs. As part of the overhaul of the Debt Recovery Tribunals, the Bill proposes to speed up the process of recovery. Application can be filed online with DRTs. This will speed up the process of recovery applications getting filed online with the DRTs. This will save time

and energy of the banks. Nowadays, there is a tendency on the part of the defaulting borrowers to file appeals in DRATs.

Now they will have to deposit 50 per cent of the amount of the debt due before filing an appeal in front of DRT. It also confers more powers to the Reserve Bank of India to regulate Asset Reconstruction Companies. The Bill allows banks to file cases in tribunals having jurisdiction over the area of the bank branch where the debt is pending. This will facilitate banks early filing and strong monitoring of DRT cases.

It is proposed to give RBI powers to audit and inspect ARCs and freedom to remove the Chairman or any Director and appoint Central bank officials to the Board. RBI will be empowered to impose a penalty for non-compliance with its directives, besides regulating the fees charged by these companies to banks at the time of acquiring such assets. It also increases the penalty amount that can be levied by RBI to Rs.1 crore from Rs.5 lakh.

The Bill proposes to widen the scope of the central registry that will house the central data base of all loans against properties given by all lenders. The aim is to create a data base which will disclose all encumbrances on property across all lenders. A central registry exists but it is restricted to banks and financial institutions. Now, all

equitable mortgages as well as registered mortgages can be entered on the Central Registry site. The Bill provides that secured creditors will not be able to take possession over the collateral unless it is registered with the Central Registry. Further, these creditors after registration of security interest will have priority over others in repayment of dues.

With these words, I welcome this Bill. Thank you for giving me an opportunity to speak at the very fag end.

[Translation]

SHRI RAJESH RANJAN (MADHEPURA): Hon. Speaker Madam, the Bill is good, the Government is good and the Finance Minister is also good, but the intent must also be good, must it not? If there is a difference between words and deeds, how will work get done? There is a saying: for a thief, what is a lock; and for a lawyer, what is a quibble. With great humility I submit that when five to ten per cent of people capture the entire wealth of the world, and when those five to ten per cent buy and dominate the soul, the mind and the body of the world, such a corporate and capitalist system will arise. Whether it be real estate, or any trust in the world, or a self-proclaimed god, or a religion and sect created by an individual, when this entire structure of votes and politics takes control of our mind and soul, then no matter how good a law we may enact, who will implement the law? The law is excellent, I support this Bill, but I would like to ask the Hon. Finance Minister who will implement this law.

Hon. Speaker Madam, I would urge that you have imposed a ceiling on agriculture; that is the best law of all. Then why not impose a ceiling on wealth? When you impose a ceiling on wealth, money will be decentralised. When money is concentrated in the hands of one person, he will purchase the entire system of the world. We were just

reading here that 71 per cent of black money runs parallel to the economy.

Madam, nearly Rs. 5 lakh crore and 70,000 cases are pending in DRTs. In India alone, in the steel sector, corporate loans of nearly Rs. 2 lakh crore are outstanding, including Rs. 8,701 crore of Tata Steel, Rs. 4,468 crore of Jindal Steel, Rs. 43,000 crore of Essar Steel, and Rs. 39,000 crore of Bhushan Steel.

Madam, my submission in this matter is that undeclared wealth has become a time bomb in this country, and our present Government and the Hon. Finance Minister are engaged in diffusing this time bomb. It is written here that with regard to the black money of Indians deposited abroad, the Government has today disclosed seven names. These include Pradeep Burman, former Director of Dabur India; Pankaj Chimanlal, jeweller of Rajkot; among others.

Madam Speaker, through you, I would urge the Hon. Finance Minister that while you are endeavouring to bring laws and to undertake the process of continuous reform, for which we support the Bill, yet the idea of making the world beautiful through this Bill, I do not believe, will be realised. My submission is that before bringing such a Bill, there should be no difference between our thoughts, our

intent, and our words and deeds, and that a ceiling on wealth should be imposed. This is what I would like to request of you.

Thank you very much. At this stage, I cannot say anything further.

SHRI ARUN JAITLEY: Hon. Speaker Madam, first of all, I would like to express my gratitude to all the Hon. Members who have spoken on this subject.

One point raised initially by Sushmita ji is, I believe, perhaps the first example in the history of our Parliament where this Bill was introduced in May, referred to the Joint Committee, and by July the Joint Committee, after holding consecutive sittings, submitted its unanimous Report, all of whose recommendations were accepted by the Government. Today, on the 1st of August, we are passing this law. This is, perhaps, in itself, an example of the effective functioning of the Committee system in Parliament. ... *(Interruptions)*

[English]

HON. SPEAKER: This is not fair.

SHRI ARUN JAITLEY: Madam, a basic question which a large number of Members have raised is with regard to NPAs and wilful defaulters. Shri Premachandran said that wilful defaulters should be prosecuted. If cases for prosecution under the Penal Code are made out, that is to say that there is any kind of siphoning or diversion of money and a person is declared as a wilful defaulter, then certainly there are prosecutions in those cases. It is not that you can be a wilful defaulter and get away with it.

NPA is slightly different. NPA is a case where people have taken loans for the purposes of some activity – commercial or otherwise – there is nothing *per se* against taking loans from banks. So we must always distinguish between loans which are pending because banks giving loans is a good thing. Banks support growth by giving loans. Therefore, if loans stop coming, growth itself will stop. So, *per se*, there is nothing wrong with loans pending but loans will have to be serviced. That is to say, you have to pay back the interest. You have to slowly pay back the principal amount and when a person is not able to pay back the interest after a certain period of time, say 90 days, the account becomes an NPA.

An asset is performing as long as it is servicing the bank. The moment it stops servicing the banks, it becomes non-performing. Now here the banks are faced with a Hobson's choice. There could be several reasons. One reason could be what Mr. Premachandran mentioned that somebody has siphoned off money or diverted the money which is a criminal offence. There may be other cases where loans have been wrongly given. There are ethical questions in that. But then there can be a third category also where loans were rightly given, they were given to good units and for some reason the business cycle has taken an adverse turn and that particular industry gets

adversely affected. At that stage we are faced with a question. Do we paralyse the entire sector itself and result in losing thousands and lakhs of jobs as far as that sector is concerned? Obviously, the State cannot do it. The banks do not want to do it. That is not in larger public interest. So, all efforts are then made in order to ensure that these units continue to function because these units if they continue to function, then workmen will get jobs, taxes will be paid, there will be economic activity in the interest of the country. So, the Reserve Bank of India keeps coming out with various circulars which empower the banks. You can have a Corporate Debt Restructuring; you can have SDR where some part of the debt can be converted into equity; you can bring in a strategic partner from outside and handover the management to somebody else. Then there is a JLF mechanism by which the lenders themselves acquire a larger role and, therefore, in each of these instruments are applied to ensure that the units keep functioning, jobs are not lost and at the same the asset can also be preserved.

For instance, the largest loans today are really in four to five sectors. I have said this earlier in this House also. The Steel sector, over the last few years, has been facing a stress and is facing a stress in a large number of countries. The reason was low global demand

because of the global slowdown and as a part of the low global demand, it is believed that the Chinese steel was flooding these markets, including the Indian market, at less than production cost. When cheaper Chinese steel was coming into India, our steel mills were not being able to work to the best of their capacity; their demand became less accompanied by global factors and, therefore, our steel companies went into red. So, a large number of steel industries, even some of the largest blue chip companies like TISCO, SAIL, also faced challenges. Now, these are core sector industries and we cannot afford to let anyone of them close down. Therefore, the best possible option has to be made in order to keep these sectors going. One of the larger solutions was that the Government of the day has a responsibility with regard to policy as to how to revive that sector. So, the Government increased some Customs Duty; tried some Duties on subsidies that the Chinese were giving. Finally what seems to have worked in the last few days was that, for a temporary period, the Government had put a Minimum Import Price, that no steel below a certain price can get into India. The United States took a more aggressive action. They imposed various forms of anti-dumping Duties and in some cases the Duties went up to 280 per cent on the Chinese steel. UK could not do it because the European Union did not do it and that is why we had the

problem with the Tata Steel Plant in the United Kingdom. These are issues which cannot be settled by securitisation or by DRT. They would have to be settled by policy itself. After steel come the infrastructure projects. This was another sector where large debts were pending; Even still they are pending.

The third important sector was power. In power, the cancellation of the coal blocks coupled with low demand for power because of the global and the domestic demand being low and then another factor came in, which I have mentioned earlier, that several State Governments, through their State Electricity Boards, decided to subsidise power to certain segments of the society – some in case of farms, some in case of domestic, some in case of industrial sector. Now, under the Electricity Act of 2003, subsidy has to be paid by the State Government from its own Budget to the electricity companies, if they want it. They did not do that. Instead, they just allowed the Distribution Companies, the DISCOMs to take loans from banks. So, literally lakhs of crores, when these figures of six lakhs and eight lakhs were being mentioned, a very large part of this money is owed by the DISCOMs to the banks. The DISCOMs are neither paying back the principal amount, nor the interest.

So, again the Government has stepped in. The Ministry of Power came out with UDAY Scheme by which the State Governments must take over the debt, issue bonds, so that the debt of the power companies is reduced and then slowly, the power companies, over a period of time, increase their tariff so that they charge for the power that they supply. So, the power sector could be revised. The sectors, National Highways and sugar, and other sectors were sick and some of them have shown recently signs of revival. So, the real answer is, as far as the big loans are concerned, the economic cycle itself will have to take care of a large number of them. At the same time, people are not able to service it. The banks are today putting a lot of pressure on them. We must be reading about a group with five or six units having been compelled to sell two of them so as to repay the banks. So, they are coming out with solutions under the RBI Circulars of this kind.

The third methodology is, banks must also be empowered to take effective legal action against the defaulters. One of them was the insolvency law or the bankruptcy law where a company is turning bankrupt and is unable to discharge its debts. Rather than the debts being squandered away and getting rusted, somebody has to step in and take over the asset so that if a revival is possible, a revival will

take place and if it is not possible, then the assets could be adequately distributed. From workmen downwards, everybody gets his own share as far as debts are concerned.

These two principal laws, Securitisation and DRT are also steps in that direction. As far as DRT law is concerned, we have said not more than two adjournments. The whole system is now intended to become electronic. You file your cases electronically; the replies are electronic; you try and dispose of matters as quickly as possible; judgements cannot be reserved for more than 30 days; recovery certificates must be expeditiously issued. One of the difficulties we were also having is in finding good presiding officers of both DRTs and Appeal Tribunals. So, the age has also been relaxed a little in the present amendments.

The second part of the amendment is with regard to the SARFAESI law wherein the bank is empowered to take over the asset which is the security and once you take over the security, the debtor will start chasing the bank and come out with some sort of a settlement. So, the security can at least be protected. The security can be given to the Asset Reconstruction Company and that Asset Reconstruction Company will then transiently hold it till a new person can step in and then revive the same asset. The idea is that the unit

must go on and it must economically become more liquid and the jobs are not lost in the whole process.

Several Hon. Members have raised various questions. One of the questions which Shri Premachandran had again mentioned was with regard to agricultural land. The answer is, farmers' agricultural land is exempted from securitisation under Section 31(i) of the Act itself. That is a question which remains outside the Securitisation Act.

With regard to settling the small loans, Mr. Chandumajra and other members raised a question which was this. *[Translation]* Repeatedly, banks conduct Lok Adalats on a large scale for loans below Rs. 20 lakh. In Lok Adalats, ready compromises are made regarding how much can be repaid and in how many instalments, and such settlements are arrived at so that no further litigation is required.

A question was raised by Shri Chautala as to when the Central Registry would be established. The Central Registry has already been established with effect from 31 March, 2011. *[English]* It is now functional.

Shri Venugopal raised several issues. One was with regard to the notification to extend the SARFAESI Act to systematically important NBFCs. The draft notification has already been placed. Objections are awaited and as soon as it is possible under law, the final notification

will also be issued with regard to that. Unlisted debentures cannot come within the purview of the SARFAESI Act because they are not regulated by SEBI. It is only those listed debentures which are regulated by SEBI that can come within the purview of the SARFAESI Act.

Section 32 says that you can file it where the account is operated. If the account is maintained in Chennai, the bank cannot file it in Srinagar merely because it has an office in Srinagar. It will file it in any place where the account itself is operated.

ARCs make 15 per cent down payment and for 85 per cent they have to give their own security as they are transient bodies so that their asset is preserved and then it can go to the person who will eventually run it. That is the system on which the ARCs themselves function. If the performance of an ARC is not satisfactory, it is regulated by RBI itself. We can trust the RBI that they will take whatever action that it is taking in this regard.

Similarly, Shri Satpathy's point with regard to RBI having the power to remove the Chairman, etc. that is the part of the regulatory power which any regulator itself will have.

Shri Satpathy also raised the question that land is a State subject and so it is a leasehold land of the State. He asked whether it will

revert to the State. The leasehold rights will remain with the person who takes it over. So, there will be a transfer of the leasehold rights itself because a leasehold right is also a valuable commercial right. So, just because it is a lease with the State, the land cannot revert back to the State.

There was a suggestion from Shri Jayadev Galla on the expansion of the definition of the word 'borrower'. It has already been extended to the NBFCs. He wanted strict action against people who do not file documents in time, etc. and that the DRT should be able to pass a decree straightaway. Well, that is a power which the DRT has. That is a judicial power and we must trust its judicial judgement because it is after all headed by a district judge.

Shri Khan wanted to know whether we could club the Insolvency and Bankruptcy Code and the SARFAESI Act together. They are part of the same umbrella, but they have different defined jurisdictions. Therefore, both of them will remain.

Shri Adsul's point with regard to the extension to the cooperative banks, the Supreme Court has taken an alternate view. Therefore, unless the law is amended at a suitable time, under the present law it would not be possible. There are some litigations which are still pending in the Supreme Court in this regard. ... (*Interruptions*) Shri

Adsul, I have noted your suggestions. I will adequately deal with them.

Somebody wanted to know about the qualifications for the presiding officers of the DRT. For DRT, it is a person who qualified to be a district judge and for the Appellate Tribunal, it is a High Court judge.

Madam, these are the various questions which have been raised.

DR. M. THAMBIDURAI (KARUR): Members raised questions regarding the education loan. Students are getting education loan in the expectation that they will get good jobs after completing their education. But after completing their education, they are not able to get employment. Therefore, they are suffering a lot. So, what kind of protection you can give for the securities that they have deposited for getting the loan? That is a very important question.

SHRI BHARTRUHARI MAHTAB (CUTTACK): As the Hon. Deputy-Speaker has just raised the issue of education loan. Is the Government considering to give a time period to the students because many young people after completing their education and after getting trained are not getting employed? Please give a time period of about 18 months or two years as moratorium. Is the Government considering to give a moratorium without compelling the guarantor to pay that

money and putting the boys and girls into difficulty for at least five years?

18.00 hours

[Translation]

HON. SPEAKER: Please speak in one sentence at a time.

[English]

SHRI VARAPRASAD RAO VELAGAPALLI (TIRUPATI): The moratorium is available for two years. What we feel is that there should be a complete exemption when it comes to small loans up to Rs.4 lakhs to the poor people whose income is less than Rs.5 lakh per annum.

[Translation]

SHRI MOHAMMAD SALIM (RAIGANJ): Hon. Speaker Madam, the Government says that students can take loans for education. Loans are indeed being easily granted, but jobs are not easily available. Therefore, there should be a moratorium. If one gets a job, it is fine. But if one does not, then such a person cannot be termed a wilful defaulter, nor even a defaulter. Rather, the lender should be contacted. Action should not be warranted at that point of time. Such borrowers should be given time.

[English]

SHRI K.C. VENUGOPAL (ALAPPUZHA): Regarding education loans, in Kerala, one month before a suicide took place. I am totally supporting the views of the Hon. Deputy Speaker. What is happening? An unit of SBI, State Bank of Travancore has authorized Reliance company for collecting the loan arrears. They were harassing students and their families. Is the Government going to take strong action on people who are harassing students? Education loan should be widened in favour of students.

[Translation]

HON. SPEAKER: With the consent of the House, the proceedings are extended until this Bill is passed. The time stands extended. Thank you.

[English]

SHRI ANTO ANTONY (PATHANAMTHITTA): The total default loan amount of Bank of Travancore is Rs.183 crore. They give the contract to Reliance for Rs.63 crore; they give a benefit of Rs.120 crore for the middle company; and they don't give any concession to the students who have taken education loans. That is the real thing that happened in Kerala.

DR. P. VENUGOPAL: The MSMEs are seeking total exemption from the SARFAESI.

PROF. SAUGATA ROY: I have already spoken but the Finance Minister was not there. I just want him to comment on the state of the banking industry where the total NPAs is Rs.4 lakh crore and the total stressed assets is Rs.8 lakh crore. Banks would need capitalization for making up this situation. What according to the Finance Minister is the state of the banking industry?

SHRI ARUN JAITLEY: Madam, I would take note of the suggestions which have been made but let me just say this. Any section of society, when it takes loans, has to be paid back. Nobody can move on the assumption, whether it is large industry or small industry of MSMEs, that loans will not be given back. If loans are to be waived off, then, somebody has to step into waive them off. Either they can be waived off by the budget of the Centre or of the States. Let us keep in mind, we should not create this culture where somebody can just take loan and be under an assumption that now it is the headache of the bank, I will sleep well, and bank should be answerable.

Internationally, educational loans have become very successful. Most children in higher education are supporting themselves through

education loans. Loans are then repaid. Even as of today in India, the percentage of NPA in educational loan is reasonably high. Therefore, some compassion will have to be shown when somebody is unemployed or does not get a job, etc. because ultimately banks would like to give some more time to recover their monies. But at the same time to say if it is to be waived off in a particular area, if you feel it, then, somebody else will have to pick up that loan. ... (*Interruptions*) Therefore, some compassion can be shown till he gets a job or if somebody is unemployed but certainly to write off loans means to push the banking system into a position that it can't give further loans.

HON. SPEAKER: The question is:

“That the Bill further to amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, and for matters connected therewith or incidental thereto, as reported by the Joint Committee, be taken into consideration.”

The motion was adopted.

SHRI N.K. PREMACHANDRAN: Madam, I will not make a long speech. I have given notice for 28 amendments. I will speak at one stretch regarding all those amendments. They are not controversial and nothing material also. Except Amendment Nos. 19, 27 and 28, all others are regarding drafting of the Bill. I do appreciate the exemplary work done by the Joint Committee in submitting the Report in time. But most of my amendments are for the sake of amendment. I will just cite one example.

HON. SPEAKER: What about Amendment No. 5. Are you moving it or not?

SHRI N.K. PREMACHANDRAN: That is what I want to explain. In the principal Act, this is the original flaw. The Joint Committee wants to substitute throughout the principal Act. That is not proper form of legislation drafting and so, I am moving this amendment. This flaw may be corrected.

Madam, I beg to move:

“Page 2, line 11,-

for “Throughout”
substitute “in”.”

(5)

HON. SPEAKER: I shall now put Amendment No. 5 to Clause 3 moved by Shri N.K. Premachandran to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 3 stand part of the Bill.”

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4

Amendment of Section 2

HON. SPEAKER: Shri Premachandran, are you moving Amendment Nos. 6 to 8.

SHRI N.K. PREMACHANDRAN: Madam, I beg to move:

“Page 2, lines 25 and 26,—

omit “for the purposes of carrying on the business of asset reconstruction or securitisation, (6)
or both”.”

“Page 3, line 7,—

omit “or any other amount payable”.”

(7)

“Page 4, line 5,—

for “any category of”

substitute “or”.”

(8)

HON. SPEAKER: I shall now put Amendment Nos. 6 to 8 to Clause 4 moved by Shri N.K. Premachandran to the vote of the House.

The amendments were put and negatived.

HON. SPEAKER: The question is:

“That clause 4 stand part of the Bill.”

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5**Amendment of Section 3**

HON. SPEAKER: Shri Premachandran, are you moving Amendment No. 9 to Clause 5?

SHRI N.K. PREMACHANDRAN: Madam, I beg to move:

“Page 5, lines 6 and 7,—

for “specified in the guidelines”

substitute “specified in the general guidelines”. (9)

HON. SPEAKER: I shall now put Amendment No. 9 to clause 5 moved by Shri N.K. Premachandran to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 5 stand part of the Bill.”

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6**Amendment of Section 5**

HON. SPEAKER: Shri Premachandran, are you moving Amendment Nos. 10 and 11?

SHRI N.K. PREMACHANDRAN: Madam, I am not moving.

HON. SPEAKER: Thank you.

The question is:

“That clause 6 stand part of the Bill.”

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 8**Amendment of new section for Section 9**

HON. SPEAKER: Shri Premachandran, are you moving Amendment No. 12?

SHRI N.K. PREMACHANDRAN: Madam, I beg to move:

“Page 6, line 17,—

for “necessary directions” substitute (12)

“necessary directions and orders”.”

This gives direction along with orders. The Reserve Bank of India should be given the right to issue orders.

HON. SPEAKER: I shall now put Amendment No. 12 to clause 8 moved by Shri N.K. Premachandran to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 8 stand part of the Bill.”

The motion was adopted.

Clause 8 was added to the Bill.

Clause 9 was added to the Bill.

**Clause 10 Insertion of new Sections 12B,
12C and 12D**

HON. SPEAKER: Shri Premachandran, are you moving Amendment No. 13?

SHRI N.K. PREMACHANDRAN: Madam, I am not moving.

HON. SPEAKER: The question is:

“That clause 10 stand part of the Bill.”

The motion was adopted.

Clause 10 was added to the Bill.

Clauses 11 to 16 were added to the Bill.

Clause 17 Insertion of new Chapter IV A

HON. SPEAKER: Shri Premachandran, are you moving Amendment No. 14?

SHRI N.K. PREMACHANDRAN: Madam, I beg to move:

“Page 9, line 45,—

for “require”

substitute “effect”.”

(14)

HON. SPEAKER: I shall now put Amendment No. 14 to clause 17 moved by Shri N.K. Premachandran to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 17 stand part of the Bill.”

The motion was adopted.

Clause 17 was added to the Bill.

Clause 18

Amendment of Section 27

HON. SPEAKER: Shri Tathagata Satpathy, are you moving Amendment No. 1 to Clause 18?

SHRI TATHAGATA SATPATHY: Madam, I beg to move:

“Page 11, *after* line 9,—

insert “26F. The Central Government, as far as practicable, shall implement regulations in an expeditious and timely manner to ensure the linkage of the Central Registry with the Information Utility.”

Explanation.— For the purposes of this section “Information Utilities” shall have the meaning assigned to it in the Insolvency and Bankruptcy Code, 2016.” (1)

31 of 2016

Since you will not allow me to speak, I shall not speak.

HON. SPEAKER: Thank you.

Shri Premachandran, are you moving Amendment Nos. 15 to 18.

SHRI N.K. PREMACHANDRAN: Madam, I am not moving.

HON. SPEAKER: I shall now put Amendment No. 1 to clause 18 moved by Shri Tathagata Satpathy to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 18 stand part of the Bill.”

The motion was adopted.

Clause 18 was added to the Bill.

Clauses 19 and 20 were added to the Bill.

Clause 21 Amendment of Section 31

HON. SPEAKER: Shri Tathagata Satpathy, are you moving your Amendment Nos. 2 and 3 to clause 21?

SHRI TATHAGATA SATPATHY: Yes, Madam, I am moving my Amendment Nos. 2 and 3 to clause 21.

I beg to move:

“Page 11, *for* lines 42 to 44,-

substitute "(5) In the event of failure to pay penalty imposed by Reserve Bank under sub-section (1), a complaint shall be filed against the person in default in a court having jurisdiction.".” (2)

“Page 11, lines 45 and 46, -

for "no proceeding for imposition of penalty against that person shall be taken under this section"

substitute "the adjudicating authority shall ensure the payment of penalty within a time period of thirty working days from the date of the order passed by the Reserve Bank for imposition of the said penalty on the person in default."." (3)

Just one second, Madam. All that I am saying is that you have barred filing of cases. RBI does not have punitive powers. How will it then implement and order if the defaulters disobey the instructions? All I am asking is, why should either side be barred from filing cases? What will happen to the lawyers of this country? I am only worried about that... (*Interruptions*)

HON. SPEAKER: I shall now put Amendment Nos. 2 and 3 to clause 21 moved by Shri Tathagata Satpathy to the vote of the House.

The amendments were put and negatived.

HON. SPEAKER: Shri N.K. Premchandran, are you moving your Amendment No. 19 to 21 to clause 21?

SHRI N.K. PREMACHANDRAN: Yes, Madam.

I beg to move:

“Page 11, line 24, -

for "any direction"

substitute "any direction or orders".” (19)

“Page 11, line 25, -

omit "in default".” (20)

“Page 13, line 30, --

for “No recovery under sub-section (10) shall be enforced, except”

substitute “The recovery under sub-section (10) shall be enforced”.” (21)

HON. SPEAKER: I shall now put Amendment Nos. 19 to 21 to clause 21 moved by Shri N.K. Premachandran to the vote of the House.

The amendments were put and negatived.

HON. SPEAKER: The question is:

“That clause 21 stand part of the Bill.”

The motion was adopted.

Clause 21 was added to the Bill.

Clauses 22 to 26 were added to the Bill.

Clause 27

Amendment of Section 11

HON. SPEAKER: Shri N.K. Premchandran, are you moving your Amendment No. 22 to clause 27?

SHRI N.K. PREMACHANDRAN: No, Madam, I am not moving it.

HON. SPEAKER: Thank you.

The question is:

“That clause 27 stand part of the Bill.”

substitute “sixty-seven years”.” (30)

HON. SPEAKER: I shall now put Amendment Nos. 29 and 30 moved by Md. Badaruddoza Khan, to the vote of the House.

The amendments were put and negatived.

HON. SPEAKER: The question is:

“That clause 28 stand part of the Bill.”

The motion was adopted.

Clause 28 was added to the Bill.

Clause 29 was added to the Bill.

Clause 30 Insertion of new Section 19A

HON. SPEAKER: Md. Badaruddoza Khan, are you moving your Amendment Nos. 31 and 32 to clause 30?

SHRI MD. BADARUDDOZA KHAN: Yes, Madam, I am moving my Amendments.

I beg to move:

“Page 16, line 21,--

after “reappointment”

add “if the person is mentally and
physically fit”.”

(31)

“Page 16, line 23,--

for “seventy years”

substitute “sixty-seven years”.”

(32)

HON. SPEAKER: I shall now put Amendment Nos. 31 and 32 to clause 30 moved by Md. Badaruddoza Khan, to the vote of the House.

The amendments were put and negatived.

HON. SPEAKER: The question is:

“That clause 30 stand part of the Bill.”

The motion was adopted.

Clause 30 was added to the Bill.

Clause 31 was added to the Bill.

Clause 32 Amendment of Section 21

HON. SPEAKER: Shri N.K. Premchandran, are you moving your Amendment Nos. 23 to 26 to clause 32?

SHRI N.K. PREMACHANDRAN: Yes, Madam, I am moving my Amendments.

I beg to move:

“Page 18, line 14, --

for "thirty days"

substitute "sixty days".” (23)

“Page 19, lines 28 and 29, -

for "or otherwise is satisfied" substitute

"and the tribunal is satisfied".” (24)

“Page 19, lines 35 and 36, -

omit "as defined".” (25)

“Page 20, line 12, -

omit "the".”

(26)

HON. SPEAKER: I shall now put Amendment Nos. 23 to 26 moved by Shri N.K. Premachandran to the vote of the House.

The amendments were put and negatived.

HON. SPEAKER: The question is:

“That clause 32 stand part of the Bill.”

The motion was adopted.

Clause 32 was added to the Bill.

Clause 33

Amendment of Section 22

HON. SPEAKER: Shri Thatagata Satpathy, are you moving your Amendment No. 4 to clause 33?

SHRI TATHAGATA SATPATHY: Yes, Madam, I am moving it. I am just requesting one thing that internet, being at a nascent stage in the country, should not be made the one and only method of communication. I am suggesting a small amendment.

I beg to move:

“Page 21, *for* lines 10 to 13,--

substitute "shall be deemed to be served to such party only if the order is delivered to the party by registered post to the address available on record or through printed announcement in widely circulated English and vernacular daily newspapers.".”

(4)

HON. SPEAKER: I shall now put the Amendment No. 4 to clause 33 moved by Shri Tathagata Satpathy to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 33 stand part of the Bill.”

The motion was adopted.

Clause 33 was added to the Bill.

Clauses 34 to 37 were added to the Bill.

Clause 38**Insertion of new Section 31B**

HON. SPEAKER: Shri N.K. Premachandran, are you moving your Amendment No. 27 to Clause 38?

SHRI N. K. PREMACHANDRAN: Madam, I am moving Amendment No. 27 to Clause 38.

I beg to move:

“Page 22, *omit* lines 6 to 8,-” (27)

HON. SPEAKER: I shall now put Amendment No. 27 to Clause 38 moved by Shri N.K. Premachandran to the vote of the House.

The amendment was put and negatived.

HON. SPEAKER: The question is:

“That clause 38 stand part of the Bill.

The motion was adopted.

Clause 38 was added to the Bill.

Clauses 39 to 43 were added to the Bill.

Clause 44**Amendment of Act 22 of 1996**

HON. SPEAKER: Shri N.K. Premachandran, are you moving your Amendment No. 28 to Clause 44?

SHRI N.K. PREMACHANDRAN: Madam, I am moving Amendment No. 28 to Clause 44.

I beg to move:

“Page 23, line 29, -

after “Schedule”

add “restricting the exemption only for the purpose of acquisition of financial assets by the asset reconstruction company for asset reconstruction or securitization”.” (28)

HON. SPEAKER: I shall now put Amendment No. 28 to Clause 44 moved by Shri N.K. Premachandran to the vote of the House.

The amendment was put and negatived.

[Translation]

HON. SPEAKER: You too are not saying ‘Ayes’.

[English]

The question is:

“That clause 44 stand part of the Bill.

The motion was adopted.

Clause 44 was added to the Bill.

*The First Schedule and the Second Schedule were added to the
Bill.*

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

SHRI ARUN JAITLEY: Madam, I beg to move:

“That the Bill be passed.”

HON. SPEAKER: The question is:

“That the Bill be passed.”

The motion was adopted.

HON. SPEAKER: The House stands adjourned to meet again tomorrow, the 2nd August, 2016, at 11.00 a.m.

18.17 hours

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, August 2 , 2016/Shravana 11, 1938 (Saka).

INTERNET

The Original version of Lok Sabha proceedings is available on Parliament of India Website at the following address:

<https://sansad.in/ls>

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