

Sixteenth Series, Vol. XXVI No.13

Wednesday, August 02, 2017

Shravana 11, 1939 (Saka)

LOK SABHA DEBATES

(English Version)

Twelfth Session

(Sixteenth Lok Sabha)



(Vol. XXVI contains Nos.11 to 20)

LOK SABHA SECRETARIAT

NEW DELHI

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LOK SABHA DEBATES

LOK SABHA

Wednesday, August 02, 2017/ Shravana 11, 1939 (Saka)

The Lok Sabha met at Eleven of the Clock

[HON. SPEAKER *in the Chair*]

[English]

HON. SPEAKER: Q. No. 241.

SHRI MALLIKARJUN KHARGE(GULBARGA): Madam Speaker, I have given notice of Adjournment Motion. ...
(Interruptions)

HON. SPEAKER: I will take it up after Question Hour, not now.
... *(Interruptions)*

SHRI MALLIKARJUN KHARGE: It is a very important subject. What is happening in the country? ...*(Interruptions)*
Madam Speaker, what is this? ... *(Interruptions)*

HON. SPEAKER: I will allow you after Question Hour. I am not saying, 'no'.

... *(Interruptions)*

11.01 hours***ORAL ANSWERS TO QUESTIONS**

HON. SPEAKER: Now, Q. 241. Shri Ram Prasad Sarmah.

(Q. 241)

SHRI RAM PRASAD SARMAH: Madam, I would like to say that the entire nation is thankful to our Prime Minister who has taken up this initiative of Skill India and has created a separate Ministry for that. He has also given a chance to a very young and progressive Minister like Shri Rudy to head this Ministry.

I am concerned about Northeast. There are about 40 lakh unemployed youth in Northeast and the Government has taken up steps to skill youth in our area. Assam has about 26 lakh unemployed youth. NSDC, being the primary agency dealing with this, has never consulted the Members of Parliament with regard to setting up centres or the trades and avocations needed to be given to youth there. I would say that 42 lakh youth are out of Northeast and are seeking ordinary jobs in Kerala, Gujrat, Bengaluru and Chennai.

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Madam, through you, I would like to ask the Minister whether the NSDC will ever consult us in setting up centres and in finding out the trades suitable to our States.

[Translation]

SHRI RAJIV PRATAP RUDY: Hon. Speaker Madam, the Hon. Member's question pertains to skill development in all the North-Eastern States, in which he has specifically asked about Assam. In this regard, apart from the specific question, he has also raised an issue concerning the ongoing skill development work across the country and has mentioned the NSDC. The National Skill Development Corporation is a private body under the Union Government. Its structure is somewhat peculiar in that its governance is private, but its activities are audited by the CAG, and we are required to respond in the House.

As regards the point made by the Hon. Member on establishing standards in the country, we had proposed the setting up of one skill development centre in each district and, broadly, in each corresponding parliamentary constituency. Our major challenge was to determine the standards- what constitutes short-term skilling, how it should be conducted, how mobilisation should take place, what the curriculum should be, what the classrooms should be like, and how teaching should be

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imparted. For this purpose, we have prepared a comprehensive framework under the National Skill Qualification. Approval has been granted in about 512 districts/parliamentary constituencies in the country, but only 212 centres have been established so far, and the process is ongoing. Establishing this system takes time, as it is implemented through private sector partners. In particular, and on a continuous basis, our office, the National Skill Development Corporation and the training partners of good quality selected by us have been given clear instructions that, from the location of centres to trade identification, from commencement of the institution to its inauguration and programme, the Hon. Members of Parliament concerned must invariably be informed.

We have been reiterating that these institutions must inform the Members of Parliament concerned. Several Hon. Members have also informed me that they have attended the inauguration ceremonies of the Pradhan Mantri Kaushal Kendras. However, if in some cases Hon. Members have not been contacted, I would request that any such information be brought to our notice.

Madam, the subject of employment is always raised in the country. I would like to inform the Hon. Members that entry-level jobs are available. For instance, if there is a present requirement of 15,000 gardeners in Delhi, their training is being imparted in such

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institutions. While entering the House today, an Hon. Member mentioned that in Satna, a girl student, after undergoing two months of training, secured a job with a salary of Rs. 22,000, the minimum salary being Rs. 12,000. This is because there is no established system in the country for capturing entry-level jobs. The demand for training in entry-level jobs is much higher than the training we are currently able to provide, but we are establishing such a system across the country. Any institution working in this regard must remain in contact with the Member of Parliament concerned. I have issued strict instructions to this effect and will continue to take further action in this matter.

[English]

SHRI RAM PRASAD SARMAH: The North-Eastern State of Assam is a rural economy based State. Agriculture, horticulture, livestock development and dairy development are the prime economic activities in our State.

I would like to ask the hon. Minister, through you, whether there is any plan to train our youth in agriculture, horticulture, livestock and dairy development and also in other plantation programmes.

[Translation]

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SHRI RAJIV PRATAP RUDY: Madam Speaker, for those who have traditionally been engaged in agriculture, the Ministry of Agriculture looks after extension work. We also have about 40 Sector Skill Councils which are industry-oriented. They determine in which area, what type of training should be imparted to which students, and the industry has the list of such trainees. These industries do not require senior engineers or senior technicians, rather they require persons who understand the actual work. I may not be able to state the exact details immediately, but in this manner, the Agriculture Skill Council has prepared a large number of Qualification Packs. Qualification Packs specify the type of training, the number of hours of training, the standards to be maintained and the type of machinery to be used. Whether it relates to drip irrigation, horticulture or greenhouse operations, training is being imparted in all these areas. I believe there are around 42 such qualifications aimed not at extension farming but at enhancing employability in the actual farming sector. For instance, we have recently introduced a course in ITIs for preparing Soil Health Cards. Given the demand for Soil Health Cards in the country, there was a shortage of trained manpower for this work. We have introduced this course across the country. A student passing out from the ITI will, under a scheme of NABARD, have access to a machine for testing the soil, along with arrangements for financing

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the same. We are making efforts in every sector and at every place to ensure that the youth not only receive training but also gain employability.

[English]

SHRI NINONG ERING: Thank you, Madam Speaker. The reply of the hon. Minister has given full details. We are grateful for it.

This question is focused only on the North East. I would like to say that in the North East, it is slightly ambiguous and directionless. The reason behind the same is that we do not have a comprehensive skill mapping of the programmes that you have taken up there. Skill development does not mean employment only in spas, beauty parlours or in hospitality industries. Now, there is an urge among the people of the North East to go to Bengaluru, Mumbai, Delhi or other cities for employment. But, here most of the children are being deprived of basic necessities and are being misled also.

I would like to say to the hon. Minister that we can take up schemes which will be more beneficial for the carpet weavers of Tawang and Tezu; wood carvers of Longding and Pangchao or Tuensang; and the craftsmanship of Tripura.

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Is there any planning of the Government for skill mapping of the North-Eastern regions so that specific skill development programmes may be made for the North-East? It is because you cannot compare South or Rajasthan or Kerala like that.

[Translation]

HON. SPEAKER: Why do you people speak at such length during Question Hour. Please ask questions briefly and reply briefly.

SHRI RAJIV PRATAP RUDY: Madam, I shall give a very brief reply.

With regard to the question asked by the Hon. Member, all standards have been provided in the Handicrafts Sector Skill Council. As to whether the skill gap study, in respect of the type of training to which he is referring, has been conducted or not, this is not within my present knowledge. I shall ascertain the facts in this regard and inform the Hon. Member accordingly.

[English]

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SHRI PREM DAS RAI: Thank you, Madam, for giving me this opportunity and I must thank the hon. Minister also for giving some very lucid and elaborate replies....*

Anyway, I come from Sikkim which is a mountain State. The requirements of mountain States are different. What the Ministry of Skill Development has done is, especially through the Skill Councils that they have made some specifications for different institutions which are very difficult to meet.

Is the Minister aware of this? If so, what is he doing about it?

SHRI RAJIV PRATAP RUDY: Madam, his question is very relevant and I need to answer it.

[Translation]

HON. SPEAKER: Do you wish to give a detailed reply on this?

SHRI RAJIV PRATAP RUDY: Madam, on the points he has raised, we have framed national standards for several schemes in the North-East. Many a time those standards cannot be applied there. We have therefore provided special dispensation for these States. The difficulty in this country was that, for years, skill development was being undertaken with each State following its own methods. There were no quality benchmarks and no

* Not recorded

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standards. We have addressed all these aspects. In the North-East, the difficulty is that the national standards prescribed for establishing such centres often do not fit the local context. Suitable sites and rooms are not readily available. Therefore, keeping basic quality in view, we have granted concessions and have also provided for residential facilities for 50 per cent of the trainees.

If a trainee travels from one district to another within the State for work, we have made provision for payment of travelling allowance. Even if he travels within the district, travelling allowance is admissible. If trainees from the North-East travel from one State to another for training, they are provided Rs. 5,000 as travelling allowance, in addition to arrangements for their boarding and lodging.

[English]

SHRI C. K. SANGMA: Madam, I thank you for allowing me to participate in this very important question.

Madam, skill is a very important aspect for the entire nation but I must add that when it comes to North-East India, I think it is an even more important issue and the reason being the insurgency in the region. I think the hon. Minister and the Government will be quite aware that insurgency is a socio-economic problem. A lot of these children who go into these underground groups and outfits

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are all 15 years to 18 years old children who do not even know what the cause is. So, economic policy and job creation is probably the most important way to address this issue.

Now, there are programmes like Udaan in Jammu and Kashmir where a specific programme has been taken up for a disturbed State like Jammu and Kashmir. Are there any special programmes for the other disturbed areas in the North-East where we can specifically target these groups of children and maybe even the groups that have surrendered? Are there any programmes to take care of these kinds of situations also?

SHRI RAJIV PRATAP RUDY: It is an outstanding idea. I think what he is saying has possibly been not thought of. In the case of Jammu and Kashmir, we have the Udaan Scheme where the corporates have actually made a lot of efforts to execute that Scheme. It is going on slowly but it is a very good Scheme. I think this can be explored for the North–East in particular where there is a lot of disturbance. This is a very good idea. Please give me some more time to think about it. I will try to devise a scheme and seek appropriate funds and appropriate approval from Government. I think it is a good idea and we can consider it for specific projects in specific areas.

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HON. SPEAKER: Shri Kalyan Banerjee, please put the question only.

SHRI KALYAN BANERJEE: Madam Speaker, I will be very short. I would like to say that under the leadership of Shri Rudy the number of centres are being increased. I must appreciate this and I am trying to attend to these centres everywhere in my constituency. My question is very short. I have two parts to my question.

Now all the centres are being opened in the semi-urban areas. Will the Government take steps to open centres in the rural areas? This is the first part of my question. The second part of my question is this. I would like to know whether the Government will think of extending it to other arenas which will be a great help to the poor people in the rural areas.

SHRI RAJIV PRATAP RUDY: Madam Speaker, if you would recall, I had the privilege of inaugurating a *Pradhan Mantri Kaushal Kendra* along with you in your parliamentary constituency and you really liked it. I am so happy that my esteemed colleague from the State of West Bengal is appreciating the efforts made by us. It is indeed a very good thing which is happening. It is slow. But this is the vision of the hon. Prime Minister – Look East and in particular Look North-East which the

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hon. Member of Parliaments have mentioned. The issue that has been raised by him has also been raised by many other hon. Members and now we have decided that after these *Pradhan Mantri Kaushal Kendras* have been established and stabilized, we are allowing them to set up spokes in all the blocks. That decision has to be taken in a day or two where these hubs who have job connect and have qualified for training and also have the knowledge of the nation, these training partners who give employment also after training, I have asked them to create hub and spoke model so that these hubs have a lot of spokes in the district where these *Pradhan Mantri Kaushal Vikas Yojana* is visibly there and drop-outs, children, poor all can get jobs, especially of masons, plumbers, carpenters, gardeners, even in services sectors like hospitality, tourism, health and in all these sectors because there is a huge demand in these sectors. We have already planned it out and we will be executing it so that this whole thing spreads out in the district and a visibility is also created and under the leadership of the hon. Members of Parliament this would be monitored and see how great employability is created through this training.

(Q. 242)

SHRI K. ASHOK KUMAR: Madam Speaker, the total value of spectrum put on sale which concluded on 6. 10. 2016 by the Government was Rs. 5. 63 trillion, whereas the actual value of spectrum sold was Rs. 65,789.12 crore and that there were no takers for 700 Mega Hertz and 900 Mega Hertz and there was only one bidder for these segments. Therefore, I would like to know from the hon. Minister whether the Government is considering to make the next spectrum auction more attractive so that the Government is able to realize the revenue expected from these sources.

[Translation]

SHRI MANOJ SINHA: Hon. Speaker Madam, it is correct that in the previous auction, the 700 MHz spectrum remained unsold. There were several reasons for this, the details of which I do not consider necessary to go into.

The Department of Telecommunications has referred the matter to TRAI for its recommendations. After receipt of TRAI's recommendations, the Government will take a decision regarding the auction of the spectrum at an appropriate time.

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[English]

SHRI K. ASHOK KUMAR: Madam Speaker, it has been reported that most of the telecom service providers in the country are incurring losses and this prompted them to report understated revenues to the extent of Rs. 61,064. 50 crore during 2010-11 and 2014-15 leading to a short payment of Rs. 7697. 60 crore to the Government. It has also been reported that these telecom service providers were not even able to put up towers as required by them due to these losses.

Therefore, I would like to know from the hon. Minister as to whether the Government is also considering or examining these issues concerning the losses of telecom service providers and the target to put up towers by them in the Inter-Ministerial Group constituted by the Government.

[Translation]

SHRI MANOJ SINHA: Hon. Speaker Madam, in the question, the Hon. Member has sought several replies. It is true that there have been reports in newspapers about telecom service providers going through financial stress. They have also met me personally in this regard. The success story that exists in this country, the Government certainly wishes to see it continue. That is why an Inter-Ministerial Group has been constituted in time. I expect that

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its report will be available within the next 20 days and on that basis we shall take a decision. In this, we are examining several aspects such as the extent of their financial stress, policy reforms and areas where strategic intervention may be made.

Secondly, as regards the point raised by the Hon. Member about the CAG report, I would like to state that even last time the CAG had submitted a report. We undertake special audits from time to time. I wish to assure the House that not a single rupee of the Government of India will be left unrecovered; it will be recovered with interest and penalty. We shall recover every single rupee and the process for doing so will be initiated.

DR. KIRIT SOMAIYA: Hon. Speaker Madam, the Hon. Minister has said that there are reports in newspapers. I still do not understand how, on the one hand, telecom companies claim that they are incurring heavy losses and, on the other hand, a new company enters the market, drastically reduces rates, thereby increasing competition, and those very companies which claim to have suffered such losses are participating in the competition. The Government will have to take note of whether this is financial loss or financial manipulation. The financial chaos is a result of the 2G scam. I thank the Government and the Hon. Minister for reducing the rate from five per cent to three per cent or further.

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I would like to ask the Hon. Minister whether the Government has conducted any study to ascertain the truth in the claims regarding these stressed assets and the extent of manipulation involved. When will the report of the Study Committee appointed by the Government in this regard be available?

SHRI MANOJ SINHA: Hon. speaker Madam, I have already replied to part of the Hon. Member's question that the report of the Inter-Ministerial Group will be available within the next 20 days and, on that basis, the Government will take a decision.

As regards the news items published in newspapers or the perceptions that have been formed, the Government does not function on the basis of newspapers or perceptions. After giving due consideration to each issue in detail, I wish to make it clear that the Government's consumer policy is very clear, the consumer is king. Consumers should receive quality services at affordable rates, irrespective of the telecom service provider. I believe the Government's policy and intent are transparent. The IMG will prepare a complete report after detailed study, and the Government will take a decision accordingly.

(Q. 243)

SHRI RAM CHARITRA NISHAD: Hon. Speaker Madam, I welcome and congratulate the Hon. Minister for Railways for working to realise the Hon. Prime Minister's dream of the bullet train. I wish to inform this House that the nation will progress like the bullet train. The target for completion of this important project has been set for December 2023, with a total estimated cost of about Rs. 1.10 lakh crore.

Through you, Madam, I would like to ask the Hon. Minister how much time this work will take and whether there is any plan for fast-tracking it.

SHRI SURESH PRABHU: Madam, all aspects of this project have been finalised after discussions with the Government of Japan. The Hon. Member has rightly stated that this is the first project of its kind, and therefore, for its technical expertise and technology, the Government of Japan will assist us. It has also been decided that this project will be completed by the year 2022-23. Next month, the Hon. Prime Minister of Japan will be visiting our country, and on that occasion, we have scheduled the foundation stone laying ceremony of this project. The project is progressing on schedule, and all necessary pre-project implementation activities are being undertaken after detailed

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discussions. You have asked a very pertinent question. We are sending people from here for training. A training school is being established at Ahmedabad where all personnel will be trained for project implementation, construction and operation.

SHRI RAM CHARITRA NISHAD: Madam, my second question to the Hon. Minister is that you are preparing high-speed rolling stock for the bullet train. I would like to know whether the Government is also considering the use of high-speed rolling stock to increase the speed of trains on other railway routes.

SHRI SURESH PRABHU: Madam, with your permission, I would like to take a minute to place all the facts before the House.

As the Hon. Member has asked, we are proceeding in two ways, and this is the complete map, which, with your permission, I beg to lay on the Table of the House. This map shows that studies are at various stages for running high-speed trains, that is, up to 350 kilometres per hour, on the Delhi-Mumbai, Delhi-Kolkata, Mumbai-Chennai, Kolkata-Chennai, Delhi-Chennai, Mumbai-Kolkata, and Chennai-Bengaluru-Mysuru routes. In addition, for the Delhi-Agra, Delhi-Chandigarh, Nagpur-Secunderabad, Chennai-Hyderabad, Chennai-Bengaluru-Mysuru, Mumbai-Goa, Nagpur-Bilaspur, Mumbai-Ahmedabad and Delhi-Kanpur routes, semi high-speed trains running at 160 to 250 kilometres per hour

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are being planned. For the Delhi–Mumbai and Delhi–Howrah routes, we have already received approval from NITI Aayog for an investment of Rs. 18,000 crore to increase train speeds to 200 kilometres per hour. We shall proceed after obtaining approval from the CCEA. We are going to build a network of high-speed or semi high-speed railways to connect all parts of the country.

[English]

SHRI K. H. MUNIYAPPA: Madam Speaker, thank you for giving me this opportunity.

I think this is one of the model projects where the Government of India, the Ministry of Railways, is spending Rs. 200 crore for laying one kilometre of track. The Standing Committee on Railways made a recommendation to the Ministry to take up the entire 65,000 kms. in the country. Under this you need to spend only Rs. 5 to Rs. 6 crore per kilometre and the speed of the trains can be increased by 20 to 25 kms and the entire country can be benefited. This was recommended by the Standing Committee on Railways. I want to know from the hon. Minister as to when he will take up this project.

SHRI SURESH PRABHU: The discussion and negotiation for a project like this has been going on for a long time. In fact, the previous Government also had decided to work with the Japanese

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to prepare a feasibility study for this. It was completed during the time of our Government. Our hon. Prime Minister has already said it. This was the mandate given by the people to the Government because this was also mentioned in one of our pre-election commitments. So, we are undertaking it. I want to assure you that it has nothing to do with any other railway projects of the Government which are being implemented.

The entire funding for this or more or less 85 per cent of this will come from the Japanese and that too on very soft terms. This is the best soft term under the ODA, Overseas Development Assistance. So far the Government of India has been regularly receiving ODA assistance from the Japanese for a long period of time, including for the metros. This is not the first time we are getting it. So, this is the best negotiated ODA project which Japan has done not only for India, but for anybody else in the world. Therefore, this is the biggest and the best commitment that we have got from them, including soft terms, manufacturing it in India and running it in India. So this is the best thing. As I have explained to you earlier, we are already undertaking various projects all over the country and I am going to lay this map also on the floor of the House which will give you an idea as to how we are trying to progress.

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So, whatever budget of Railway is concerned it is being spent on on-going projects which have not been completed for a long time. Though commitment was made, funds were not provided. I want to assure that we are completing them now. We are doing something in the least cost option between Delhi to Mumbai and Delhi to Howrah which is raising the speed of the train to 200 kms. per hour. This is the least cost option which we are doing also. So it is not that this is a one-off project which we are trying to do. There are quite a few projects which we are undertaking to ensure the modernisation and upgradation of the entire railway network not only for tracks, but also for signalling, for passenger amenities and for improving catering etc. I have come out with a New Catering Policy for improving catering which was in big trouble. So, all aspects of Railway operations are being taken up.

SHRI SUDIP BANDYOPADHYAY: Madam Speaker, when the name of Japan comes, there is a common feeling that Bullet Train is coming. But the question which I want to ask the hon. Minister is different. The railway project which they are trying to implement is Mumbai-Ahmedabad High Speed Railway Project. But I would like to know from the Minister as to whether the infrastructure for running such high speed trains can be made available in a country like India where we are not able to run *Rajdhani* and *Duronto* trains on time. These trains also run late and

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they are not able to match up with their estimated speed. So, I want to know as to how far they are going to be technically well equipped and how serious they are to cope up with the infrastructural set up to run such high speed trains approximately at 350 kms. per hour.

Then, I would also like to know as to how far they are going to take safety and security issues into consideration while running these high speed trains.

SHRI SURESH PRABHU: Madam, I want to assure the House that all these aspects have been taken into consideration. A lot of work has been going on, not now but for the last several months. We are creating a fully elevated network which will be fully fenced. We are using an integrated signaling system so that the entire operation will happen with the new rolling stock and this is something which is going to take care of the safety aspects. As you know, Japan is the best railway network operator in the world where the safety record is the best. So, the Japanese themselves are participating in it. It is done with the entire technical cooperation of Japanese people and that is why it is happening.

With regard to the question as to why the *Rajdhani* and *Duronto* trains are getting delayed, I would like to submit that 16 per cent of railway network carries 60 per cent of the traffic in our

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country. Some networks are operating at 160 per cent to 170 per cent of the capacity. So, for the first time in the last several years, we have sanctioned 16,500 kms. of doubling and tripling as opposed to more than 20,000 kms. which was sanctioned in the last 70 years. We are already undertaking a high speed network which I have already mentioned. For the first time, we are preparing a signaling system of a very high value so that the trains can run properly and train sets are being introduced. So, all of this will ensure that age old problems with which the Railway was suffering and which have caused serious challenge to run the trains on time today will be properly addressed and that is why we are doing it. Besides this, I can assure you that all the safety standards, all the safety precautions have been taken and the Japanese themselves are directly involved in it. So, we can be sure that it will happen. In fact, the first question was on training. Therefore, training is also done precisely with the same purpose of ensuring safety as well.

[Translation]

SHRI RATTAN LAL KATARIA: Hon. Speaker Madam, thank you. Through you, I would like to congratulate the Hon. Minister for the training being imparted through the collaboration between the Government of India and the Government of Japan. However,

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I would like to ask the Hon. Minister that the Railways is a department which, through connectivity. ... (*Interruptions*) across the entire country... (*Interruptions*)

HON. SPEAKER: Please come to the main point.

...(*Interruptions*)

SHRI RATTAN LAL KATARIA: I am coming to that point.
...(*Interruptions*)

HON. SPEAKER: You are not to come to it.

...(*Interruptions*)

SHRI RATTAN LAL KATARIA: I would like to ask the Hon. Minister whether he will create a university within India for imparting railway-related training, where high-level training at a Centre of Excellence can be provided, and whether he will consider establishing such a university in my Lok Sabha constituency, Jagadhri, where there are thousands of acres of land in the workshop.

HON. SPEAKER: For this, land alone is not sufficient.

SHRI SURESH PRABHU: Madam, this question is not related to the main one.

HON. SPEAKER: Please do not answer it.

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SHRI SURESH PRABHU: We have made full preparations to set up this university at Vadodara, and along with that, we have tied up with seven or eight IITs and seven or eight top global institutes to ensure quality technical knowledge. We are also going to establish a training school for operating the project. Therefore, you need not be concerned. If you wish to send some people from your constituency for training, we shall certainly accommodate them.

SHRI MOHAMMAD SALIM: Madam, with your kind permission, I would like to share that we had a pleasant experience of travelling by high-speed train from Moscow to St. Petersburg, when I was part of a delegation along with the Hon. Speaker. Hence, I wanted to share this with you.

My main question is in four parts, and I am returning to the main question. At least in two parts, namely parts A and B, our supplementary question should be addressed. My question was regarding the training of engineers. In your oral reply, Hon. Minister, you referred to technical aspects, but in the written reply the word “engineer” was not mentioned, it only referred to “officials”. Since we have our apprehensions, *[English]* For the first time so many things are happening. *[Translation]* The training of engineers means engineers, and “officials” does not mean a tour

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of Japan, I am stating this clearly. In the Railways, we have seen that employees and officers are considered, but the engineers are often left out; neither do they benefit from the Seventh Pay Commission nor is there any forum to hear their grievances, although engineers are of great importance..

My question is that in parts C and D, you have not given the reply to part D. It was said in detail that [*English*] procurement of high-speed rolling stock is an integral part of the project. You are aware that compatibility and integration is a major issue. You are a forward-looking minister and I appreciate what you have done particularly to modernize the Railways. That is on record. I appreciate the things which are happening for the first time. Besides looking forward, all the trains, not only *Rajdhani* and *Duronto*, are running late throughout the country. So, at least, you should look into the present condition also while addressing the future situation because the *Rajdhani* express and Darjeeling mail were introduced between Kolkata and Delhi and North Bengal and Kolkata respectively a long time back. [*Translation*] Several decades ago, when certain trains were introduced, the travel time has remained the same till today, in fact, even for trains introduced before the year 2010, you have not been able to reduce the travel time. I would like to know what you will do in this regard.

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HON. SPEAKER: Please give an answer only relevant to the question.

SHRI SURESH PRABHU: Madam, Comrade Salim is correct in pointing out that the Moscow to St. Petersburg train was built during the communist era, and you had the opportunity to travel on it. In a similar way, as the system was created during the communist era there, we now need to create such a system in our country as well, and I thank you for that observation. As I have already mentioned, the primary reason for delays in trains is heavy congestion. The increase in our railway infrastructure is far less compared to the enormous rise in traffic. I do not wish to quote the figures here, as you would be astonished to hear them. This is the root cause, and to address it, I have just informed Sudip ji that we are undertaking doubling and tripling of lines wherever such congestion exists. Wherever possible, we are also making efforts to increase speed. Delhi to Mumbai and Delhi to Howrah are our major tracks, and they pass through the most populous States of India. We are bringing about complete changes there, and I am personally concerned about it. I would also like to inform you that punctuality is monitored every day. We have succeeded in raising it to above 85 per cent, although at times there are delays. Sometimes, when you are travelling, you may feel the train is delayed, but when floods occur in Bihar, trains to Kolkata are also

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delayed, and when people sit on the tracks for reservations, trains are also delayed due to such reasons. Therefore, I would request all of you to leave the track and protest, then we will be successful in solving this problem.

[English]

DR. FAROOQ ABDULLAH: Madam Speaker, I thank you for permitting me to ask a question to the Minister. Hon. Minister, you were kind enough to give the names of so many places where the rail is going to run at a bullet speed. But there was no mention of Jammu, the train from Delhi to Jammu. About the track that they are building, now to Srinagar, I feel that the time has come that they should consider that track also for a High Speed Train.

SHRI SURESH PRABHU: Madam, we will definitely do that.

[Translation]

I wish to state that when Mufti Mohammad Sahib was there, he had told me to connect them with Delhi. I had replied that we would connect them not only with Delhi but also with our hearts.

(Q. 244)

[English]

HON. SPEAKER: Q. No. 244 – Shri Harish Meena: Not present
Dr. Thokchom Meinya.

DR. THOKCHOM MEINYA: Thank you, Madam Speaker. I take it as a privilege to thank the hon. Minister for having given a very elaborate and exhaustive reply; it is a two-page long reply.

There is a ransomware virus attack, which is a very crucial threat at this point of time. Maybe because of this, the written reply of the hon. Minister was very elaborate.

Madam, my first Supplementary is this. In spite of the Government's prompt action, a few days ago, it has been reported that there was a cyber ransomware virus attack on BSNL and MTNL. If this report is correct, it is again a matter of great concern for all of us, for the simple reason that many of our official and personal communications and networks are based on them. Cyber attacks are increasingly become a big threat to our vital information and communication network.

I would like to know from the hon. Minister whether he is going to set up a highly effective and specialized Cyber Agency to secure and protect our crucial services, networks, data and installations. If so, please enlighten this august House.

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SHRI RAVI SHANKAR PRASAD: Madam, I am grateful for the kind words that he has used as far as the elaborate answer is concerned. Yes, the Government is very cognizant of taking proactive measures as far as the challenge of cyber security is concerned. We have the Indian Computer Emergency Response Team (CERT-In) whereby we do emergency response. But just to improve the institutional architecture, we are also establishing financial sector CERT-In, power sector CERT-In so that the main infrastructure remains safe and secure.

We are doing drilling parts. In this regard, 15 mock drills have been done and 54 security audits have been done. We are appointing about 1.14 lakh special auditors for that purpose. We are regularly in touch with the RBI, with the banking system, with the financial sector and with the power sector, and there is a coordinate response to it.

We are very proud of our Digital India Programmes and ecosystems of India. With more than about 110 crore plus mobile phones, 50 crore smart phones, 115 crore Aadhaar Cards, bigger Startup movements, Standup India, Skill India, Smart Cities, India is becoming a Digital Power. But simultaneously, we are taking proactive measures to secure the cyber space also. In that sense, surely we will take measures.

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As regards his specific query about BSNL and MTNL is concerned, this is a two-day old incident. It has been brought to our notice. The CERT-In is taking adequate measures. If certain lacuna is found, we will surely address it.

DR. THOKCHOM MEINYA: My second Supplementary is this. How far the Indian Computer Emergency Response Team (CERT-In), which provides technical support and remediation, and Cyber Swachhta Kendra, which works as bonnet cleaning and malware analysis, converge together to mitigate the threat posed by ransomware attacks.

SHRI RAVI SHANKAR PRASAD: Madam, these are very unique innovations of our IT sector. The Cyber Swachhta Kendra, which he talked about, is available online. If any one system is suffering malware, one can access it there and it will be cleaned. Our CERT-In is very responsive. As I have stated in my reply to his first Supplementary, we are also diversifying CERT-In programmes.

Madam, I would like to announce it in this hon. House that data is the new system of information. Data is the oil, but data protection is equally important. Data is the new oil. Therefore, under the direction of the hon. Prime Minister, a view was taken that we must have a data protection law. Therefore, we have set up

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a High Powered Committee chaired by a very distinguished former Supreme Court Judge, Justice Srikrishna to come up with suggestions as to what further measures we need to take to ensure data protection.

SHRI DUSHYANT SINGH: Thank you, Speaker Madam, for allowing me to ask a Question.

The hon. Minister has just mentioned that the Government is very pro-active. I would like to know as to what pro-active steps have been taken by the Government in the fields of information and computer technology. Has the Government thought about all data routed through the National Internet Exchange of India (NIXI)? He has just mentioned in his answer that we are going digital. I admire him and the Government for that. What steps are we taking to protect consumer data as all route servers are based abroad? Is the Government considering artificial intelligence to safeguard the data of Indian citizens? What proactive steps is the Government taking?

SHRI RAVI SHANKAR PRASAD: Madam, the distinguished Member is a very promising Member of Parliament. I must flag that. He has asked a question but if he would carefully go to the (d) and (e) parts of my reply, I have taken particular care to inform this hon. House about all the elaborate measures which we are

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taking. They are about 19 in number and they have been quoted in extenso. If hon. Member has certain more suggestions to give, I will surely welcome that. But, yes, he is right, India is becoming a digital power. Therefore, we are elaborating our own system. I would like to convey to this hon. House that as far as Aadhaar is concerned, the entire system is in India and it is safe and secure. Similarly, we have to make conscious efforts to emphasize upon the larger needs. We have come with digital locker programme where millions and millions of documents are being kept. So, we are undertaking that. It is a part of that process. But one thing I would like to flag in this hon. House that even if the data processing center is outside India, those who are operating on that platform need to understand that there is a proper law of India, the IT Act, and they need to follow that.

SHRI DINESH TRIVEDI: I would also like to compliment the capable hon. Minister for an elaborate answer. Having said that the modern warfare is not going to be fought with bullet or bomb, it is going to be a cyber attack. I am sure, the Minister and the House is aware that the world has no clue about prevention because this attack can come from anywhere and we have seen it. In your answer you have also mentioned about WannaCry. The world has seen it. We are very proud that India is going to get digitalized and it is going to lead the world. I will just complete my question in a

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minute. I have no doubt that the answer is also going to come from India because we have the best talent within the county and outside the country.

Madam, having said that internal security is looked after by the Ministry of Home Affairs and external security is looked after by the Ministry of Defence. Cyber attack is both, internal and external, and, Madam, it is a very specialized area. Would the Government consider having a separate Ministry altogether which could be known as the Ministry of Cyber Security? It is because in the coming days this is going to be as dangerous as a nuclear warfare.

SHRI RAVI SHANKAR PRASAD: Madam, hon. Dinesh Trivedi ji is a very senior Member and I quite share his concerns. I wish to flag this issue. Our hon. Prime Minister himself has publicly stated that cyber war is akin to a bloodless war. Not only in India but also abroad, he has been articulating this concern. He has impressed upon the need for greater synergy among all the countries of the world. Therefore, we are working in that direction.

Hon. Trivedi ji, I would like to share with you one assurance that even though these digital fugitives – if I can call them – are seeking to attack installations world over, their attack on India has

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been minimum because we have been taking proactive measures yet we have to be on guard.

As far as the creation of a separate Ministry is concerned, that is a suggestion. As far as our Government is concerned, there is proper coordination between the Ministry of Internal Security and external Intelligence; between my Ministry and the IT; and between the Home Ministry and Military capability. Therefore, there is a proper synergy as far as a concerted attempt towards cyber challenges is concerned. If you have certain more concrete suggestions to improve the system, you are most welcome.

[Translation]

SHRI SHARAD TRIPATHI: Hon. Speaker Madam, thank you very much. I would especially like to congratulate the Hon. Minister for having presented each point before us in great detail. In the same sequence, through you, I would also like to congratulate Dr. Harsh Vardhan for the achievement recently accomplished under the leadership of our Hon. Prime Minister, whereby ISRO launched 114 satellites and we have now reached number one position in the world.

In this context, I would like to know from the Hon. Minister whether a detailed app has been developed through these satellites for monitoring every institution and for work related to them. I

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would also like to know whether any new app related to the latest satellite launched by ISRO is proposed to be used for cyber security purposes.

SHRI RAVI SHANKAR PRASAD: Hon. Speaker Madam, I thank the Hon. Member for the good wishes extended to me and to my esteemed colleague, Shri Harsh Vardhan ji. I would like to state, with due humility, that the cyber challenges facing the country require coordinated action by all arms of the Government, as this is not the responsibility of any single department. Cyber threats can arise in agriculture, in satellites, in IT, and even in the armed forces. Therefore, coordinated effort is one of the most important objectives in this regard.

As far as the Hon. Member's query regarding an app is concerned, the decision on what kind of app to develop for which sector is taken after considering the specific technical subject and the challenges involved, and this should also be left to the discretion of technically competent persons. I would, however, like to inform you that from time to time we issue directions, provide training, conduct drills, judicial training, police training, and recently, the Department has instructed all banks to appoint cyber security auditors. This is a continuous process, and we shall continue with this work. I am pleased, and it is a matter of

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satisfaction to inform the House, that all State Governments, the Union Government, and all institutions are addressing security and cyber challenges with one voice and working together in this regard.

(Q. 245)

[Translation]

HON. SPEAKER: Both of you tend to speak at length. I am requesting you to speak briefly.

[English]

PROF. SOUGATA RAY: Madam, I am thankful to the hon. Minister; he has given a detailed reply to the studies being done in the Western Arabian Sea with regard to biogeochemical changes. It is true that these biogeological changes are very important for the lives of fish and nutrients which go from the land. They feed the phytoplanktons which, in turn, feed the fish.

The Government has imposed a ban on trawling during monsoon. I would like to know from him what effect this ban on fishing trawlers has had on the improvement of the biogeochemical things of the sea. I would also like to know whether his researchers have done any study of that.

DR. HARSH VARDHAN: Madam, as I have mentioned in the answer itself, right now, starting from 2010, 24 detailed studies have been done and they have been done at the most prestigious institutions of the country. Some of them, I have mentioned in the answer also. These studies have actually been undertaken at

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different places. We have observation centres in Goa, Kochi and in the Arabian Sea. They have been from very reputed scientists. As I have mentioned, in the studies, the harmful impact of the human intervention at the coasts has not been established or it has not been seen right now.

Regarding your specific question that you just now mentioned the ban being imposed during the monsoon, the studies have definitely shown a positive effect in this context. I can assure you this much.

PROF. SOUGATA RAY: Thank you Minister.

My second supplementary is that mainly on the evolution of phytoplanktons and other nutrients for the fish. They depend on a thing called upwelling which is the rise in the level of sea. Now, the Minister has said that human interventions have had no impact except in and around the city of Mumbai.

Now, the Supreme Court has already initiated the Coastal Regulation Zone. That is, they prohibited any construction within 500 meters of the sea coast. There is also the problem of climate change and global warming on the rising level of the sea.

May I ask the hon. Minister whether he is considering any change in the Coastal Regulation Zone requirements so that this

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spoiling of the sea's natural situation is prevented from human intervention?

DR. HARSH VARDHAN: Madam, through you, I wish to convey to the Member that I appreciate his question and also his concern. I would like to tell him that fortunately, at the moment, I am in charge of the Environment Ministry and also the Earth Sciences and all these concerns about the Coastal Zone Regulations have all been spelt out by the Supreme Court. You know that what has happened recently on this front. There is the report of the Committee which was appointed by the Government which is called the Sailesh Nayak Committee who was a former Secretary of the Ministry of Earth Sciences.

In our Ministry, in collaboration with what Earth Sciences Ministry says and what the environment people feel we are studying the detailed aspects of all these including this report, what is happening in the whole world and we are in fact now at the moment working on a Coastal Mission Plan which will in fact take care of the issue in its totality in all its comprehensiveness and very soon, in the next few months, the Government will come out with this Coastal Mission Plan which will take care of all these factors in its totality.

[Translation]

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SHRI VINAYAK BHAURAO RAUT: Hon. Speaker Madam, biogeochemical and chemical changes are taking place over the sea at a rapid pace, and these are directly affecting fish seed, as well as coastal settlements, farmers, agriculture and so on. To study this, the Government has established universities in several States.

Madam Speaker, in the coastal area of the western Arabian Sea there are five States, among which Maharashtra is the largest, having a coastline of 725 kilometres. Along this coastline, in districts such as Palghar, Thane, Raigad and Ratnagiri, there is large-scale chemical pollution entering the sea. Through you, I request the Hon. Minister to establish a university in either Ratnagiri or Thane, out of these five districts of Maharashtra, to address the adverse impacts occurring in the western Arabian Sea in Maharashtra. I would also like to know what measures or schemes you have undertaken to prevent the pollution taking place here.

DR. HARSH VARDHAN: Hon. Speaker Madam, I would like to inform the Hon. Member that, on this subject, there are not only universities in a particular State but also institutions at the national level, as well as within various States, which are related to this field. As I mentioned, if I were to read out the list to you, it would

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include all the reputed scientific and academic institutions in the country connected with this subject, all of which are conducting very serious studies on it.

As I have stated in my reply, so far, none of these studies has found the type of damage referred to. For example, the physical processes, biological processes, chemical processes and geological processes, whatever little effect they may have, it is confined within about one kilometre.

The area considered to be the coastal zone of the sea extends much further. In Mumbai, it is slightly higher compared to other places. As far as your point about a particular university is concerned, I will find out and see, and if there is anything worthy of recommendation, the Ministry concerned in our Government will certainly make such a recommendation.

[English]

HON. SPEAKER: Dr. Shashi Tharoor, you put a short question now. Time is up.

DR. SHASHI THAROOR: I will be very short.

I also represent the coastal community on the West Coast.

HON. SPEAKER: That is why I have allowed you.

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DR. SHASHI THAROOR: I just want to stress on this. The Government has, as you know, imposed a 61-day trawling ban to preserve fish stocks, and the Kerala State Government has added another 47 days. I am wondering whether your studies on the issues that Prof. Sougata Ray has raised can also study the impact of this trawling ban on the fish stocks because right now they are hurting the livelihoods of our fisher folk down the West Coast of India. They are not able to live properly. They are not getting the Government assistance. If this ban is not actually achieving its intended purpose, let us allow our fishermen to live because right now, Madam, we have a genuine problem for the fishing community.

DR. HARSH VARDHAN: You see, I think already Prof. Sougata Ray has asked question on this particular issue and I have flagged that. The study till now has certainly shown a positive effect. As far as the fishermen over there are concerned, you see, the Government of India as well as, I am sure, all the State Governments are all equally concerned about their welfare.

In the Government of India itself, we are using science to deliver the best possible information to the fishermen, using the latest technological tools to ensure that they get what is best for

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them, how they can pursue their profession and what are the safest zones for fishing for them where they can get their maximum fish.

Also, as far as the Government is concerned, I can assure you that we are equally concerned about their welfare. If it was not in their benefit, the Government would not have imposed that ban. And, you yourself are saying that after the ban imposed by the Union Government, the State Government has followed it up with further number of days. Definitely, this is supported by scientific evidence and facts.

HON. SPEAKER: Question Hour is over.

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HON. SPEAKER: Hon. Members, I have received notices of Adjournment Motion from some Members on different issues.

The matters though important do not warrant interruption of business of the day. The matters can be raised through other opportunities.

I have, therefore, disallowed all the notices of Adjournment Motion.

***WRITTEN ANSWERS TO QUESTIONS**

Starred Question Nos. . 246 to 260

Unstarred Question Nos. 2761 to 2990

12.00 hours

PAPERS LAID ON THE TABLE

HON. SPEAKER: Now, Papers to be laid. Shri D. V. Sadananda Gowda

THE MINISTER OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI D. V. SADANANDA GOWDA):

Madam Speaker, I beg to lay on the Table: -

- (1) (i) A copy of the Report (Hindi and English versions) of the National Statistical Commission, New Delhi, for the years 2011-2012 to 2015-2016.
- (ii) Action Taken Reports (Hindi and English versions) on the recommendations contained in the Annual Report of the National Statistical Commission, New Delhi, for the years 2011-2012 to 2015-2016.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library, See No. LT 7317/16/17]

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THE MINISTER OF STATE OF THE MINISTRY OF PLANNING, AND MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS (RAO INDERJIT SINGH): Madam Speaker, I beg to lay on the Table a copy of the Public Premises (Eviction of Unauthorised Occupants) Amendment Rules, 2017 (Hindi and English versions) published in Notification No. G. S. R. 338(E) in Gazette of India dated 10th April, 2017 under sub-section (3) of Section 18 of the Public Premises (Eviction of Unauthorised Occupant) Act, 1971.

[Placed in Library, See No. LT 7318/16/17]

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP (SHRI RAJIV PRATAP RUDY): Madam, I beg to lay on the Table the following papers: -

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the National Instructional Media Institute, Chennai, for the years 2013-2014 and 2014-2015, alongwith Audited Accounts.

- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Instructional Media Institute, Chennai, for the years 2013-2014 and 2014-2015.

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

[Placed in Library, See No. LT 7319/16/17]

(3) A copy of the Apprenticeship (Third Amendment) Rules, 2017 (Hindi and English versions) published in Notification No. G.S.R.333(E) in Gazette of India dated 5th April, 2017 under sub-section (3) of Section 37 of the Apprentices Act, 1961.

[Placed in Library, See No. LT 7320/16/17]

THE MINISTER OF RURAL DEVELOPMENT, MINISTER OF PANCHAYATI RAJ, MINISTER OF DRINKING WATER AND SANITATION AND MINISTER OF HOUSING AND URBAN AFFAIRS (SHRI NARENDRA SINGH TOMAR): Madam, on behalf of Shri Dharmendra Pradhan, I beg to lay on the Table a copy of the Report (Hindi and English versions) of the Comptroller and Auditor General of India-Union Government (Commercial) (No. 33 of 2017)- Performance

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Audit on Planning and Implementation of Phase III expansion project of Mangalore Refinery and Petrochemicals Limited, Ministry of Petroleum and Natural Gas under Article 151(1) of the Constitution.

[Placed in Library, See No. LT 7321/16/17]

THE MINISTER OF STATE IN THE MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION; MINISTER OF STATE IN THE OFFICE OF PRIME MINISTER, MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE DEPARTMENT OF ATOMIC ENERGY AND MINISTER OF STATE IN THE DEPARTMENT OF SPACE (DR. JITENDRA SINGH):

Madam, I beg to lay on the Table a copy each of the following Notifications (Hindi and English versions) under sub-section (2) of Section 3 of the All India Services Act, 1951:-

- (i) The Indian Forest Service (Fixation of Cadre strength) Fourth Amendment Regulations, 2017, published in Notification No. G.S.R.261(E) in Gazette of India dated 17th March, 2017.

- (ii) The Indian Forest Service (Pay) Fourth Amendment Rules, 2017 published in Notification No. G.S.R.262(E) in Gazette of India dated 17th March, 2017.
- (iii) The Indian Police Service (Fixation of Cadre Strength) Third Amendment Regulations, 2017 published in Notification No. G.S.R.486(E) in Gazette of India dated 19th May, 2017.
- (iv) The Indian Police Service (Pay) Third Amendment Rules, 2017 published in Notification No. G.S.R.487(E) in Gazette of India dated 19th May, 2017.
- (v) The Indian Police Service (Fixation of Cadre Strength) Fourth Amendment Regulations, 2017 published in Notification No. G.S.R.645(E) in Gazette of India dated 27th June, 2017.
- (vi) The Indian Police Service (Pay) Fourth Amendment Rules, 2017 published in Notification No. G.S.R.646(E) in Gazette of India dated 27th June, 2017.

(vii) The Indian Police Service (Fixation of Cadre Strength) Fifth Amendment Regulations, 2017 published in Notification No. G.S.R.844(E) in Gazette of India dated 6th July, 2017.

(viii) The Indian Police Service (Pay) Fifth Amendment Rules, 2017 published in Notification No. G.S.R.845(E) in Gazette of India dated 6th July, 2017.

[Placed in Library, See No. LT 7322/16/17]

**THE MINISTER OF STATE IN THE MINISTRY OF
COMMUNICATION AND MINISTER OF STATE IN THE
MINISTRY OF RAILWAYS (SHRI MANOJ SINHA):**

Madam, I beg to lay on the Table: -

(1) A copy each of the following papers (Hindi and English versions):-

(i) Memorandum of Understanding between the Bharat Sanchar Nigam Limited and the Department of Telecommunications, Ministry of Communications and Information Technology, for the year 2017-2018.

[Placed in Library, See No. LT 7323/16/17]

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- (ii) Memorandum of Understanding between the Bharat Broadband Network Limited and the Department of Telecommunications, Ministry of Communications and Information Technology, for the year 2017-2018.

[Placed in Library, See No. LT 7324/16/17]

- (iii) Memorandum of Understanding between the Mahanagar Telephone Nigam Limited and the Department of Telecommunications, Ministry of Communications and Information Technology, for the year 2017-2018.

[Placed in Library, See No. LT 7325/16/17]

(2) A copy of the Indian Telegraph Right of Way (Amendment) Rules, 2017 (Hindi and English versions) published in Notification No. G.S.R.407(E) in Gazette of India dated 26th April, 2017 under sub-section (5) of Section 7 of the Indian Telegraph Act, 1885.

[Placed in Library, See No. LT 7326/16/17]

[English]

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE AND MINISTER OF STATE IN THE MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI P. P. CHAUDHARY): I beg to lay on

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the Table a copy of the Conduct of Elections (Amendment) Rules, 2017 (Hindi and English versions) published in Notification No. S. O. 1133(E) in Gazette of India dated 7th April, 2017 under sub-section (3) of Section 169 of the Representation of the People Act, 1951.

[Placed in Library, See No. LT 7327/16/17]

12. 01 hours**MESSAGES FROM RAJYA SABHA
AND
BILL AS PASSED BY RAJYA SABHA***

SECRETARY-GENERAL: Madam Speaker, I have to report two messages received from the Secretary General of Rajya Sabha:-

- (i) “I am directed to inform the Lok Sabha that the Constitution (One Hundred and Twenty-third Amendment) Bill, 2017, which was passed by the Lok Sabha at its sitting held on the 10th April, 2017, has been passed by the Rajya Sabha at its sitting held on the 31st July, 2017, in accordance with the provisions of article 368 of the Constitution with the following amendment:

-

CLAUSE 3

1. That at page 2 and 3, clause 3 be *deleted*.

* Laid on the Table.

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I am, therefore, to return herewith the said Bill in accordance with the provisions of rule 128 of the Rules of Procedure and Conduct of Business in the Rajya Sabha with the request that the concurrence of the Lok Sabha to the said amendment be communicated to this House.”

(ii) “In accordance with the provisions of rule 127 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on the 1st August, 2017 agreed without any amendment to the Right of Children to Free and Compulsory Education (Amendment) Bill, 2017, which was passed by the Lok Sabha at its sitting held on the 21st July, 2017. ”

2. Madam Speaker, I lay on the Table the Constitution (One Hundred and Twenty-third Amendment) Bill, 2017, as returned by Rajya Sabha with amendment.

12.01 1/2 hours**COMMITTEE ON PUBLIC UNDERTAKINGS****19th Report***[Translation]*

SHRI SHANTA KUMAR (KANGRA): Madam, I beg to present the Nineteenth Report (Hindi and English versions) of the Committee on Public Undertakings on 'National Highways Authority of India (NHAI)'.

12.02 hours**COMMITTEE ON ABSENCE OF MEMBERS FROM
SITTINGS OF THE HOUSE****9th Report***[English]*

SHRI P. KARUNAKARAN (KASARGOD): I beg to present the Ninth Report (Hindi and English versions) of the Committee on Absence of Members from the Sittings of the House.

12. 03 hours**STANDING COMMITTEE ON FINANCE****49th Report**

SHRI M. VEERAPPA MOILY (CHIKKABALLAPUR): I beg to present the 49th Report (Hindi and English versions) of the Standing Committee on Finance on Action taken by the Government on the recommendations contained in 34th Report (16th Lok Sabha) on 'State of Rural / Agricultural Banking and Crop Insurance'.

12. 04 hours**STANDING COMMITTEE ON COAL AND STEEL****Statements**

[Translation]

SHRI RAKESH SINGH (JABALPUR): Madam, I beg to lay on the Table the following Action Taken Statements (Hindi and English versions) in respect of observations/recommendations

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contained in Chapters I and V of Reports of the Standing Committee on Coal and Steel:-

- (1) 27th Report (15th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 24th Report (15th Lok Sabha) on 'Demands for Grants (2012-13)' relating to the Ministry of Coal.
- (2) 46th Report (15th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 35th Report (15th Lok Sabha) on 'Demands for Grants (2013-14)' relating to the Ministry of Steel.
- (3) 47th Report (15th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Recommendations contained in 39th Report (15th Lok Sabha) on 'Promotion of Steel Usage' relating to the Ministry of Steel.
- (4) 48th Report (15th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 40th Report (15th Lok Sabha) on 'Functioning of MSTC Ltd.' relating to the Ministry of Steel.
- (5) 15th Report (16th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 7th

Report (16th Lok Sabha) on ‘Demands for Grants (2015-16)’ relating to the Ministry of Coal.

- (6) 24th Report (16th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 18th Report (16th Lok Sabha) on ‘Demands for Grants (2016-17)’ relating to the Ministry of Coal.
 - (7) 25th Report (16th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 19th Report (16th Lok Sabha) on ‘Demands for Grants (2016-17)’ relating to the Ministry of Mines.
 - (8) 26th Report (16th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 20th Report (16th Lok Sabha) on ‘Demands for Grants (2016-17)’ relating to the Ministry of Steel.
 - (9) 30th Report (16th Lok Sabha) of the Committee on Coal and Steel on action taken by the Government on the Observations/Recommendations contained in 21th Report (16th Lok Sabha) on ‘Research and Development in Iron and Steel Sector’ relating to the Ministry of Steel.
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12.05 hours**STANDING COMMITTEE ON COMMERCE****134th to 136th Reports**

[English]

SHRI JITENDRA CHAUDHURY (TRIPURA EAST): I beg to lay on the Table the following Reports (Hindi and English versions) of the Standing Committee on Commerce: -

- (1) 134th Report on Action Taken by Government on the Recommendations/ Observations of the Committee contained in its 130th Report on Industrial Policy in the Changing Global.
 - (2) 135th Report on Action Taken by Government on the Recommendations/ Observations of the Committee contained in its 132nd Report on Demands for Grants (2017-18) of Department of Commerce, Ministry of Commerce and Industry.
 - (3) 136th Report on Action Taken by Government on the Recommendations/ Observations of the Committee contained in its 133rd Report on Demands for Grants (2017-18) of Department of Industrial Policy and Promotion, Ministry of Commerce & Industry.
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12. 06 hours

STATEMENTS BY MINISTERS

(i) Status of implementation of the recommendations contained in the 13th Report of the Standing Committee on Railways on Demands for Grants (2017-18) pertaining to the Ministry of Railways*

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI RAJEN GOHAIN): I rise to lay a Statement on the status of implementation of the recommendations contained in the 13th Report of the Parliamentary Standing Committee on Railways (16th Lok Sabha).

The 13th Report of the Committee on ‘Demand for Grants (2017-18) of the Ministry of Railways’ presented to the Lok Sabha on 10th March 2017 contained 14 recommendations and Action Taken Notes thereon were furnished to the Committee on 5th June 2017 in English and on 8th June 2017 in Hindi.

A Statement showing details of all the recommendations contained in the Report and implementation status thereof is enclosed. Since the Statement is voluminous, I request that the same may be taken as read.

* Laid on the Table and also placed in Library, See No. LT 7328/16/17.

12. 07 hours

(ii) (a) Status of implementation of the recommendations contained in the 294th Report of the Standing Committee on Science and Technology, Environment and Forests on Demands for Grants (2017-18) pertaining to the Ministry of Earth Sciences*

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI S. S. AHLUWALIA):

Madam, on behalf of Shri Y. S. Choudhary ji I rise to lay a statement on: -

The status of implementation of the recommendations contained in the 294th Report of the Standing Committee on Science and Technology, Environment and Forests on Demands for Grants (2017-18) pertaining to the Ministry of Earth Sciences.

* Laid on the Table and also placed in Library, See No. LT 7329/16/17.

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(b) Status of implementation of the recommendations contained in the 295th Report of the Standing Committee on Science and Technology, Environment and Forests on Demands for Grants (2017-18) pertaining to the Department of Biotechnology, Ministry of Science and Technology*

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI S. S. AHLUWALIA):

Madam, on behalf of Shri Y. S. Choudhary ji, I lay on the Table a statement on the status of implementation of the recommendations contained in the 295th Report of the Standing Committee on Science and Technology, Environment and Forests on Demands for Grants (2017-18) pertaining to the Department of Biotechnology, Ministry of Science and Technology.

* Laid on the Table and also placed in Library, See No. LT 7330/16/17.

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(c) Status of implementation of the recommendations contained in the 296th Report of the Standing Committee on Science and Technology, Environment and Forests on Demands for Grants (2017- 18) pertaining to the Department of Science and Technology, Ministry of Science and Technology*

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI S. S. AHLUWALIA):

Madam, on behalf of Shri Y.S.Choudhary ji I rise to lay on the Table a statement on the status of implementation of the recommendations contained in the 296th Report of the Standing Committee on Science and Technology, Environment and Forests on Demands for Grants (2017-18) pertaining to the Department of Science and Technology, Ministry of Science and Technology.

... (Interruptions)

* Laid on the Table and also placed in Library, See No. LT 7331/16/17.

12.08 hours**SUBMISSION BY MEMBER**

Re: Political vendetta unleashed by the Government through central investigation agencies against the opposition party leaders particularly in Karnataka

[Translation]

HON. SPEAKER: Yes, please speak.

SHRI MALLIKARJUN KHARGE (GULBARGA): Madam, I do not wish to take much of your time. In particular, I had given an adjournment motion, which you have rejected, but its purpose was precisely this. *[English]* The political vendetta unleashed by the Government of India using Central investigation agencies against the Opposition Party leaders, particularly in Karnataka for their political gain points to a dangerous tendency in the country, which would ruin the very ethos of democracy, warrants a clarification. ...*(Interruptions)*

[Translation]

My point is that, in a democracy, now when elections are taking place in Gujarat, especially for three seats of the Rajya Sabha there. ... *(Interruptions)* The Congress had 57 Members and it had the support of four other Members. ...*(Interruptions)* After that, by breaking away, they took five Members with them.

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...(Interruptions) I am only providing the background.

...(Interruptions)

HON. SPEAKER: One should not say that.

... (Interruptions)

HON. SPEAKER: This cannot go on record.

... (Interruptions)

SHRI MALLIKARJUN KHARGE: By using the Income Tax Department...(Interruptions)

HON. SPEAKER: No, no, this is an exchange of allegations.

...(Interruptions)

SHRI MALLIKARJUN KHARGE: In Karnataka, at Eagleton Resort, where 42 MLAs were staying, those MLAs were intimidated, threatened and terrorised, and officers of the Enforcement Directorate were sent there. ...(Interruptions)

HON. SPEAKER: Have they been terrorised and sent.

SHRI MALLIKARJUN KHARGE: Yes, they were sent there. After being sent, the 42 Members staying there were being intimidated and threatened by officers of the Income Tax Department...(Interruptions) First, this happened in Gujarat, after which, considering it a safer place, they moved elsewhere. ...(Interruptions) But even there, they sent Income Tax officials

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who, apart from targeting them, also conducted a raid on the Congress leader present there and searched the room in which he was staying. That is why I wish to state that if such vendetta and witch-hunting continue in this country, no party will survive in a democracy. Fine, if anyone has committed an economic offence, whether it be any person, any leader, even myself, you may take legal action against me. But to politically win an election or to defeat a Rajya Sabha candidate, the attempt you are making will not succeed. ...(*Interruptions*)

I am saying that tomorrow you too will have to face the same situation if people act in this manner. Therefore, I would like the Minister to clarify this on your behalf, because he wishes to speak. If any Minister or MLA is there, we are taking action against them, but this is not right. Therefore, I appeal to you, do not terrorise, do not threaten, do not intimidate. This will not work in a democracy.

THE MINISTER OF FINANCE, MINISTER OF CORPORATE AFFAIRS AND MINISTER OF DEFENCE

(SHRI ARUN JATELY): Hon. Speaker Madam, the matter raised by Hon. Kharge ji is serious, but perhaps the facts conveyed to him were not entirely adequate or complete. I wish to clarify that the information I have received from the Department, which I have also personally verified, is that no search has been conducted

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by the Tax Department on any resort or on any MLA from Gujarat, nor has there been any contact with them. It is true that an income tax search has been conducted on a Minister of the Karnataka Government and his associates. ...(*Interruptions*) Searches are being conducted at 39 locations. The person against whom the search was being carried out. ...(*Interruptions*) The person against whom the search was underway went to a resort while the search at his residence was in progress. When a search is conducted and recoveries are made, the person concerned is confronted and his statement is recorded. Contacting him was possible only at the place where he had gone into hiding, and therefore the income tax personnel...(*Interruptions*) the income tax officers...(*Interruptions*)

HON. SPEAKER: Please listen to the entire statement; you will have to hear it in full.

...(*Interruptions*)

SHRI ARUN JAITLEY: Madam, the income tax officers went to the resort solely for the purpose of recording his statement and taking him from there to his residence. When they arrived, the person was tearing papers. ...(*Interruptions*) The torn papers, as well as the documents he was in the process of tearing, were recovered in the *panchnama*. He was then taken from there to his

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residence. At present, there is no income tax officer at that location, and the raid is continuing at 39 other places. Please do not link this with any election in Gujarat; link it only with the economic offence.

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[English]

HON. SPEAKER: Now, 'Zero Hour'.

... (*Interruptions*)

HON. SPEAKER: Now, nothing will go on record except Shri George Baker's speech.

...(Interruptions) ...*

SHRI GEORGE BAKER (NOMINATED): Madam, I thank you very much for giving me this opportunity to speak.

I rise to speak on a community that came to the Subcontinent over 2,000 years ago and who are now a miniscule, probably less than 10,000. I speak of the Jews who are in India, who are settled in various metropolis. ...(*Interruptions*)

[Translation]

HON. SPEAKER: The Minister has given his explanation.

[English] This is not the way.

... (*Interruptions*)

HON. SPEAKER: Please take your seats.

... (*Interruptions*)

* Not recorded.

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SHRI GEORGE BAKER: They have contributed immensely to the growth of the country. I urge upon the Government of India to give this particular Jewish community, who have never asked for any assistance from the Government of India, the minority status.
... (*Interruptions*)

HON. SPEAKER: Nothing will go on record.

...(*Interruptions*) ...*

SHRI GEORGE BAKER: They should be given recognition as a minority community. Till today, they have been maintaining their own historical monuments and synagogues.

Besides, giving them recognition immediately as a minority community would help to strengthen the ties of our nation with Israel also.

Thank you very much.

[*Translation*]

HON. SPEAKER: Shri Bhairon Prasad Mishra, Kunwar Pushpendra Singh Chandel and Prof. Richard Hay are permitted to associate themselves with the matter raised by Shri George Baker.

...(*Interruptions*)

* Not recorded.

12.15 hours

(At this stage, Shri M. I. Shanavas and some other hon. Members came and stood on the floor near the Table.)

[Translation]

SHRIMATI REKHA VERMA (DHAURAHRA): Hon. Madam Speaker, I thank you for giving me an opportunity to speak during Zero Hour. In our country, numerous schemes are being implemented for the welfare of the people, but the schemes currently in operation are not adequately suited for the welfare of women. Women in the country are engaged in various occupations, including those connected with Anganwadi centres and other industries, yet their income is steadily declining. The Government needs to pay attention to this matter. Appropriate steps are required to be taken to increase women's income. ...*(Interruptions)*

Through you, I request the Government to introduce more schemes for the enhancement of women's income and to ensure that the benefits of these schemes reach women. ... *(Interruptions)*

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

...*(Interruptions)*

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[English]

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

... (*Interruptions*)

[Translation]

HON. SPEAKER: You sought an explanation, and the Minister has provided it.

... (*Interruptions*)

SHRI SUDHEER GUPTA (MANDSOUR): Hon. Speaker Madam, I thank you for giving me an opportunity to raise a matter of public importance regarding the restoration of rail service between Indore and Delhi. A rail service had been introduced from Indore in Madhya Pradesh to Sarai Rohilla, Delhi, which passed through Mandsaur and Chittorgarh. This was directly benefiting both Madhya Pradesh and Rajasthan. However, its operation has been discontinued from 2 July. ... (*Interruptions*)

I urge that the operation of this very important train be resumed so that passengers may be facilitated. I would also like to request that, during the gauge conversion, the number of passenger trains operating on the Indore–Ratlam–Chittorgarh rail section has not been restored to the level that existed during the metre gauge period. ... (*Interruptions*)

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I request that, keeping in view the needs of passengers, adequate passenger trains be operated so that public facilities and expectations may be fulfilled. ... (*Interruptions*)

HON. SPEAKER: Shri Bhairon Prasad Mishra and Dr. Virendra Kumar are permitted to associate themselves with the matter raised by Shri Sudheer Gupta.

[*English*]

Please go back to your seats. This is not proper.

... (*Interruptions*)

[*Translation*]

HON. SPEAKER: You people had asked for an explanation from the Minister, it has been given. After that, you also should not adopt this type of dictatorial attitude.

... (*Interruptions*)

HON. SPEAKER: He has given his explanation on the matter. Please go back to your seats now.

...(*Interruptions*)

[*Translation*]

SHRI BHAIRON PRASAD MISHRA (BANDA): Hon. Speaker Madam, I wish to draw the attention of the House to a very serious matter. At present, in my parliamentary constituency Banda, as

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well as across the entire State of Uttar Pradesh, lakhs of teachers working in primary schools, formerly known as *Shiksha Mitras*, are agitated and protesting. Demonstrations are taking place in various places, and teachers are committing suicide...*(Interruptions)* They have been working for many years, with some having served for over 20 years. ...*(Interruptions)*

Through you, I request the Government to take up the matter with the State Government to provide relief to these *Shiksha Mitras*. A Supreme Court order some time ago declared their appointments illegal, which has caused this grave problem. ...*(Interruptions)*

Through you, I further request the Government to urge the State Government to file a review petition in the Supreme Court and, until then, to ensure that these teachers continue to receive their previous salaries and benefits so that they may get some relief. ...*(Interruptions)*

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

[English]

SHRI CHIRAG PASWAN (JAMUI): Thank you so much, Madam Speaker, for giving me this opportunity. ...*(Interruptions)*

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[Translation] Today, in this august House, I wish to draw attention to issues concerning the nation. India is an ancient civilisation but a nation of youth. For centuries, the youth of this country have borne the responsibility of playing a leading role in social transformation. Whenever challenges have confronted the nation, the youth have overcome them and given a new life to our civilisation and social fabric.

Hon. Speaker Madam, you will recall that in 2014, the Hon. Prime Minister had made a direct appeal to the youth, and the youth of the country duly honoured the sincerity of that appeal. Indeed, in the past three years, many new doors of opportunity have opened for the youth. However, the reality is that, since independence, there has never been an effective national youth policy. As a result, while the youth have made immense contributions to nation-building over the past 70 years, in recent decades they have also found themselves beset by personal challenges. Numerous programmes and schemes have proved inadequate to meet the challenges of the modern age.

...(Interruptions) When a young person leaves his family home to shape his life, he encounters many kinds of obstacles.

...(Interruptions) There is a need for an institution in the country that can play the role of a guardian in the absence of parents

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...(Interruptions) a place where they can go with their questions and return with solutions. ...(Interruptions)

Madam Speaker, for this very purpose, I place a demand before the Government to establish a National Youth Commission in the country and request both sides of the House to support this demand. ...(Interruptions) We created the Scheduled Caste/Tribe Commission, the Minority Commission, the Women's Commission and the Children's Commission and history shows that each such commission has played a constructive role. ...(Interruptions)

Madam Speaker, with this objective, I urge the Government to constitute a National Youth Commission in the country, and I appeal to both sides of this House to support this demand. ...(Interruptions) We have established Commissions for Scheduled Castes/Scheduled Tribes, Minorities, Women and Children, and history bears witness that each of these Commissions has played a constructive role. ...(Interruptions) Whereas the reality is that there are many of our young friends who are interested in fields other than education and employment. ...(Interruptions) Some want to become singers, dancers or actors in the field of arts ...(Interruptions) Some want to go into photography. ...(Interruptions) There are many youngsters who are interested in

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sports but they do not get that opportunity. ...(*Interruptions*) History shows that whenever our young players have got proper infrastructure and facilities, they have raised the name of our country not only at the national level but also at the international level. ...(*Interruptions*) An example of this comes from my own Jamui Lok Sabha constituency. When Shreyasi Singh, a resident of Jamui district, got the right opportunity, she not only made my state Bihar proud by winning a medal in shooting at the Commonwealth Games, but also raised the name of our country at the international level. ... (*Interruptions*)

Madam Speaker, when we talk about the problem of youth, it becomes more difficult for girls to be heard than boys. ...(*Interruptions*) I have raised the demand for the formation of a National Youth Commission twice before in this House during various discussions. I have also written to the hon. Prime Minister and the Hon. Minister of Finance demanding the formation of a Youth Commission.

Madam Speaker, I have also given a notice to you under Rule 193, so that we can have a serious discussion on this and reach a positive result. ...(*Interruptions*)

In the end, I am sure that the needs of the innumerable youth will be appreciated by this House and my proposal will also get the

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approval of the hon. Prime Minister who is already conscious about the welfare of the youth. ...(*Interruptions*)

With these words, I conclude my statement. Thank you very much for giving me the time to raise this issue.

HON. SPEAKER: All youth should become partners in this.

...(*Interruptions*)

HON. SPEAKER: Shri Om Birla, Dr. Kirit P. Solanki, Shri Shivkumar Udasi, Shri Uday Pratap Singh, Shri Naranbhai Kachhadia, Shri Nishikant Dubey, Mohammad Faizal, Shri Lakhan Lal Sahu, Shri Hariom Singh Rathore, Shri Sumedhanand Saraswati, Shri Jagdambika Pal, Shri Ram Mohan Naidu Kinjarapu, Dr. Srikant Eknath Shinde, Shri Rabindra Kumar Jena, Shri Ganesh Singh, Kunwar Pukhpendra Singh Chandel, Shri Rahul Kaswan, Dr. Manoj Rajoria and Shri Bhairon Prasad Mishra are permitted to associate with the matter raised by Shri Chirag Paswan.

SHRI RAVINDRA KUMAR RAY (KODARMA): Sir, I would like to place before you a very serious issue relating to coins. The problem of banks not accepting coins has arisen in the rural areas across the country, especially in Jharkhand...(*Interruptions*) in many cities of Uttar Pradesh. ... (*Interruptions*) When the

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Government of India demonetised, Rs. 500 and Rs. 1,000 notes were discontinued. ...(*Interruptions*) But the banks have stopped accepting one-, two-, five- and ten-rupee coins, shattering the rural economy. ...(*Interruptions*) Due to this, small traders, newspaper sellers, our mothers and sisters who sell vegetables in vegetable markets, especially in rural haats, are not getting coins of two rupees, five rupees and ten rupees. ...(*Interruptions*) People who want to buy chillies, lemons, vegetables etc. are not getting two rupee and five-rupee coins. ...(*Interruptions*)

Madam Speaker, I would like to bring one thing to your attention that when demonetization took place, these very bankers gave lakhs of coins into the market. ...(*Interruptions*) But now they are not accepting coins. Due to this reason coins are not being accepted even in the market. ...(*Interruptions*)

Madam Speaker, I request that the Government should take action against the banks to provide special relief to the rural economy as this is a violation of the Monetary Act of India. ...(*Interruptions*) The Government should cooperate in maintaining the retail money, i. e. coins, in circulation in the rural system. ...(*Interruptions*) Without this, it has become difficult to buy goods worth two rupees, six rupees or eight rupees.

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...(Interruptions) I request you to kindly instruct the Government to continue the circulation of coins.

HON. SPEAKER: Shri Bhairon Prasad Mishra, Kunwar Pushpendra Singh Chandel and Shri Nishikant Dubey are permitted to associate themselves with the matter raised by Shri Ravindra Kumar Rai. *[English]*

[English]

SHRI RABINDRA KUMAR JENA (BALASORE): Thank you, Speaker Madam, for giving me the opportunity to raise this issue on the floor of the House. The situation of flood, rain, storm and lightening is extremely grave in the State of Odisha including my district of Balasore. I have just visited the place. Whatever I assessed, I am going to put forth before this House.

About 33 people have died last Saturday and Sunday in the State of Odisha due to lightening. Over one million people have been trapped in water in my district of Balasore alone and several thousand hectares of paddy field is completely inundated with water thereby destroying the crop, which is the mainstay of almost 80 per cent people of my constituency. Our hon. Chief Minister Shri Naveen Patnaikji has just announced a compensation of Rs.4.00 lakh each to those who have lost their lives due to lightening. In view of this grave situation in my State and more

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particularly in my district of Balasore, I would urge upon the Union Government for the following action:

- (i) to grant of *ex gratia* payment of Rs. 10 lakhs to the family of those who have been killed by the lightening;
- (ii) to add 'lightening' in the list of natural calamity so that we do not have to come to Parliament repeatedly;
- (iii) to initiate research so that the lightening can be predicted which is in practice in several countries across the globe; and
- (iv) to compensate all the farmers who have lost their crops and livelihood in the recent floods. Thank you, Madam.

[Translation]

HON. SPEAKER: Kunwar Pushpendra Singh Chandel is permitted to associate with the matter raised by Shri Rabindra Kumar Jena.

SHRI LAXMAN GILUWA (SINGHBHUM): Madam Speaker, I come from Singhbhum district of Jharkhand State. Railway hospital is situated in my parliamentary constituency Singhbhum-Chakradharpur. There, at night, when the doctors prescribe medicines, one has to travel several kilometres to buy medicines. There are medicine shops in front of the Railway Hospital, but they remain closed at night and medicines are not available in the Railway Hospital. Medicines for the treatment of certain diseases

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prescribed by the doctors are not available in the railway hospital. It has also been observed that at night, many problems arise due to non-availability of medicines in the Railway Hospital in case of critical condition of the patient. Therefore, I request the government through you to arrange private medicine shops in the Railway Hospital premises, which will remain open for 24 hours. Thank you very much.

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

SHRI NISHIKANT DUBEY (GODDA): Madam Speaker, this is the biggest example of how the people of Congress party want to suppress voices in democracy to hide cases of corruption.

Madam Speaker, I need your protection. In the year 2008, when UPA-1 government was in power, a big leader of RJD, who is nowadays embroiled in a corruption case, was The Minister of Railways here at that time. He changed a railway policy and made a dual-freight policy, because at that time Olympics were about to be held in China and there was a huge boom. The dual-freight policy in that meant that for the steel that would be manufactured locally here, the iron ore that would be transported by the Railways would have a different rate and the iron ore that would be exported

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abroad would have a different rate. The Railways did not have any means to check whether the iron ore being transported would be used domestically or internationally. Since there was corruption, there was collusion between Congress and the then Minister of Railways in the entire UPA government, hence all the mafia and iron ore exporters made such a policy. All this goods used to go from Jharkhand and Chakradharpur was its biggest center, all this goods used to go to the port of Kolkata in the name of domestic use and from there all the goods used to be exported. This has caused huge loss to the Railways. C&AG said in the year 2009 that stop this, Railways does not have any such resources and this is leading to huge corruption. The government did not pay any heed to it. In the year 2010 again it was said that it should be stopped but no attention was paid to that either. Now the C&AG report has come in the year 2015 and there has been a loss of Rs. 30,000 crores.

I request the government through you that at whose behest the then Minister of Railways started this dual freight policy. *...(Interruptions)* When the C&AG was saying in the year 2009 and 2010 that there was corruption in this, the role of the then Railway Ministers, people of the Trinamool Congress Party are

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sitting here, ...(*Interruptions*) I ...* ...(*Interruptions*) consider him to be very honest, ...(*Interruptions*) the world believes him to be so, ...(*Interruptions*) but I believe that even they did not try to get a CBI inquiry done. ...(*Interruptions*) ...*...(*Interruptions*) They wanted a CBI inquiry to be conducted, they were removed, ...(*Interruptions*) after that ...* ...(*Interruptions*) these two who became Ministers of Railways , ...(*Interruptions*) they tried to save him. The role of all these Ministers of Railways should be questioned and the government should request for a CBI inquiry into the loss of Rs. 30,000 crore and send them to jail. ...(*Interruptions*)

HON. SPEAKER: Kunwar Pushpendra Singh Chandel, Shri Bhairon Prasad Mishra, Shri Shivkumar Udasi, Dr. Kirit P. Solanki, Shri Naranbhai Kachhadiya, Shri Dushyant Singh, Shri Ravindra Kumar Jena, Dr. Manoj Rajoria, Shri jitendra Chaudhary and Dr. Virendra Kumar are permitted to associate with the matter raised by Shri Nishikant Dubey.

...(*Interruptions*)

HON. SPEAKER: He mentioned your name, and I had it deleted immediately.

* Not recorded.

... (*Interruptions*)

SHRI MALLIKARJUN KHARGE (GULBARGA): I wish to submit to you, ...(*Interruptions*) I appeal to you that, regarding this incident which has occurred ...(*Interruptions*) because in a democracy we must remain very vigilant... (*Interruptions*) and democracy must not be undermined.

HON. SPEAKER: If you want a discussion, we can allow a Half-an-Hour discussion.

... (*Interruptions*)

SHRI MALLIKARJUN KHARGE: If the Prime Minister or Shri Jaitley gives an assurance that no political party will be subjected to vendetta or witch-hunting, then everything will be fine. ... (*Interruptions*)

HON. SPEAKER: That does not happen.

...(*Interruptions*)

HON. SPEAKER: The Finance Minister has already responded to you.

...(*Interruptions*)

SHRI MALLIKARJUN KHARGE: Hon. Speaker Madam, the Government is not giving any response on this matter.

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...(Interruptions) Therefore, we shall condemn their attitude and walk out.

12. 32 hours

(Shri Gaurav Gogoi and some other hon. Members then left the House.)

HON. SPEAKER: Shri Nana Patole ji.

...(Interruptions)

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI ANANTHKUMAR):

Madam Speaker, Mallikarjun Kharge ji is making baseless allegations against our government.

...(Interruptions) This is absolutely wrong, there is no logic in this because if income tax raids are being conducted on one of their Ministers, Minister of the Karnataka State Government in Bangalore and Karnataka, it is a raid against black money.

...(Interruptions) It is being raided against corruption.

...(Interruptions) Members of the Legislative Assembly from Gujarat are hiding there, having fun at the Eagleton resort there.

...(Interruptions) There are floods in Gujarat, they should go there and serve the people. ...(Interruptions) People of Gujarat are suffering due to floods, but they are having fun by coming here.

...(Interruptions)

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Madam, I would also like to tell you that the Karnataka Government has taken a Cabinet decision to serve a notice to Eagleton Resort. The Revenue Minister has said that a penalty of Rs. 982 crore is at Eagleton Resort. ...(*Interruptions*) Forty Members of the Legislative Assembly of Gujarat went and hid in such a resort. ...(*Interruptions*) Congress should answer about it. About that. ... * ...(*Interruptions*) answer about it. ...(*Interruptions*) they should come out clean. ...(*Interruptions*) ...* [*English*] they should come out clean [*Translation*] ... (*Interruptions*)

HON. SPEAKER: You cannot take the name, that name will not be included.

... (*Interruptions*)

12. 34 hours

(Shri Mallikarjun kharge and some other hon. Members then left the House)

HON. SPEAKER: Shri Nana Patole ji.

... (*Interruptions*)

* Not recorded.

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SHRI NANA PATOLE (BHANDARA-GONDIYA): Madam Speaker, recently NEET exam was conducted at the national level for medical education system across the country. ...(*Interruptions*) 63,835 seats were secured for pursuing medical education. ...(*Interruptions*)

HON. SPEAKER: Trivedi ji.

... (*Interruptions*)

[*English*]

SHRI DINESH TRIVEDI (BARRACKPUR): What Shri Nishi Kant Dubey has mentioned is of utmost importance. I just want to put it on record that it was during my time when I took over the Railway Ministry. This was a very serious subject. Railways were being cheated by, perhaps, more amount than what was mentioned. I had given the CBI inquiry and we all know that ... * is one of the most honest persons here.

So, I think this is what one has to know. I understand this inquiry is moving on a slow track. I want to know why it is going on a slow track. I urge upon the Government that this inquiry must get to its logical conclusion. Those who are corrupt and those who are involved must be taken to task. Justice must be done. All these

* Not recorded.

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criminals must be taken to task. At the moment the matter is in the court and I understand that the Government unfortunately is going slow on this.

HON. SPEAKER: Kunwar Pushpendra Singh Chandel is permitted to associate with the issue raised by Shri Dinesh Trivedi.

[Translation]

SHRI NANA PATOLE: Madam Speaker, NEET exam was conducted to pursue medical education across the country. 63,835 seats were ensured for medical education. The OBC students also got good results in this exam. At the national level, there is only 27 percent reservation for OBCs, 15 percent for Scheduled Castes and 7.5 percent for Scheduled Tribes. As per the decision of the Hon. Supreme Court on 04. 04. 2007, OBC reservation cannot be reduced below 27percent, but the Medical Council has violated all the rules and has deprived OBC candidates from getting medical education.

Madam Speaker, the first round has just been conducted and not a single OBC candidate has been taken under reservation. That is why I want to put this issue in front of you in Zero Hour. I urge the government through you to take appropriate action to remove the injustice done to the OBC community.

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HON. SPEAKER: Shri Lakhanlal Sahu, Dr. Manoj Rajoria, Shri Bhairon Prasad Mishra, Shri Prahlad Singh Patel, Dr. Kirit P. Solanki, Shri Ganesh Singh, Kunwar Pushpendra Singh Chandel and Shri Rabindra Kumar Jena are permitted to associate with the matter raised by Shri Nana Patole.

[English]

SHRI P. K. BIJU (ALATHUR): Madam Speaker, I would like to raise a serious issue regarding the employees of the Life Insurance Corporation of India. As we know, LIC came into being on 19th June, 1956 in this august House on passing of the Life Insurance of India Act, 1956.

Life Insurance Corporation of India now contributes seven per cent to our GDP. More than 1,20,386 employees and more than 11,32,677 agents are working in LIC. The total assets of LIC are worth Rs. 24. 41 lakh crore. This became possible because of the hard work of the LIC agents throughout the country. The LIC agents staged are staging a dharna near Parliament House at Jantar Mantar today demanding job security, withdrawal of permission to banks for issuing policies, and removal of GST.

Madam Speaker, now GST is being imposed on life insurance policies. This is done nowhere in the world. While they had withdrawn it even in Europe and Canada, we are introducing 1. 8

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per cent to 18 per cent GST on life insurance policies. As we know, life insurance policies benefit the nominee and not the actual policy holder. I, therefore, would request the Government to withdraw GST. Direct marketing should be stopped. Pension should be introduced for more than 11 lakh LIC agents. There is no welfare fund for them now. So, a welfare fund should be created for them. These more than 11 lakh agents do not come under any category of employees now. They are neither counted as professionals nor do they come in the category employees. They are agents and they are not covered under pension scheme. Therefore, a pension scheme should be introduced for them. CPF, enhancement of gratuity and amendment of gratuity calculation should be provided. The recommendations made by IRDAI were implemented in private insurance companies but not in the LIC. I urge upon the Union Government to take up this matter of utmost importance and introduce these facilities for these people as early as possible. Thank you.

HON. SPEAKER: Adv. Joice George, Shri Md. Badaruddoza Khan, Shri P. Karunakaran, Shri Sankar Prasad Datta, Shri Jitendra Chaudhury, Shri N. K. Premachandran, Mohammed Faizal, and Shri Rabindra Kumar Jena are permitted to associate with the issue raised by Shri P. K. Biju.

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[Translation]

SHRI ASHWINI KUMAR CHOUBEY (BUXAR): Madam Speaker, on 17 June 2016, the Hon. Minister of Finance of the Union Government, Shri Arun Jaitley had announced dozens of circuits for the development of many pilgrimage and tourist centres in the country. Among them 'Ramayana Circuit' is prominent. Ramayana Circuit Maryada Purushottam Shri Ram's birthplace Ayodhya to Maharishi Vishwamitra's Tapobhumi, which is my Parliamentary constituency Buxar, the place of initiation and training of Lord Ram. There he got training from Maharishi Vishwamitra and killed the demons. From there, Sitamarhi, Janakpur Dham and other places in the country, where Lord Rama had gone in Treta Yuga, all those areas were to be developed.

Along with this, in the budget for the year 2015-16, I had requested for the construction of circuits for the Ramayana Circuit in Bihar as well as the Kanwaria Circuit (Kanwar Yatra from Sultanganj to Deoghar), connecting the Buddha Circuit from Gaya-Nalanda to Vikramshila, the 'Mandar Circuit' at the Mandar mountain where the Samudra Manthan (churning of the ocean) took place, Bhagalpur has been a major place for Jain Tirthankaras, and there was a request to connect it with the 'Jain Circuit' and to

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build a circuit-circuit for the development of all these pilgrimage centers and the Prime Minister was also requested by submitting an application for this.

Hon. Prime Minister Shri Narendra Modi had also announced this in the year 2015 on 18th August in Bihar. Along with the said schemes, he had also announced Rs. 600 crore for the development of tourism-pilgrimage sector in Bihar.

Through you, I request that the work that was to be done using the funds announced for the aforementioned schemes has not been done yet.

Therefore, I would request that sufficient funds be allocated for all the circuits including Buxar and its implementation should be done soon through the Union Government.

HON. SPEAKER: Shri Bhairon Prasad Mishra, Kunwar Pushpendra Singh Chandel are permitted to associate themselves with the matter raised by Shri Ashwini Kumar Choubey.

[English]

MOHAMMED FAIZAL (LAKSHADWEEP): Hon. Speaker Madam, I would like to draw your kind attention to the difficulties being faced by the people of Lakshadweep in implementation of GST. In Lakshadweep, the only produce we have is coconut and fish. All the essential commodities have to be brought from the

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mainland and there are a lot of overheads incurred by the traders. Whether it is soap, oil, stationery items or any other item, they have to buy them from Kerala or from Mangalore. The packets are taken to the wharf where the port shipping is happening. From there onwards, there are overheads like loading, transportation, unloading in the mid-sea and again transportation into the island and finally when the items reach the stores, the traders incur Rs. 250 to Rs. 350 extra cost per bundle. As per the Packaged Commodities Act, the price of a product is fixed as MRP, but we are forced to sell the products at a price higher than the MRP. This is the issue which I would like to flag.

For proper implementation of GST, all the traders have to register their details on internet. The facility of internet in Lakshadweep is very poor. The registration itself is taking 10 to 15 days. There are no tax experts to help the traders and Lakshadweep administration.

The next point is that there is no wholesaler available to get the products in the island. The most important part is that in the GST Council, there is no representative from Lakshadweep, either from the ethnic people or from the Government side, who can raise these problems in the GST Council.

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Just as Delhi Metro is the lifeline of Delhi, our lifeline is ship. The ship ticketing has been included in the GST. Our people travel to mainland for medical treatment or other purposes in ships. So, I would request the Government to exclude ship travel from the GST ambit.

[Translation]

HON. SPEAKER: I will tell you all the problems of Lakshadweep today itself.

[English]

MOHAMMED FAIZAL: Madam, I think there is no other place like Lakshadweep where we have so many issues related to implementation of GST. We are totally supporting GST but I would request the Government that it can be deferred for some time so that all the ambiguities and confusion may be cleared. Thank you.

[Translation]

HON. SPEAKER: Will you speak on all the problems of Lakshadweep today?

[English]

MOHAMMED FAIZAL: This is a unique place. There is no other place like Lakshadweep where we have so many issues

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regarding the implementation of GST. We are totally supporting GST but it could be deferred for some time. Till we clear all these ambiguities and confusions, it could be deferred.

Thank you very much.

[Translation]

SHRI OM BIRLA (KOTA): Madam Speaker, one lakh students from all over the country come to Kota, the educational city, to prepare for competitive examinations in medical and engineering.

Hon. Madam Speaker, quality and best education, best students and best institutions are available in Kota. The Union Government's state undertaking has also been closed in Kota, a huge campus of which is available there as a resource. As I said, one lakh students from all over the country come there to study and after studying there they become the best doctors, best engineers and best IITians in the entire country. Therefore, I demand from the government that any hub of higher educational institution should be opened in Kota from IIT, IIM, Central University or National University, so that the students coming to study in Kota can get the best education there. There are best professors available for studying there.

Hon. Madam Speaker, earlier also IIT was given for Kota. Our government had also sent a proposal for that, but the Union

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Government transferred that IIT to some other place. Therefore, it is our right that an institution of higher education should be opened here. Thank you.

HON. SPEAKER: Shri Bhairon Prasad Mishra, Kunwar Pushpendra Singh Chandel, Shri Chandra Prakash Joshi, Dr. Manoj Rajoria and Shri Gajendra Singh Shekhawat are permitted to associate themselves with the matter raised by Shri Om Birla.

SHRI HARISHCHANDRA ALIAS HARISH DWIVEDI (BASTI): Hon. Speaker Madam, thank you very much.

Madam, I would like to draw your attention to the crisis faced by Shiksha Mitras in Uttar Pradesh. Due to the mistakes and irregular adjustments of the previous government of Uttar Pradesh, the future of more than 1 lakh 75 thousand Shiksha Mitras and their families has become uncertain.

Madam, due to the negligence of the previous government the hon. High Court has almost rejected this adjustment. What is the fault of these lakhs of Shiksha mitra brothers and sisters in this? Shiksha Mitras are the backbone of primary education in Uttar Pradesh. With the cancellation of their adjustment, the primary education system in Uttar Pradesh has collapsed and Shiksha Mitras and their families are facing a crisis of starvation and unemployment.

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Therefore, through you, I demand from the Union Government that in the interest of lakhs of Shiksha Mitras and their families, some concrete and permanent steps should be taken with immediate effect. Thank you.

HON. SPEAKER: Shri Bhairon Prasad Mishra is permitted to associate with the issue raised by Shri Harishchandra alias Harish Dwivedi.

[English]

SHRI PRALHAD JOSHI (DHARWAD): Thank you, Madam.

All these days, we were discussing about the so-called intolerance in the country but it is very unfortunate that in Kerala day in and day out political murders have been taking place with the encouragement of the present Government. ... *(Interruptions)*
Since this Government took over, they have completed 17 months. In the past 17 months 17 people have been killed. ... *(Interruptions)*

HON. SPEAKER: Only what Shri Pralhad Joshi says will go on record.

...*(Interruptions)*... *

* Not recorded

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SHRI PRALHAD JOSHI: The Congress should be ashamed. Two of their workers have been killed but unfortunately Congress is not raising this issue. ... (*Interruptions*) They are hobnobbing with them in Delhi, in Parliament.

In the last 17 months, 17 murders have taken place. Every month, they are murdering one political person affiliated to either BJP or RSS. ... (*Interruptions*) It is bad that even the Balagokulam where children were participating in a *juloos* was attacked and many children were injured.

There is a village which falls in Kannur district. ...(*Interruptions*) The name of the village is Pinarayi. The Chief Minister hails from that district. ...(*Interruptions*) The CPI (M) State Secretary hails from that district. In that district, maximum murders have taken place. ...(*Interruptions*) In total, there have been 17 murders in 17 months. What has happened to Rajesh Edavakode, Vasu, we all know. It does not stop there. Madam, a petrol bomb was hurled at the BJP District Office, Thiruvananthapuram. The office of the BJP Headquarters was attacked.

Through you, Madam, I would like to ask one question. It is the duty of the State Government to protect its people. If at all there is a difference of opinion, we should respect each other. This is

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what democracy says but these people do not believe in democracy because they have killed the highest number of people in the world. During the Communist regime more than one million people have been killed in the world. ... (*Interruptions*)

In Kollam, five flag posts and three flex boards of the BJP have been burnt. They have attacked the BMS Office in Cherthala and Alappuzha; attacked the BJP Office in Kayamkulam, Kottayam; and attacked BJP Office in Vaikom and Kaduthuruthy and destroyed posters in Ernakulam. ABVP workers were attacked in Ettumanoorappan College and Government IIT ...(*Interruptions*) The BJP *karyakartas* were attacked. The BJP Office was destroyed in Thrissur. Madam, everyday offices of BJP and RSS are being attacked.

Madam, I would request that all these incidents should be inquired into by NIA or CBI, then only the truth will come out. With this demand, I reiterate that it should be inquired into by NIA because they are linked with terrorist activities also. These CPI (M) ... * are supporting them. This is the problem. Thank you very much. ... (*Interruptions*)

HON. SPEAKER: S/Shri Rajendra Agrawal, Om Birla, Bhairon Prasad Mishra, Prahlad Singh Patel, Ganesh Singh, Gajendra

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Singh Shekhawat, Karadi Sanganna Amarappa, Ajay Mishra, Suresh C. Angadi, Nalin Kumar Kateel, Anurag Singh Thakur, Prof. Richard Hay, Kunwar Pushpendra Singh Chandel and Dr. Kirit P. Solanki are permitted to associate with the issue raised by Shri Pralhad Joshi.

Shrimati Meenakashi Lekhi, you are raising the same issue.

[Translation]

SHRIMATI MEENAKASHI LEKHI (NEW DELHI): Madam, I would like to thank you for giving me this opportunity to speak. My subject is also related to the subject of Prahlad ji. I am going to read some names here - Pramod, Ramachandran, Vinish, Vishnu, Ramit, Anil Kumar, Radhakrishnan, Vimala, Santosh, Nirmal, Rabindranath, Sujit, Biju and Rajesh. No one will understand these names, but as soon as I say Tilu Pehlwan or Akhlaq, everyone will hear it. The reason is that these 14names belong to the people who were politically murdered in Kerala and no one even recognizes these 14names. ... *(Interruptions)* Those who keep giving speeches on intolerance, who talk about democratic systems, they do not tolerate people with other ideologies in democracy... *(Interruptions)* These 14names are of those people, where seven children were attacked. If the father was not at home, a seven-year-old child's arm was cut off with a sword.

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... (*Interruptions*) Those faces come before my eyes, the faces of Vimala, who was burnt to death, her two children Ashvithi and Ashwin come before my eyes... (*Interruptions*) Radhakrishnan seems to be her brother-in-law, her two children Arun and similarly a girl who became a celebrity there by saying "Sell me the answer", Vismaya's father Santokh was brutally murdered. In "Sell Me the Answer", the Member of the Legislative Assembly of Marxist Party asked this question and is talking to that girl, she is a very brilliant girl. It is said that why did someone pinch Vismaya? So he said that he wanted that doll, so he pinched her and snatched away the doll from her. Mother says that life is organized only by giving and taking, so I pinched her and took the doll. Similarly, the people of the government there made that girl a celebrity, but snatched her father from her and brutally killed her in front of her. If I tell you about a person named Rajesh, you will be surprised to know that he had 80wounds on his body caused by sharp weapons. His hand was chopped off. This is a brutal murder from two days ago. Remembering that murder reminds me of all the murders of Jayakrishnan Master, Chandrasekaran etc. , who were killed brutally and in Taliban style. Most of the people who are constantly joining ISIS come from this state. You will be surprised to know that this is not just an issue of RSS and BJP. In a notorious place like Kannur, 40 Congress workers were killed, 7

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Muslim League workers were killed, 3 SDPI workers were killed. Those who want to make Rohith Vemula's suicide a murder, I want to remind them today that maximum 51 women were involved in criminal incidents, including Dalit women. Of the 14 murders I am talking about, 4 are Dalits out of 14. They don't want another Ram Nath Kovind to be born because there is not a single Dalit in the Politburo. What is *[English]* god's own country *[Translation]* today is *[English]* godforsaken country *[Translation]* because they don't want anyone to stand against democratic systems.

Madam Speaker, I definitely would like to take three-four names. ... (*Interruptions*) That Damodaran, they killed their own people. CPM people killed CPI people, they killed Congress people, but what I don't understand is that when people from Bharatiya Janata Party are killed, we at least raise our voices, how do the rest of the people remain silent due to political conspiracies, how do they watch their own people getting killed. There can be political differences in a democracy but political differences cannot lead to killing people. They don't have the right to kill anyone. Through this Parliament, I want to remind about... * who have been Members of Parliament....* According to Pinarayi Vijayan, when he was the General Secretary of his party in the year

* Not recorded.

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2008, made such a statement and said that the Kannur model is very destructive, the Bengal model should be followed. I want to remind you of M. M. Mani, who is called Ek-Do-Teen Mani, because people like tin Jayarajans have moved from Kannur to Trivandrum today and these murders are happening inside Trivandrum. ... (*Interruptions*)

HON. SPEAKER: Please sit down, the time is up.

... (*Interruptions*)

SHRIMATI MEENAKASHI LEKHI: Madam Speaker, I want to say one line. ... (*Interruptions*)

HON. SPEAKER: Shri Rajendra Agarwal, Shri Hariom Singh Rathore, Sushri Shobha Karandlaje, Shri Anurag Singh Thakur, Shri Bhairon Prasad Mishra, Dr. Manoj Rajoria, Shri Sumedhanand Saraswati, Shri Om Birla, Shri Gajendra Singh Shekhawat, Shri Ajay Mishra Teni, Prof. Richard Hay, Shri Nalin Kumar Kateel, Shri Karadi Sanganna Amarappa, Shri Suresh C. Angadi and Shri Sudhir Gupta are permitted to associate themselves with the matter raised by Shrimati Meenakashi Lekhi.

[*English*]

DR. J. JAYAVARDHAN (CHENNAI SOUTH): The entire country is well aware of the drought situation prevailing in the State of Tamil Nadu. To mitigate the sufferings of farmers, we

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have asked a sum of Rs. 39,565 crore from the National Disaster Response Fund. The amount released by the Union Government is very meagre. Due to severe drought situation in Tamil Nadu, all water bodies and tanks are drying and are having very limited water storage. To handle the drought situation and safeguard the agricultural activities in future in the State, the Government of Tamil Nadu is reviving the Kudimaramath scheme, an ancient system and a traditional practice of people's participation in management of water resources. This practice helps to increase the capacity of traditional water bodies by desilting, and also helps in strengthening of bunds, repairing of sluices and masonry structures, etc., and thereby reviving groundwater also. This will go a long way in drought proofing the State. Therefore, the Government of India should provide financial assistance to supplement the State Government's funding which would help restore more traditional water bodies in Tamil Nadu.

I urge the Union Government to release a sum of Rs. 39,565 crore to mitigate the sufferings of farmers through National Disaster Response Fund. Thank you, Madam

HON. SPEAKER: Shri Sankar Prasad Datta.

SHRI SANKAR PRASAD DATTA (TRIPURA WEST):
Madam, at the recommendations of the NITI Aayog, this BJP

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Government is bracing itself for a large scale privatization of the public sector. The NITI Aayog has been completely hijacked by the corporate sector and all its proposals are in tune with the demands made by the neo-liberal economic reform trajectory of international finance capital and domestic big corporate houses. This latest attack on the public sector is in tune with its aggressive pursuance of the neo-liberal economic reforms which include the handing over of prime public assets to foreign and domestic private capital.

13.00 hours

Madam, major privatization of defence production centres is underway. Apart from providing a bonanza for foreign defence equipment producing corporates, this poses a serious threat to India's security. The Indian Railways, which is the lifeline of the people and which unites our country and people, is now sought to be privatized. Various services connected with the Railways are being given away to private operators. This will impose very severe burden on crores of Indian people for whom the Railways is the only lifeline for travel, livelihood and communication.

In the financial sector also, the new FRDI legislation that the government has proposed, completely removes the banks and financial institutions from any degree of public scrutiny and social

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control. This again will have a very negative impact on the livelihood of the vast masses of our people.

Air India holds a huge area of real estate and has many other assets including a huge collection of precious paintings and art objects. Now in the name of privatization all this is sought to be handed over to private capital for maximization of profits. This privatization drive also undermines the limited opportunities provided for social justice vastly reducing the reservations in jobs for SCs, STs and OBCs.

I urge upon the Government of India to save the people and the interest of the country. This random privatization of national assets has to be stopped immediately for the sake of people of our country.

HON. SPEAKER: Shri Md. Badaruddoza Khan, Shri Jintendra Chaudhury, Shri Mohammad Salim, Shri P. Karunakaran and Shri P. K. Biju are permitted to associate with the issue raised by Shri Sankar Prasad Datta.

[Translation]

SHRI VINOD KUMAR SONKAR (KAUSHAMBI): Hon. Speaker Madam, I wish to draw your attention to the fact that in various jails across the country, including those in Uttar Pradesh, prisoners are lodged far in excess of capacity. Due to

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overcrowding in jails, disturbances occur frequently, the Government has to bear a substantial financial burden, and the jail administration faces considerable difficulty in maintaining discipline among the inmates.

Through you, I request the Union Home Minister to consider releasing those prisoners, excluding those imprisoned for sedition or involvement in terrorist activities whose sentences have been completed, or who are suffering from serious illnesses, or who are above sixty years of age. Many prisoners are afflicted with grave ailments such as cancer and are unable even to walk. They can no longer be involved in any criminal activity. I therefore urge that assistance be extended to secure the release of such persons from jails. Thank you.

HON. SPEAKER: Shri Bhairon Prasad Mishra, Kunwar Pushpendra Singh Chandel and Dr. Manoj Rajouria are permitted to associate themselves with the matter raised by Shri Vinod Kumar Sonkar.

[English]

... (*Interruptions*)

HON. SPEAKER: The House stands adjourned to meet again at 2.00 p. m.

13.03 hours

The Lok Sabha then adjourned till Fourteen of the Clock.

14.02 hours

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

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

MATTERS UNDER RULE 377 *

HON. DEPUTY-SPEAKER: Hon. Members, 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 hand over the text of the matter at the Table of the House within 20 minutes. Only those Matters shall be treated as laid for which the text of the Matter has been received at the Table within stipulated time. The rest will be treated as lapsed.

* Treated as laid on the Table

(i) Need to ensure the share of farmers in the profits on final food products

[Translation]

SHRIMATI RITI PATHAK (SIDHI): Agriculture is a *yajna*, and the farmer is its principal performer. Yet, both this agricultural *yajna* and the farmers have, for years on end, been passing through periods of crisis and struggle. I believe that for several decades, initiatives have, by and large, been undertaken to strengthen agriculture and the farmers, and both our State and Union Governments have taken effective, meaningful and historic steps for the uplift of agriculture and farmers. The condition of agriculture and the farming community has also improved, but I have no hesitation in stating that we have not succeeded in placing agriculture on a parallel footing with other trades. That is why, when we offer a young person the option of opening a small shop or taking up agricultural work, he promptly chooses to open the shop.

There is no doubt that our Government under the leadership of Shri Narendra Modi ji, as well as this entire House, is collectively concerned about agriculture and farmers. Recently, a thought occurred to me regarding the uplift of agriculture and farmers, and I wish to place it before the Government with the

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expectation that this House will deliberate upon it and, if implemented, it will contribute to the advancement of agriculture and the farming community. In that event, I shall remain deeply obliged to you all.

It is observed that a farmer, the producer of raw material, receives a price for his produce which is many times less than the value and profit earned by the manufacturer, wholesaler and retailer of the various products made from that raw material. The one who supplied the raw material has never been able to brighten his clothes or his face, while those who, from the raw material born of his sweat, manufacture by-products have become wealthy. For example, seventy-five grams of potatoes processed into chips are sold in the market at Rs. 25, whereas the producer of the principal raw material (potatoes) receives only fifty to seventy-five paise for seventy-five grams of potatoes. There are thousands of such products available in the market, for instance, tomatoes, cotton, beans, where the producers of the raw material suffer poverty, while the manufacturers of the secondary products (by-products) continue to accumulate wealth and progress.

My submission is that the farmer, the producer of the raw material, should, in addition to the price received for the raw material, also be paid a bonus from the profit earned on the

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secondary products (by-products) manufactured from that raw material, and that his share therein should be fixed. I can say with certainty that this revolutionary step will be capable of bringing a glow to the face of agriculture and the farmer.

Once again, I humbly urge that, if this idea is capable of strengthening the farmers and agriculture in the region, the Government should hold discussions and enact it into law.

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(ii) Need to review the defence preparedness of our armed forces in view of the border standoff with China at Doklam and also utilise diplomatic channels on the issue

SHRI BIRENDRA KUMAR CHAUDHARY

(JHANJIHARPUR): Preparations are underway by China along the Indian border with the intent of aggression. This is a matter of grave concern. The manner in which the armies of both countries are standing face-to-face in Doklam indicates that tensions are likely to escalate in the coming days. Military exercises are also being conducted there. China claims that Doklam is its territory. By violating agreements and pursuing its expansionist policies, China is engaging in provocative actions with the intention of occupying a large part of north-eastern India. Through its newspapers, China is also issuing threats that its army will not be able to remain calm for long, and in such a situation India will have to suffer losses far greater than in the 1962 war. China is demanding that India withdraw its troops. The Chinese media has published that some people in India have not been able to digest the defeat of 1962 and are therefore deliberately creating such a situation.

In these circumstances, we need not only to maintain our strategic preparedness at the highest level of alertness but also to

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present our position forcefully before the world community at the diplomatic level, so that we may fully expose China's nefarious intentions.

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(iii) Need to provide basic civic amenities in Rajaurgarh Gram Panchayat in Dausa Parliamentary Constituency, Rajasthan

SHRI HARISH MEENA (DAUSA): I wish to draw the attention of the Government to a matter of utmost importance. Seventy years have passed since the country attained independence, yet there are still many places in the country which remain deprived of basic amenities. Even today, there are areas where there is no provision for roads, electricity or water.

By way of example, I wish to draw attention to the Gram Panchayat Rajourgarh in the Thanagazi Assembly segment of my parliamentary constituency. I recently visited this Panchayat, where to this day there is no road fit for use, and there is no electricity in the entire Panchayat, including the Gram Panchayat office, the Government school and other Government offices, nor is there any arrangement for drinking water. Although numerous welfare schemes of the Government such as the Pradhan Mantri Gram Sadak Yojana and the Pandit Deendayal Upadhyaya Gram Jyoti Yojana are in operation for the provision of these basic amenities, the common people are suffering due to the failure of Government agencies to implement these schemes properly and their lack of interest in their publicity and promotion.

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It is a deeply serious and regrettable matter that, even after so many years of independence, people remain deprived of basic facilities. I therefore urge the Government to take this matter seriously and to take immediate necessary action for its implementation.

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(iv) Regarding making available loans to farmers at concessional rate

SHRI OM BIRLA (KOTA): The Government of India had announced the grant of a 3 per cent interest subvention for the years 2013-14 and 2014-15 to farmers who repaid their short-term crop loans on time. In order to ensure that farmers repaying loans on time through the short-term cooperative credit structure receive the benefit of this 3 per cent interest subvention promptly, it is suggested that the amount be made available by the Union Government at the beginning of the year, or arrangements for it be made through NABARD, or an amount equivalent to 75 per cent of the interest subvention be placed with cooperative banks as an interest-free revolving fund.

I also urge the Government to provide loans at more concessional rates to farmers who repay their loans on time. I request the Government to take steps in this regard at the earliest and to initiate the necessary action in this direction.

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(v) Need to obtain consent of customers before conversion of Jan-Dhan bank accounts into saving account

SHRI SUBHASH CHANDRA BAHERIA (BHILWARA):

Under the leadership of Prime Minister Shri Narendra Modi ji, the NDA Government connected crores of citizens to the banking system through the Jan Dhan Yojana. Under this scheme, bank accounts were opened with zero balance. The majority of account holders under this scheme were poor persons, farmers, and working women. At present, banks are pressurising Jan Dhan account holders with deposits of over Rs. 10,000 to convert their accounts into savings accounts. Some banks are even unilaterally converting Jan Dhan accounts into savings accounts. For savings accounts, banks require a minimum balance of Rs. 3,000 to Rs. 5,000. This is causing difficulties for the poor, farmers, and working women who hold Jan Dhan accounts.

I urge that directions be issued to all banks that Jan Dhan accounts should not be converted into savings accounts without the consent of the account holder.

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(vi) Need to accord approval to the Kumbha Ram Lift Canal Project in Jhunjhunu district of Rajasthan

SHRIMATI SANTOSH AHLAWAT(JHUNJHUNU):

Through the Government, I wish to draw the attention of the Hon. Minister of Drinking Water and Sanitation to the increasingly grave drinking water problem in my parliamentary constituency, Jhunjhunu. The district has already been declared a dark zone. In the villages of the district, water supply is being made through tankers, which is grossly inadequate.

In view of the district's acute drinking water problem, the Rajasthan Government, in its 2016–17 Budget, announced drinking water supply to 284 villages and 573 habitations in the two Assembly constituencies of Surajgarh and Udaipurwati in Jhunjhunu district, through the Kumbaram Lift Canal Project, at a cost of Rs. 1,296 crore. On 24 April 2016, the State Government granted administrative approval for this project. Since the State Government has limited resources, it decided to obtain external financial assistance for the project and sent the detailed project report to the Union Ministry of Drinking Water and Sanitation. The State Government also requested that financial assistance for this project be arranged through JICA or any other funding agency.

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However, even after 15 months, the project file is still moving between officials of the Union and State Governments. I urge the Union Government to take the necessary steps in this matter at the earliest.

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(vii) Need to start Lanco Vidarbha Thermal Power Station in Wardha Parliamentary Constituency, Maharashtra

SHRI RAMDAS C. TADAS (WARDHA): I wish to draw the attention of the Hon. Minister to an important public interest and livelihood matter concerning my parliamentary constituency, Wardha. In Vidarbha, due to unemployment and farmers not receiving fair prices for their crops, incidents of farmers' suicides continue to occur. To address this problem, in the financial year 2011, approval was granted for the Lanco Vidarbha Thermal Power Station in Wardha and work on it was commenced, providing employment to hundreds of people in the district. In 2013, work on this project was halted, in response to which I had urged the Hon. Prime Minister through a letter to resume the project, as a result of which work was restarted. However, in 2017, the work on the Lanco project was again stopped. This has resulted in employees working on the project and contractors having dues of several crores of rupees pending with the company, leading to a situation of starvation among the employees.

I, therefore, urge the Government to issue directions to the management group of Lanco Company to restart the stalled work in Wardha and to ensure payment of all outstanding dues to employees and contractors so that this problem may be resolved.

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(viii) Need to include construction and renovation of small water bodies for irrigation purposes under Pradhan Mantri Krishi Sinchayee Yojana

SHRI RAVINDRA KUMAR RAY (KODARMA): The Pradhan Mantri Krishi Sinchai Yojana is a highly important and ambitious scheme of the Union Government, through which farmers and agriculture will be uplifted. At present, the funds of the Pradhan Mantri Krishi Sinchai Yojana are being spent on major irrigation projects. The irrigated area under such major irrigation projects does not exceed 20 per cent of the total agricultural area of the country. Most cultivable land lies in rural and forest areas, where irrigation is done through minor irrigation systems, ponds and wells.

I therefore urge that provisions be made for the renovation of old ponds which have been silted up over the years, the construction of wells for small farmers, the construction of new ponds, and, where public land is unavailable, the construction of ponds on private land under limited conditions for public irrigation. This will help to achieve the goal of *har khet mein paani, har haath ko kaam* — water for every field and work for every hand. This scheme should be implemented at the Panchayat level so that farmers can have the assurance of a secure future. I

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thus demand that the funds of the Pradhan Mantri Krishi Sinchai Yojana be devolved to the Panchayat level and spent on minor and medium irrigation projects.

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(ix) Need to repair and reconstruct the stretch of National Highway No. 753B in Bharuch Parliamentary Constituency, Gujarat

SHRI MANSUKHBHAI DHANJIBHAI VASAVA (BHARUCH): I wish to draw the attention of the Government to National Highway 753B, which runs from Ankleshwar in my parliamentary constituency of Bharuch to Burhanpur in Maharashtra. At present, this National Highway is in a deplorable condition at several places, with large potholes in many stretches, and it carries heavy traffic. Large vehicles frequently ply on this route, leading to many accidents and a high likelihood of further mishaps. This highway passes through Paloni, Dahej and the Ankleshwar industrial area in my constituency, and it is along this route that large vehicles travel between Madhya Pradesh and Maharashtra.

I urge the Government to repair the damaged section of the aforesaid National Highway 753B, particularly the portion passing through my constituency, and, after repairing it, to undertake the necessary work to reconstruct and upgrade the National Highway.

**(x) Need to expedite completion of pending railway projects
in Jharkhand**

[English]

SHRI NISHIKANT DUBEY (GODDA): I had pointed out many Railway projects which have already been sanctioned, and are stuck in red-tapism and needless delays at various levels-Ministry, Government of Jharkhand district administration. Less than two years are left now to undertake development works for the benefit of people. I would request the Minister to intervene personally and have the backlogs cleared-

The Projects are:

- | | | | |
|-----|--------------------------------|---------------|--------------------------------------|
| (1) | Hansdiha | - | Godda |
| (2) | Pirpainti | - | Jasidih |
| (3) | Vikramshila | - | Katerian bridge at
Bateshwarsthan |
| (4) | Godda | - | Pakur |
| (5) | Chitra | - | Basukinath |
| (6) | Upliftment of Jasidih Station: | | |
| | (a) | Washing pit. | |
| | (b) | Second entry. | |
| | (c) | By—pass | |

(7) New Halts

- (a) Arjun Nagar
- (b) Saliya
- (c) Dhawatand

(8) Madhupur Railway Station Development

(9) New Trains

- (a) Deoghar-Howrah
- (b) Deoghar-Delhi
- (c) Daily-Poorva
- (d) Three days-Rajdhani-via-Jasidih

I, therefore, urge the Government to take immediate steps in this regard.

(xi) Need for simultaneous elections to Lok Sabha and State Assemblies

SHRIMATI ANJU BALA (MISRIKH): The need for simultaneous elections to Lok Sabha and Legislative Assemblies is the need of the hour. The Law Commission of India in its 170th Report on Reform of Electoral Laws has also recommended it for the sake of stability in governance. Simultaneous elections would reduce massive expenditure incurred for conduct of separate elections every year. Elections lead to imposition of Model Code of Conduct which put on-hold the entire development programme and activities of the Union and State Governments affecting the normal governance.

Frequent elections lead to disruption of normal public life and impact the functioning of essential services. Holding of political rallies disrupt road traffic and also lead to noise pollution. If simultaneous elections are held, this period of disruption would be limited to a certain pre-determined period of time. Simultaneous elections would free the crucial manpower which is often deployed for prolonged periods on election duties.

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(xii) Need to expedite Kanhar Barrage Project in Garhwa district of Jharkhand

[Translation]

SHRI VISHNU DAYAL RAM (PALAMU): The Kanhar Reservoir Scheme was initiated in 1975. Under this scheme, it was initially proposed to construct a dam at Baridih in Garhwa district. However, as both forest and non-forest land in Chhattisgarh fell within the submergence area of the dam, the State of Chhattisgarh did not consent to the proposal.

Under the present Kanhar Barrage Scheme, a proposal has been prepared for the construction of a barrage on the Kanhar river at Khurri village in Ranka block of Garhwa district, and for the construction of a reservoir at Lawadoni. A main canal will run from the Kanhar Barrage to the Lawadoni reservoir, from which two main canals are proposed. The right main canal will provide irrigation to 8,703 hectares, and the left main canal will provide irrigation to 42,321 hectares. By an interim order of the Hon. High Court of Jharkhand, Ranchi, in PIL No. 4663/01, the implementation of the scheme is being monitored by a high-level committee chaired by a retired Judge of the Jharkhand High Court. In accordance with the recommendations of this Committee, it has been decided to have the Detailed Project Report (DPR) for the

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Kanhar Barrage Project prepared through a consultant. Accordingly, M/s Lahmeyer International (India) Pvt. Ltd. was assigned the task of preparing the DPR for the Kanhar Barrage Project, and M/s Mantec was assigned the task of preparing the DPR for the Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP). M/s Lahmeyer International (India) Pvt. Ltd. has submitted the DPR for the Kanhar Barrage Project with an estimated cost of Rs. 1,903.36 crore, which is presently under examination by the Central Water Commission (CWC), New Delhi. Upon obtaining technical appraisal from the CWC and clearance from the Ministry of Environment, Forest and Climate Change (MoEF), the construction work on the scheme can commence.

I urge the Government to take a special interest in ensuring the earliest possible completion of the Kanhar Barrage Project, so that a major problem relating to farming and irrigation in Garhwa district can be resolved.

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(xiii) Regarding renovation of historical temples and tourist places in Gaya and Aurangabad districts of Bihar

SHRI SUSHIL KUMAR SINGH (AURANGABAD): In my parliamentary constituency, the two districts of Gaya and Aurangabad have several ancient temples and tourist sites. One of these, the Kocheshwarnath Temple, was included in the list of national heritage monuments by the Archaeological Survey of India (ASI) in 1996, and the Department sent several letters to the District Magistrate for the development of this temple. However, the concerned authorities have, to date, not ensured compliance with the instructions of the Union Government, as a result of which the condition of the said temple is dilapidated. Where sites and tourist locations are taken over by the Union Government's departments, the absence of direct action by the Union Government for their development results in such places falling into disrepair.

I had requested the development of the ancient Surya Temple built in Ilakal in Dev block of Aurangabad district. Along with this, I had also raised the dilapidated condition of Baijudham, Bankedham, Keshapadham, Umeshwari Mata Temple, Gajnadham, Dudheswar Temple and Satyachandi Mata Temple. However, the Union Government informed us that the matter

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pertains to the State Government. The Dev Surya Temple receives nearly 25 lakh devotees annually from various parts of the country, yet even basic facilities are not available at the site.

I therefore urge that the Union Government grant the necessary funds for the development of such places, or make provision for the enactment of an appropriate law to make State Governments responsible for the development of such sites.

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(xiv) Need to reduce the minimum age-limit for physically challenged persons to avail the benefits under Pradhan Mantri Awas Yojana

SHRI PRAHLAD SINGH PATEL (DAMOH): In view of the Hon. Prime Minister's vision of "Housing for All" by the year 2022, the Ministry of Rural Development has set ambitious targets under the Pradhan Mantri Awas Yojana—Gramin for families who are homeless or living in kutcha houses.

Under the Pradhan Mantri Awas Yojana, the minimum age of the beneficiary has been fixed at 40 years, which is proving to be an obstacle for persons with disabilities and for destitute persons.

For applicants with 80 per cent disability and for destitute persons, the age limit under the Pradhan Mantri Awas Yojana should be reduced to 18 years, in line with the voting age, and prompt action should be taken in this regard, so that no person with disability or who is fully destitute has to face such inconvenience.

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(xv) Need to confer Bharat Ratan Award on Dr. Ram Manohar Lohia, Chaudhary Charan Singh and Karpoori Thakur

SHRI HUKMDEO NARAYAN YADAV (MADHUBANI):

Every year, individuals are honoured with the Padma Awards. A review should be undertaken to assess how many Padma Awards have been conferred upon persons from the backward classes, Scheduled Castes, and farmers. The rural population accounts for 68.08 per cent of the country, yet such a large section has been deprived of the Padma Awards. Among the recipients of the Bharat Ratna, there may be only one or two from these sections. Dr. Ram Manohar Lohia, Chaudhary Charan Singh, and Karpoori Thakur dedicated their entire lives to organising the backward classes and awakening political, social and educational consciousness among them. They were the messiahs of farmers, the poor, and the backward classes — emperors of their hearts. Such great personalities should be conferred the Bharat Ratna. They were truly the jewels of India, and honouring them would make the backward classes and farmers of the country feel honoured themselves. This matter should be given serious consideration, and this year these great personalities should be honoured with the title of Bharat Ratna.

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(xvi) Need to establish a Kendriya Vidyalaya in Banda district,Uttar Pradesh

SHRI BHAIROON PRASAD MISHRA (BANDA): In Banda district of my parliamentary constituency, there is no Kendriya Vidyalaya. Eight acres of land have already been identified for this purpose in the Agricultural University. Arrangements have also been made within the Agricultural University for 20 classrooms and an office to commence classes from this year. The deadline for admission to any session in Kendriya Vidyalayas is 31 July.

I therefore urge the Government to kindly issue directions for the Kendriya Vidyalaya in Banda district to commence functioning from this session itself.

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(xvii) Regarding outbreak of vector-borne disease in Kerala*[English]*

DR. SHASHI THAROOR (THIRUVANANTHAPURAM): I would like to draw the attention of the Government towards the public health disaster in my home state of Kerala, where the outbreak of vector borne diseases is severely crippling everyday life, including in my constituency of Thiruvananthapuram, which is among the worst affected.

Over 2 lakh cases of viral fever alone have been reported in the state as of June this year which has resulted in the death of over 120 individuals in the first 6 months of 2017— the highest in the history of Kerala. 23 have died of dengue and the number of reported cases of dengue is also at its highest, at 11581 by July, as against a total of 7439 in 2016. Hospitals are putting up houseful signs like cinemas.

Given that this figure only represents reported cases, it is very likely that it does not fully reflect the actual magnitude of the crisis, particularly in rural areas where cases are frequently under-reported. As the monsoon strengthens as is usual, the situation is only expected to worsen.

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The state's public health infrastructure is stretched to its limits, and one is left with the heartbreaking sight of children, the elderly, and the weak lining up outside medical facilities, unable to avail treatment as hospitals are inundated with patients. This is not a crisis the state can handle on its own.

I urge the Minister of Health to depute a high—level crisis response team to take stock of the crisis, increase the quantum of funds allocated to the state for tackling vector borne diseases, and ensure that these funds are released on a priority basis.

(xviii) Need to provide financial assistance to Karnataka affected by drought

SHRI B. N. CHANDRAPP (CHITRADURGA): The State of Karnataka has been subjected to severe drought successively for the last six years. This year deficit and scarcity in rainfall has put the State in very bad condition. This year, 139 Taluks out of 176 Taluks in the State have been declared as drought affected. This has caused huge economic loss to the State in general and agrarian community in particular. Deficit rainfall consecutively for more than six years has resulted in very poor or no storage in minor irrigation tanks and also depletion of groundwater level in the State which is an important source of drinking water for Rural population and livestock.

The total estimated loss due to drought in the State is 17,193 crores. The Central team has also studied the ground realities. Government of Karnataka has sought assistance from the Union Government under NDRF to the tune of Rs. 4702.54 crores, in addition to special assistance of Rs. 967.76 crores.

Hence, I urge upon the Union Government to sanction the financial assistance sought by the Government of Karnataka under NDRF to the tune of Rs. 4702.54 crores and special assistance of

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Rs. 967.76 crores immediately and save the lives of the poor people in the State.

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(xix) Need to withdraw GST imposed on textile products

SHRIMATI K. MARAGATHAM (KANCHEEPURAM): I wish to raise a very important issue about the Textile (Silk) Weavers in my Kancheepuram Constituency.

Kancheepuram is popularly known as Silk City & Kancheepuram Sarees are called as queen of sarees. Weavers' economy is mainly based on silk & handloom for more than 400 years and more than 10,000 families are engaged in this field.

Since Textile Industry is on the verge of shutting down, our former Chief Minister had assured of giving free power and announced free electricity after assuming office last year.

The Union Government has imposed 18% GST on Textiles, which has severely affected the Textile Industry. 5% on Raw Silk, 12% on gold zari & 5% on finished products have been imposed. GST has affected cooperative societies & marketing agencies.

In this regard, I urge the Union Government to withdraw the GST imposed on Textile products and save the Industry and the lives of thousands of workers and their families.

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(xx) Need to protect the interests of domestic poultry industry

SHRI P. R. SUNDARAM (NAMAKKAL): I would like to register my deep concern about the report of the Law Commission against poultry industry in the country. The commission's report aims at destroying the poultry industry in Tamil Nadu. Namakkal is one of the districts in the state in which poultry is one of the main industries employing thousands of people directly and indirectly. Approximately, 5 crore eggs are being exported every month from Namakkal district alone. At present, the Law Commission has submitted its Report No. 269 titled 'Transportation and House-keeping of Egg-laying hens (layers) and Broiler Chickens'

In this report, it is assumed that on the ground of ethical treatment to animals, the Government is keen to destroy domestic poultry industry so as to allow international companies into this field. Particularly, the recommendation of the Law Commission in chapter IV of its report for amendment in the provisions of the Prevention of Cruelty on Animals Act to provide for stringent punishment will totally eradicate the industry. Therefore, I urge the Government to reject the recommendations of the report submitted

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by the Law Commission so as to protect the domestic poultry industry.

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(xxi) Regarding making river Ganga pollution-free

DR. RATNA DE (NAG) (HOOGHLY): The issue of making Ganga free of pollution is alive for the last 3 decades. Both Centre and State Government have made attempts to clear Ganga and make it pollution free. Laws too were changed. Penalties imposed. National Green Tribunal (NGT) came into being in 2010 to change the deteriorating environmental situation in the country. But the dream of making Ganga pollution free, is still waiting to be achieved or fulfilled. Huge sums of money running into crores of rupees were spent on clean Gange project, for decades. As per a report in the Times of India dated 15th July 2017, Rs. 7,000 crores were spent. As per the record during March 2017 National Mission of Clean Ganga Project has approved 26 projects with Rs. 2,154.28 crore. Discharge of inflammable effluents for industries go unnoticed. Even Public Sector Enterprises like BHEL pollute Ganga.

I would like to strongly urge the Government to look into the issue in the light of recent NGT order and Supreme Court directives and come out with an innovative way to address the issue of making Ganga clean, pollution free and save the environment from further decay and destruction.

(xxii) Regarding reported changes recommended in school text books

PROF. SOUGATA RAY (DUM DUM): The RSS affiliated Shiksha Sanskriti Utthan Nyas recommended that the thoughts of Tagore be removed from school textbooks for all classes. The recommendations were made by the Nyas to the National Council of Educational Research and Training (NCERT), which recently sought suggestions from the public on reviewing school textbooks for all classes. Besides Tagore, the Nyas, has sought removal of English, Urdu and Arabic words, a poem by the revolutionary poet Pash, a couplet by Mirza Ghalib, extracts from painter M F Hussain's autobiography and references to Mughal emperors as “benevolent”. This is a dangerous recommendation since Rabindranath Tagore is the poet who composed the National Anthem for both India and Bangladesh and has been hailed as a world poet. The Government should categorically state that it has no connection with such comments made by the Nyas.

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(xxiii) Regarding assessment of demonetized notes following demonetization

SHRI ARVIND SAWANT (MUMBAI SOUTH): The Government of India had announced demonetization of Rs. 500 and Rs. 1000 notes on November 8, 2016. As per the Estimate of the Reserve Bank of India, the demonetization involved a flow-back of 86% of Rs. 17 lakh crores of cash in circulation to RBI through the Banking system. The window for deposit of the demonetized notes closed on December, 30, 2016.

It is now already more than six months since the demonetization scheme came to a close. The RBI Governor has stated that the counting of the demonetized notes which flowed-back to the RBI has not yet been completed.

The most surprising part of the demonetisation Scheme is that the RBI had floated global tender for purchase of heavy duty counting machines and that the requisite machines are still awaited.

I request the Hon'ble Minister of Finance to explain the overall *odus-operandi* involved in the exercise of assessing the total amount of currency which flowed back following demonetisation and by when the RBI would be in a position to finalize this work.

(xxiv) Need to provide telephone/digital connectivity in rural areas of Andhra Pradesh.

SHRIMATI KOTHAPALLI GEETHA (ARAKU): I would like to bring to the notice of the Government the issue regarding providing Connectivity to all the gram panchayats under Digital India. Hon'ble Prime Minister launched Digital India initiative to push the use of technology to connect and empower people in area relating to health, education, labour and employment, commerce, etc. This initiative comprises of several projects which will focus on better governance, knowledge and Universal phone connectivity across the country.

I would like to draw the attention of the Government regarding the Connectivity issues in my constituency Araku, which is completely a rural and tribal constituency which has not been provided with telephone connectivity and Digital Connectivity. Out of 38 Mandal headquarters, 22 mandals are yet to be provided with digital connectivity.

In view of the above, I request the Hon'ble Minister of Communications to kindly intervene and issue necessary instruction so as to provide telephone/mobile connectivity as well as digital connectivity in interior rural areas of Andhra Pradesh.

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(xxv) Need to achieve the objectives of demonetisation of bank notes

SHRI P. KARUNAKARAN (KASARGOD): Since one motive of the demonetization notification S. O. 3407(E) is to easily identify genuine bank notes from the fake, the Government has to take steps to produce new kind of bank notes using modern technology which cannot be duplicated.

Secondly the notification says “it has been found that high denomination bank notes are used for storage of unaccounted wealth. " The taskforce report says (Executive Summary Of Indian Black Money Abroad In Secret Banks and Tax Havens Second Report) that “tax evasion, corruption, bribery and kickbacks, and criminal activities” are the sources of unaccounted wealth. So the government has to take steps to implement the recommendations of the aforesaid report alongwith other agency reports.

The third motive of the notification is to check terrorism. Wherever the terrorists are motivated by the social issues and wherever they are not working for their self-benefits, it is the duty of the government to bring them to the mainstream.

The Government can depend on various studies.

(xxvi) Regarding flood situation in Assam

SHRI RADHESHYAM BISWAS (KARIMGANJ): Recent flood and erosion in Assam affected more than 30 lakh people in 29 districts by destroying properties. Many of affected people have taken shelter in relief camps. Human casualty rose up to 70, animal casualty in Kaziranga up to 100 with a large number of domesticated animals severely affected and near about 50,000 hectares crop areas damaged. All roads of my constituency have been badly damaged. Assam has lost 4000 sq km land due to erosion till date. Flood and erosion has become a major problem in the way of development of Assam. I urge upon the Union Government to set up a special team to study about it and to find out a permanent solution of flood. In my constituency Karimganj, 60 percent and 40 percent crop areas of Karimganj and Hailakandi districts are still under flood water. People cannot grow crops without help of government. I urge upon the Government to release a special package to the state government to tackle the present flood situation in Assam.

(xxvii) Regarding deep-sea fishing by foreign vessels owned by Indian Companies

SHRI N. K. PREMACHANDRAN (KOLLAM): The Letter of Permission (LoP) is issued for deep sea fishing by foreign vessels owned by the Indian Companies. The matter was challenged before the High Court of Kerala. The issues generated through LoP and deep sea fishing is of critical importance in the financial sector and security of sea in the high sea territories. The Government failed to monitor, control and regulate the deep sea fishing by the foreign vessels. The foreign vessels are operating without giving any account regarding the quantum of sea wealth netted to Government of India. Now the vessels have been withdrawn from the EEZ. The operation and withdrawal of the foreign vessels without complying with the existing procedure endangers the wealth and security of the country.

Hence I urge upon the Government to conduct a detailed enquiry regarding operation and withdrawal of foreign vessels owned by the Indian Companies as directed by the Court.

14.04 hours

**STATUTORY RESOLUTION RE: DISAPPROVAL OF
CENTRAL GOODS AND SERVICES TAX (EXTENSION
TO JAMMU AND KASHMIR) ORDINANCE, 2017,
CENTRAL GOODS AND SERVICES TAX (EXTENSION
TO JAMMU AND KASHMIR) BILL, 2017,**

**STATUTORY RESOLUTION RE: DISAPPROVAL OF
INTEGRATED GOODS AND SERVICES TAX
(EXTENSION TO JAMMU AND KASHMIR)
ORDINANCE, 2017**

AND

**INTEGRATED GOODS AND SERVICES TAX
(EXTENSION TO JAMMU AND KASHMIR) BILL, 2017**

HON. DEPUTY-SPEAKER: Now, the House will take up Item Nos. 20 to 23 together.

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR):

Sir, I beg to move:

“That this House disapproves of the Central Goods and Services Tax (Extension to Jammu and Kashmir), Ordinance, 2017 (Ordinance No. 3 of 2017) promulgated by the President on 8th July, 2017”.

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THE MINISTER OF FINANCE, MINISTER OF CORPORATE AFFAIRS AND MINISTER OF DEFENCE

(SHRI ARUN JAITLEY): Sir, I beg to move*:

“That the Bill to provide for the extension of the Central Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir, be taken into consideration.”

SHRI ADHIR RANJAN CHOWDHURY: Sir, I beg to move:

“That this House disapproves of the Integrated Goods and Services Tax (Extension to Jammu and Kashmir), Ordinance 2017 (Ordinance No. 4 of 2017) promulgated by the President on 8th July, 2017. ”

SHRI ARUN JAITLEY: Sir, I beg to move*:

“That the Bill to provide for the extension of the Integrated Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir, be taken into consideration.”

These amendments are really formal but in larger national interest. The Goods and Services Taxes were introduced by a legislative process by which we first amended the Constitution of India. Under the Constitution, two sets of amendments were made.

* Moved with the recommendation of the President

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One was taking away the power of the Union Government in the Central List to impose certain kinds of taxes which were to be provided under the GST. Thereafter, a certain category of taxes to be levied by the States was also taken away. Then both the Central and State Governments together, by pooling in their taxation sovereignty, created the Goods and Services Tax Council. The power to decide rates, levy and other decision vested in them. Even the draft of the legislations which the Parliament and the State Assemblies have passed was prepared by the GST Council and the rates have been decided by them. But then because of the provisions of article 370, the Constitution Amendment was applicable to the whole country except to the State of Jammu and Kashmir.

Therefore, Jammu and Kashmir, under their Constitution, had to separately undergo a legislative process. Jammu and Kashmir went through that legislative process and finally passed a Resolution in their State Assembly and then brought in a relevant legislation by virtue of which they passed their own the State GST Act.

However, corresponding changes had to be made in the Central GST Act and the Integrated GST Act because the Acts which we had passed, at various points, had said that the Act will

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be applicable to the whole country except the State of Jammu and Kashmir. Once the State of Jammu and Kashmir integrated itself with the GST mechanism, the first Bill, which is the Central Goods and Services (Extension to Jammu and Kashmir) Act, itself had various provisions. The effect of all these provisions in effect is that these are language changes. Wherever we have mentioned inapplicability to the State of Jammu and Kashmir, that is being deleted because now the CGST Act will also apply to the State of Jammu and Kashmir.

Similarly, in the IGST Act, similar corresponding changes have been made which are necessary upon the integration of the State GST into the Central GST so that they can become a part of the IGST chain itself.

These are formal amendments which are required to the CGST Act and SGST Act recognising the fact that the State of Jammu and Kashmir is integrated and therefore, in pursuant to that integration, the exemption that we have carved out for the State is intended to be taken away.

It is a very fortunate development because it brings about the economic integration of the whole country and it is in the larger interest, I may say, of both consumers and traders as also the Government of Jammu and Kashmir. It is in their larger interest

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because of one reason. If they did not integrate with the national GST, then for goods sold in the State which are manufactured outside the State, they would not get the benefit of input credit. That would mean that at the interim stage, some taxes have been paid on which they would not get credit and on the final product, they will be paying their entire tax for a second time.

Inherently, that would have made every product in the State of Jammu and Kashmir costlier. The consumers would have had to pay more.

Similarly, the traders would have felt that their trade will be shrunk because people would have preferred to buy outside the State rather than within the State because the products outside the State would have become cheaper itself. The State itself benefits because this will also impact on the revenue of the State itself.

Jammu and Kashmir is a consumption-oriented State and not a manufacturing State. Being a consumer State, and GST being a destination tax, on first principles itself it is clear that their revenue also will increase.

Therefore, in every sense, I think, the people, the Government, the Assembly needs to be complimented for having taken this decision for having integrated, in the larger interest of its people, the GST into the national process itself.

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With these few words, I move both these Bills.

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR):

Sir, actually I was under the impression that today the Banking Regulation (Amendment) Ordinance, 2017 will be taken up. But suddenly this one has come up.

Shri Jaitley, I am very much in agreement with you that the entire country should be integrated into the national tax regime. There is no doubt about it. But you have to ponder over as to why your Government is frequently taking recourse to the Ordinance route. Today, the entire legislative business is fraught with Ordinances, like Banking Regulation (Amendment) Ordinance, CGST Ordinance, IGST Ordinance, and the Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Ordinance. So, in the history of parliament today can be recognized as the 'Day of Ordinance'.

I think Shri Jaitley has been oscillating between ordinance and ordinance. You are the proponents of new ideas. Every time you are pleading for a new idea. Earlier, you were busy attacking scathingly the UPA Government as a Government of 'policy paralysis' and 'tax terrorism'. But I feel that your Government is undergoing 'policy dialysis' coupled with 'spasmodic catharsis'

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leading to 'economic stasis'. That is why you are always taking recourse to Ordinance route.

Of course, there is a provision in our Constitution that under Article 123 you may resort to Ordinance route. But it is not at all flattering. It is because when we are living in a democracy, when we are having access to Parliament, we should not frequently resort to Ordinance route. Here lies the problem. You have failed to impress upon the State Government of Jammu and Kashmir to get incorporated in the national tax regime which started rolling out from 1st July. We had an ostentatious celebration with regard to that. But before that the heaven of India, called Kashmir, has not been incorporated in your dream project, which you describe as 'One Nation One Tax'. However, I beg to differ with you that in spite of brouhahas, it cannot be called 'One Nation one Tax'. The fact remains that nearly 50 per cent of our GDP still remains out of the ambit of the GST. That is why I beg to differ a little with you.

Jaitleyji, you are a legal luminary along with Shri Ravi Shankar Prasad also. You must be aware that under the Instrument of Accession, Kashmir Valley was integrated with India and the procedure for amendment of the Constitution of Jammu and Kashmir has been clearly elaborated that the provisions of Article

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368 of the Constitution of India are not applicable for the amendment of the Constitution of Jammu and Kashmir. While an Act of Parliament is required for the amendment of any provision of the Constitution of India, the provision of the State Constitution of Jammu and Kashmir except in those cases relating to the relationship of the State with the Union of India may be amended by an Act of the Legislative Assembly of the State passed by a majority of not less than two-thirds of its membership. But if such an amendment seeks to affect the Governor or the Election Commission, it shall have no effect unless the law is reserved for the consideration of the President and receives his assent. It is also to be noted that no amendment to the Constitution of India shall extend to Jammu and Kashmir unless it is extended by an order of the President under Article 370 (1). So, rightly your Government has followed it in Jammu and Kashmir. But given the sensitivity of the Jammu and Kashmir region, I think you should have better prepared yourself before introducing this tax regime. ...*(Interruptions)* [*Translation*] Nothing has happened yet, it is about to happen. ... *(Interruptions)* Yesterday Jaitley ji was saying that due to demonetisation terrorism has ended in entire Kashmir. ...*(Interruptions)*

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[English]

HON. DEPUTY SPEAKER: You come to the subject.

[Translation]

SHRI ADHIR RANJAN CHOWDHURY: Earlier you used to say that terrorism, Naxalism and corruption will end due to demonetisation but today you have started saying that stone pelting has ended due to demonetisation. That means you have changed your attitude. ... *(Interruptions)* Yesterday you said this. ... *(Interruptions)*

Jaitley ji, I appreciate you. But you did not say anything about our security forces in Kashmir valley, who should be appreciated and because of whose capability we are hoisting the flag of India in Kashmir valley today. *[English]* Yes, the demonetisation certainly has an adverse effect on the terrorist activities. But it is yet to be ascertained in view of its efficacy. *[Translation]* Because the securities casualties, what is happening in the Kashmir Valley, is not good for us. I am proud of my army and security personnel. Today, the way we are achieving one success after another against terrorists in the Kashmir Valley, behind this are our brave soldiers who have been deployed there. We are all grateful to them.

Sir, I am saying this because the people of Kashmir Valley have an identity crisis. There is a doubt in their mind that due to

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GST and CGST, their special status under Article 370 may be harmed. You should clarify this. Under Section 5, which is their own fiscal economy, and under Section 12, which is their separate authority to levy taxes, they think that all these sections will go out of their hands and we will have to face problems in the future. You know that Jammu and Kashmir is the only state in India where both service and goods tax can be levied by the state government. This facility is not available in other states of India, like the facility of service tax is not available with any state government. This facility is available only in the Kashmir Valley. This is their apprehension that the special status and fiscal autonomy of Article 370 will be abolished.

[English]

So, you should strive hard to allay the apprehensions of the common people there. When this issue was raised in Jammu and Kashmir, there was a severe agitation. The Government there is being run by you and the PDP. They had resorted to repressive measures to muzzle the voices of the common people.

Therefore, you should strive hard to allay their apprehensions and fears and see that the special status, the fiscal autonomy and other facilities are enjoyed by the people of the Valley. These things should never be compromised.

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Sir, being Members of Parliament, we act like a conveyor belt. So, the apprehensions and misgivings of the common people need to be conveyed to the authority concerned ... (*Interruptions*)

[*Translation*]

I would like to know from Shri Jaitley Ji and the Hon. Minister of Finance should pay attention to this issue so that no such doubts should arise in the minds of the people of Jammu and Kashmir Valley. The government should take steps to clear their doubts.

[*English*]

In the history of the world, money has suppressed people in one of the two ways. Either it has been very abundant and very unreliable or, it is reliable and very scarce....(*Interruptions*)

HON. DEPUTY-SPEAKER: Motions moved:

“That this House disapproves of the Central Goods and Services Tax (extension to Jammu and Kashmir), Ordinance, 2017 (Ordinance No. 3 of 2017) promulgated by the President on 8th July, 2017.”

“That this House disapproves of the Integrated Goods and Services Tax (Extension to Jammu and Kashmir), Ordinance, 2017 (Ordinance No. 4 of 2017) promulgated by the President on 8th July, 2017.”

AND

“That the Bill to provide for the extension of the Central Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir, be taken into consideration.”

“That the Bill to provide for the extension of the Integrated Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir, be taken into consideration.”

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[Translation]

SHRI JUGAL KISHORE (JAMMU): Hon. Deputy Speaker Sir, I wish to express my gratitude to you for giving me the opportunity to speak on this important Bill. I also wish to thank our popular Prime Minister, Shri Narendra Bhai Modi ji, and the Hon. Finance Minister, Shri Arun Jaitley ji.

Sir, they have prepared this Bill with great diligence and dedication and presented it to the nation. While, under the concept of “One Nation, One Tax”, we shall certainly become economically stronger, it also fosters a spirit of unity in the country. Traders who earlier had to pay multiple taxes, which caused them difficulties, have now been relieved of that burden. Alongside this, the Bill has been widely appreciated throughout the country. The world is amazed that, under the leadership of Shri Narendra Bhai Modi ji, the Government of India is taking one historic step after another and making a series of bold decisions. This Bill has been introduced here so that its benefits may reach not only the nation but also Jammu & Kashmir, and I stand to speak in its support.

I wish to express my thanks to the BJP–PDP Government in Jammu & Kashmir, which, after overcoming many hurdles, passed the GST and moved forward in step with the economic revolution

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of the country. This was possible due to the cooperation between the BJP and the PDP in the State. On the issue of GST, the positive and constructive role of the BJP in the State is appreciated by all sections of the people. This is truly a victory for the voice of the people. Under the new GST regime, the avenues for the State's progress have widened and opened, and the doors have been unlocked for the stability of the State's finances.

Sir, I believe that by agreeing to adopt the 101st Constitutional Amendment, the State Cabinet has rendered a great national service. This has led to the Hon. President of India issuing the Constitutional Order, and I believe that, with more funds flowing into the State, the people will benefit. The State will have all that is required to take advantage of its status as a consumer State, since most of the benefits will accrue to the consumers of the State.

The decision taken by the Jammu & Kashmir Government to move forward in step with Hon. Narendra Bhai Modi and the Union Government is being appreciated across the world and throughout Jammu & Kashmir. The people of Jammu & Kashmir are happy with it, and, barring a few individuals, the entire State stood with this historic Bill. It is true that through this Bill, some people have been shown the mirror. A handful of anti-nationals,

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separatists and those supporting stone-pelters perhaps did not wish that, through the GST, we should join the mainstream.

Efforts were made to prevent the implementation of GST in Jammu & Kashmir. The speaker who just addressed the House and his associates attempted in various ways to create obstacles there, but the people extended their support, and the Cabinet of the State took the decision and passed this Bill. Those who did not wish this Bill to be passed, who call stone-pelting a fight for their rights — the Governments which had previously been in power in Jammu & Kashmir did not work in the interest of the State or society, but engaged in politics of self-interest. In view of this self-serving politics, you must have observed what the situation of Jammu & Kashmir was earlier and what it is today, and how far it has advanced economically. Till now, Jammu & Kashmir has not been able to stand on its own feet. Had such steps been taken earlier in the interest of society, the present condition of Jammu & Kashmir would not have been as it is, and the the State would have been self-reliant.

Deputy Speaker Sir, with the passage of this historic Bill, Jammu & Kashmir will progress and become economically stronger. It will not remain dependent on others and will strive to stand on its own feet. Both the Government and people at every

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level, whether small or large stakeholders, will benefit greatly from it. There are some here who even had the occasion to say that they could not get this Bill passed in Jammu & Kashmir on 1 July. These individuals did not wish for the Bill to be passed in Jammu & Kashmir. In particular, one or two parties created considerable obstacles, yet the Bill was passed. Efforts were made to block it and to incite people. Concerns were voiced over autonomy, and people were frightened with claims that it would be eroded. Earlier too, successive Governments in Jammu & Kashmir had engaged in such political manoeuvring. No genuine efforts were made to bring Jammu & Kashmir closer and reduce distances, which is why such situations have arisen. Since the GST has been passed, the people of Jammu & Kashmir have heaved a sigh of relief, there is no doubt about that.

Jaitley ji had said that the delay occurred due to these very political parties, which caused a delay of 5–7 days. This created disappointment among traders and also among the general public, as all goods entering Jammu & Kashmir had to bear double taxation. Goods were more expensive for the people there, and as a result, supplies could not reach them, causing great hardship. I stand in support of the Bill that has been brought, as it is also an answer to those who support separatists and stone-pelters. Today, Jammu & Kashmir has proved that the BJP–PDP Government

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stands with Shri Narendra Bhai Modi ji and with the nation. Any step taken in the interest of the nation and society will receive our support, and we shall move forward without allowing any Bill to be obstructed. Politics will not be conducted in the manner of earlier times. The Government of Jammu & Kashmir will make every effort to guide its people in the right direction and to make them self-reliant. I support this Bill.

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[English]

DR. SHASHI THAROOR (THIRUVANANTHAPURAM):

Thank you very much, Deputy Speaker. I see the Minister is no longer present here but I wanted to concur with him on his introductory remarks. His MoS is here; good to see him. It is because, certainly this issue of the GST, in principle, is one that not only does the Congress Party support but had initiated it, as I said, in principle. I used to tell my European friends that you are 29 sovereign countries and one common market; we are one sovereign country with 29 different uncommon markets. So, it is very good that we have created this in principle. Our problem, however, is with the way in which this Government has implemented it. This is why, I join my colleague, Shri Adhir Ranjan Chowdhury in saying, we disapprove of this Bill.

Let me stress that the Jammu and Kashmir Legislature has passed the GST when the Opposition was not present in the Assembly. This happened amid debates about the nature of the impact of GST on Jammu and Kashmir's relations with the Centre which, as you all know, are governed by Article 370, as the Minister explained. The Opposition claimed that this was a violation of Jammu and Kashmir Constitution and of Article 370 because it eroded the State's special status in terms of its own

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financial autonomy and its legislative powers which are reserved for the Jammu and Kashmir Assembly. That is why, the Bill that we passed here says, 'except in the State of Jammu and Kashmir' throughout.

We all know the power of taxation is integral to the functioning of any Government. Any changes made to such power will impact the functioning of a State. The GST Act has a very serious further impact. In that, it alters the relationship between the State of Jammu and Kashmir and the Centre. By impinging upon the power of the State to impose taxes, you are violating the fundamental power of that Government. Now, the Jammu and Kashmir State derives its power of taxation from the Constitution of J&K while the Centre derives the same power from article 246 of our Constitution. This is a very important distinction that the Minister, despite being a lawyer, did not mention. By extending GST to Jammu and Kashmir, the Centre gains effective control of the taxation in the State. That was, of course, something reserved by the Constitution to the State Government. The powers of the GST Council are far reaching. Jammu and Kashmir has not guaranteed any protection that would be commensurate with its special status. That is why, we saw widespread protests in the State

Hon. Deputy Speaker.

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The umbrella body for trade, commerce and industry and the Jammu and Kashmir Coordination Committee opposed the Bill for this reason. A State like Jammu and Kashmir must be approached with sensitivity. We have not seen much sensitivity in this Government's handling of Kashmir, the Centre's indifference to the Opposition, the Opposition's boycott, and the criticism of the trade body, the coordination body there. All of them were ignored and it could signal future problems that the Treasury Benches should be paying attention to. The Chief Minister's act of seeking a special exemption for certain goods and services after the Bill was passed is a very peculiar thing. It should have been done certainly before the Bill was passed. In fact the Opposition's confidence might have been built if the Government itself was capable of recognising that some exemptions were required. Now, the State Government passes the Bill and then asks for exemptions. If the State Government actually intended to secure these benefits of exemptions for the State, should it not have deliberated upon these issues before the Bill was passed? Should it not have asked for amendment in the Jammu and Kashmir Assembly? These are important questions. Hon. Deputy Speaker that this Government has not addressed in the Minister's opening remarks. The State has been dealing with conflicts for a long time and we must absolutely not subject to any measures that could worsen its stability.

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GST has been moved by the Government in extreme haste. Do you know in Malaysia, when they introduced GST, they announced it and they gave the public and shopkeepers and so on one year before it has come into force? In India, a much larger country than Malaysia did not get one year, we got only two weeks. This is what this Government has done in its haste. The GST Network which is the IT backbone of the GST system is in a shambles. When GST registrations began in June, there was a massive confusion and businesses did not quite know what to do. They tried to begin the process of migrating to the new system. They met technical glitches in the process. The OTPs were not working. The website crashed multiple times. And the responses were delayed as a result by the Government. Stories of systems failures have been frequent. In fact, I think we all know even about our own tax returns and we have been five days more because the systems are failing. How they imposed the GST Network on the country with this level of preparedness? It goes on to increase the insecurity of our economy that many people have already felt when we had the dramatic demonetization and they have affected so many people abruptly and that unsettled the economy.

Now, the Centre had promised to the nation a simplified system of taxation - a Good and Simple Tax. The Prime Minister said GST - Good and Simple Tax with the motto of one nation, one

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tax. But the GST is not one nation, one tax. It consists of three layers – CGST, IGST and SGST and has six slabs of taxation – 0 per cent, 3 per cent for gold, 5 per cent, 12 per cent, 18 per cent, 28 per cent and 40 per cent. India is the only GST system in the whole world to have so many slabs. So, instead of one nation, one tax, we have one nation, three taxes and six slabs. That is not a slogan that will trip so comfortably off the tongue of our Government propagandist. Let me say that it also has created massive confusion. You may remember that on the 1st July when it came into force, many shops simply down their shutters. They even did not open for business. They did not know how to cope with what to do with the GST that had come in. In fact this GST taxes different variations of the same product different.

Hon. Deputy Speaker, for example, take the case of milk. We all need milk. You actually have four different rates for milk products. If we take flower, generic flower is not taxed. You put a brand on a packet, immediately five per cent will be taxed. It is extraordinary. In fact, pastries, sweet biscuits and cakes are taxed at six per cent. But if it has a chocolate covering, suddenly it comes to 12 per cent. I am very curious about what the Minister has against chocolates. But just merely putting an icing of chocolate on the cake, you have put an extra tax. This is frankly, Hon. Deputy Speaker, irresponsibly complicated. It is far more complicated than

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it needs to be. And, on top of that these tax slabs are only announced just as the tax was being rolled out, which left a little or no time for a small trader to prepare himself for the changes that will now be necessary in the accounting and filing of returns.

You know, Hon. Deputy Speaker, that one simple business operating in only one State will now have to file 37 tax filings. If you have offices in three States, you have to file 111 tax forms. What is going on in this country? This is the Minister who told us that he was opposed to tax terrorism, instead what we are seeing is tax form terrorism. We are seeing something which obviously is going to cause a whole amount of problems, increasing works for everybody involved in business.

You know, we have been complaining for some time that this Government is not creating jobs. It seems that through the GST, they are creating jobs only for Accountants and tax experts. This is what they have done and created because now the mom-and-pop store, grocery shop owner has to find a Chartered Accountant to be able to fill his GST forms.

I do want to say, Hon. Deputy Speaker that there is a particular problem when it relates to Jammu and Kashmir. It is a very sensitive State. It has been beset by terrorism and by violence. It has very many security issues. Its principle revenue generation

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is tourism which has been affected by terrorism. We need to do everything we can as a Parliament to protect the fragile economy of Jammu and Kashmir. We have to make sure that this economy undermined by terror is not undermined by the Finance Ministry's terrorism. We must say their horticulture, handicraft and tourism sectors require help. The 28 per cent GST now is going to affect all of the tourism in Jammu and Kashmir. The adventure camp operators and house boat owners have already protested. If this is not rolled back, it is likely to make Kashmir uncompetitive in tourism. And, indeed it is already making parts of India. My State, Kerala has become uncompetitive in tourism because the tax rate is driving up the cost beyond any of our neighbouring States.

Frankly, tourists are looking at these numbers and saying, let us go to Sri Lanka. The air ticket may cost a little more but the facilities are better and the tax is lower. Kashmir cannot afford that kind of crisis today when we have a serious problem in Jammu and Kashmir.

And, on top of that, a country like Singapore has demonstrated that with one flat rate of seven per cent they are able to tax all goods equally. India--the Congress Party had argued--should have a cap of 18 per cent. They were not able to agree to a cap and now we are seeing the consequences of this. An economy

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that loses a large chunk of its productivity to constant turmoil in Kashmir is now going to be burdened by the Centre's over-enthusiastic experiments.

Hon. Deputy Speaker, please give two minutes. I am the lead speaker from my Party on this.

I want to stress that it is undoubtedly a relief that the farrago of Central taxes, State sales taxes, octroi and so on, has been abolished and replaced by the GST. But this much of complexity means it is likely to lead to evasion, to arbitrage and even to bribery of tax officials. It is likely to lead ransacking behaviour from bureaucrats, and as the tax business is well known and I fear it is going to get worse.

There are other problems. Right now I have been approached by people building a highway in my State, saying that for the highway construction, they had all bid for their tenders on the basis of the four or five per cent VAT that was applied. There was no service tax on highway construction. Suddenly, the GST has been applied at the rate of 12 per cent. Our highway construction is going to come to a halt. Absolutely, it applies to all road constructions. In fact, today I was having a meeting on our border infrastructure. We are really worried. They are now having to delay the tenders till July 1st so that the GST can be added to the

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cost of roads. We should not be undermining a place like Jammu and Kashmir in this irresponsible way.

I do want to stress finally that there is also a great threat of litigation coming up, a flood of litigation about which tax brackets, which companies fall into and how their goods should be categorised. Even before the GST was rolled out, we all know the Indian judicial system was choked by indirect tax cases. Just tax appeals had tied down something like Rs. 1. 4 lakh crore in revenue. On top of that, a judicial system that is so backlogged, 24 million cases pending as we have heard during the Question Hour, more tax related legal suits are resulting in losing the country's means. So, let me stress, Hon. Deputy-Speaker, I can see you are about to reach for the bell, I will just take only one minute. The BJP Government has raised the cost of many goods for GST. I want to remind them of the National Institute of Public Finance and Policy's warning that if the GST amounted as they calculated to as much as 27 per cent to prevent revenue loss, then far from reviving the economy such a way will cripple it. This is the risk we are facing in this country.

The current Government version of GST, I am sorry, would have a negative effect on GDP instead of a positive one and it

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would actually fulfil the warning of the National Institute of Public Policy.

Let me repeat coming back to Jammu & Kashmir, that the State Government passes the State law and when it meets stiff opposition, voice for protest, boycott of the assembly by the Opposition on this issue, the Parliament today must contemplate the impact of GST on the Centre's relation with J&K before we make the major mistake of passing this Bill without adequate consultation with the stakeholders. For this reason, Hon. Deputy-Speaker, the Congress Party cannot support this Bill.

Thank you.

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HON. DEPUTY SPEAKER: Shri Kalyan Banerjee. Please give your speech in brief.

SHRI KALYAN BANERJEE (SREERAMPUR): Hon. Deputy-Speaker, Sir, I am really obliged that you have given me a chance to speak. I will be very brief. Thank you, Sir.

Sir, we are in agreement with GST. We have said that if GST Bill comes, we will agree to it in principle. We have also agreed to the GST Council. But a problem has occurred now. A very pertinent question has arisen. The GST Council is fixing the rate of taxes. It is neither routed through the Parliament and the State Assemblies, nor is liable to judicial review. Nobody can question that now. Fixation of rate has become arbitrary by the GST Council.

I will give you some illustrations also. The tax rate under GST are set at 0 per cent, five per cent, 12 per cent, 18 per cent and 28 per cent for various goods and services and almost 40 per cent of goods and services come under 18 per cent tax rate. So, around 60 per cent of goods and services are in the higher tax brackets.

The GST has been introduced with effect from 1st of July. We have all agreed to that. But how are we passing our days after the GST? In every walk of life the rates have increased by reason of the application of GST itself. People planning to purchase white

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goods will have to shell out more money as most appliances and durable makers have increased their prices in the new regime under GST.

Services to higher education institutes, utility bills, personal care products, sugar, prepared meals, snacks and sweets, pan, tobacco and intoxicants, where current inflation is already high, the tax incidence too will be higher under GST. These items have around 20 per cent weightage in the CPI basket and could see one-time transitory inflation hump.

Durable makers would also go for another hike before the festive seasons. Prices of majority of essential drugs have increased up to 2. 29 per cent and in majority cases the drugs are not available in the stores. The Government has fixed a GST rate of 12 per cent on most of the essential drugs as against the current tax incidence of around 9 per cent.

Prices of essential services have also increased. Overall tax after GST comes around 18 per cent in comparison to the earlier rate of 12. 5 to 15 per cent and even four per cent for some retail products. Things which have become more expensive after GST include residential rent, health care and school fees. Total Expense Ratio of a mutual fund is commonly called as expense ratio of a mutual fund company and the same has gone up by three per cent.

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Courier services and mobile bills will also cost more. Bank services, credit card services and renewal premium for life insurance policies are going to cost higher. The cost of banking and investment management services has also gone up. Basic needs of the common man, like WIFI and DTH services have become costlier. Also, commuting by metro or online booking of all tickets has become costlier. Footwear costing more than Rs. 500 is now paying GST at 18 per cent while the earlier rate was 14.41 per cent. Garments and clothes have become more expensive. Movie tickets costing above Rs. 100 are attracting higher tax rate of 28 per cent. The GST on ticket price for amusement parks and theme parks has been increased to 28 per cent under GST from the earlier tax of 15 per cent. In media also, there will be an addition of five per cent GST while there was no tax earlier. Security, maintenance and legal services' cost has also gone up. Multiple indirect taxes have also increased the administrative costs for manufacturers and distributors for whom the prices have become higher. It has also increased the cost of *langar*, the community kitchen, and *prasad*.

For consumer sector products like cream, shampoo, television, fridge etc. , the net tax has gone up. Earlier, the tax rate was 25 to 27 per cent and now it has gone up to 28 per cent. Basically, cheaper items are for the higher society people and thus,

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car and other motor making companies have slashed prices of most of its models by up to three per cent with immediate effect.

Experts say that CGST and SGST are nothing but new names for Central Excise, Service Tax, VAT and CST.

Small and medium enterprises are still not completely aware of the effects of the new tax regime. Changing over to a completely new system of taxation requires understanding thereof.

Sir, the hon. Minister for Finance is not here, but the hon. Law Minister is here. ...*(Interruptions)* Kindly communicate through the MoS that whether I am in Kolkata or Delhi, all my friends from legal fraternity are asking me one question.

SHRI MALLIKARJUN KHARGE (GULBARGA): Sir, this is not good. Of course, Shri Jaitley is not here. You know that he introduces the Bill and goes.

HON. DEPUTY SPEAKER: No. He has gone to Rajya Sabha.

Already, the Minister of State is noting down points.

... *(Interruptions)*

SHRI MALLIKARJUN KHARGE: Sir, why are you defending? You know that when the hon. Member is speaking, the Minister of State is not listening to him. ... *(Interruptions)*

HON. DEPUTY SPEAKER: Nothing will go on record.

...(Interruptions) ... 1*

HON. DEPUTY SPEAKER: Please take your seats.

... (Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI S. S. AHLUWALIA):

Sir, I would like to submit that Cabinet System is a system of collective responsibility. There are two Cabinet Ministers sitting here. And, the concerned Minister of State for Finance is sitting here and taking notes. Simultaneously, the Rajya Sabha is also functioning. ...(Interruptions) He is the Leader of the other House. So, he is there. Ultimately, ... (Interruptions) Kharge ji, don't get angry. ... (Interruptions)

Sir, please continue with the debate. They are there. ...(Interruptions)

HON. DEPUTY SPEAKER: Please continue and wind up.

... (Interruptions)

SHRI MALLIKARJUN KHARGE: Please do not mistake me. ...(Interruptions) When Shri Kalyan was speaking, the Finance

1* Not recorded

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Minister was not there. ...(*Interruptions*) At least, the State Minister should be present here, but nobody responded. ...(*Interruptions*)

[*Translation*]

THE MINISTER LAW AND JUSTICE; AND MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD): Kharge ji, you are a senior leader, don't get angry. ... (*Interruptions*)

[*English*]

HON. DEPUTY SPEAKER: Shri Kalyan Banerjee, you please continue. It is alright.

... (*Interruptions*)

SHRI S. S. AHLUWALIA: He is an eminent lawyer. He understands the things. ... (*Interruptions*)

SHRI KALYAN BANERJEE: Sir, I am concluding. ...(*Interruptions*) I am lucky that the hon. Finance Minister has come here when I am going to raise this point. ... (*Interruptions*) I am facing one question from everywhere whether it is at the Kolkata High Court corridor or at the Supreme Court corridor or if I go to any High Court. Every one is asking me this question. Will you kindly ask Shri Jaitley whether advocates and senior advocates have to pay GST or not? You have to clarify this point today.

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Sometimes, it is stated as yes and sometimes it is stated as no. So, some clarification we want to hear from one of the legal luminaries who was throughout in the legal profession before becoming the Leader of the House in the Rajya Sabha. ... (*Interruptions*)

THE MINISTER OF FINANCE, MINISTER OF CORPORATE AFFAIRS AND MINISTER OF DEFENCE (SHRI ARUN JAITLEY): Both of us have a conflict of interest in this matter. So, you should not ask.

SHRI KALYAN BANERJEE: Therefore, today, we want to hear this answer. ... (*Interruptions*)

Now, I am concluding with this point. I had a simple experience last Saturday. Last Friday, I went back to Kolkata. The person who is doing my motor vehicle insurance came to me and I asked him about the amount that I have to pay because in the first week of August I have to pay. He told me an amount and I said: “Very nice, you write down the cheque”. I asked him: “What have I paid last time?” and he stated that the amount paid earlier was lesser than the amount that I am paying this year. I asked him: “Why is it so as no claim has been made by me?” Why is there this increase? Earlier, I have paid about Rs. 44,000 and now I have to pay about Rs. 48,000. In the last one year I have not made any claim. This experience of mine is the experience of everyone. If no

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claim is made, then you are entitled to get certain benefits. He said that: “Sir, this is because of the effect of GST.

The Prime Minister says that people wearing slippers will travel by flight, this is my dream. What is the effect of GST? After the GST has come into force, economy fares in most of the airlines from Delhi to Kolkata have increased to Rs. 1,500 within one day because of the implementation of GST. Therefore, GST has made our life costly. It has increased our cost.

I am not against the GST and I have said so. I will request the hon. Finance Minister to kindly reconsider the fixation of rates made by the GST Council itself. This needs reconsideration because common people are affected due to this. You should kindly take care of this issue. With this, I thank you, Sir, for having given me this opportunity.

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DR. J. JAYAVARDHAN (CHENNAI SOUTH): Hon. Deputy-Speaker, Sir, the CGST Act and the IGST Act, 2017 are enacted with a view to making a provision for levy and collection of tax on intra-State and inter-State supply of goods and services or both by the Union Government respectively.

These two Bills introduced now, namely, the Central Goods and Services Tax (Extension to Jammu and Kashmir) Bill, 2017 and the Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Bill, 2017 introduced in the House to replace the Ordinance promulgated by the President seeks to establish the extension of CGST Act, 2017 and the IGST Act, 2017 to the State of Jammu and Kashmir.

It is a matter of pride that a landmark tax reform in the form of Goods and Service Tax (GST) has been successfully rolled out across the country, including Tamil Nadu, with effect from 1st July 2017. Check post and various declaration forms will now be a thing of the past. Free-flow of goods across the country and seamless availability of input tax credit will facilitate availability of goods and services at a competitive rate to the end-consumer.

Many concerns regarding GST, which were raised by our leader, *hon. Puratchi Thalaivi Amma*, with regard to the States' fiscal autonomy were considered by the Union Government

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whereby it had benefited not only our State, but all the States in our country.

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It was the persistent effort of our leader that the threshold limit for registration was increased as well as for compounding provisions; cross empowerment between the Central and State tax official was done to prevent dual control of tax payers, providing compensation to States for five years; and granting taxing power to the States on transactions taking place in territorial water. All these were acceded to by the Union Government whereby it had also benefited other States in our nation.

I would also like to mention here the great efforts made by our hon. Finance Minister who has gone to great lengths to accommodate the views of the States in various conflicting issues. It is a matter of pride that the decision in all the 19 meetings of the GST Council under the chairmanship of the hon. Finance Minister has so far been only through consensus. Though each and every State had their own views on issues, the Union Finance Minister had found solutions suitable to all.

I would like to bring it to the notice of the House and take this opportunity to emphasise on several problems being faced by

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manufacturers, traders, consumers due to high taxation proposed by the GST.

Fireworks industry, which is largely located in Tamil Nadu, is a labour intensive industry, employing more than eight lakh people. Out of 1,221 units, 1,117 units are small scale units. The present rate of GST is at 28 per cent, and it will cost irreparable harm to this sector as it is a cottage industry. These industries would not be able to compete with large firework industries and will pave the way for the market being flooded with the clandestinely imported fireworks. Hence, there should be a reduction in the rate of GST on fireworks.

As regards the textile sector, it is requested that the handloom, the powerloom and all job works relating to them may be exempted from tax. It may be noted that to protect this sector, the Government of Tamil Nadu is providing free electricity to the handloom and the powerloom weavers. Considering that handloom and powerloom weavers belong to the lower strata of society, the products and the corresponding job works relating to this sector may be exempted.

It is brought to the notice of the hon. Finance Minister that there is an imperative need to reduce tax on certain goods and services such as tax on restaurants, fishnets, handmade safety

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matches, pesticides and insecticides, dyes, and chemicals in textile industry, sanitary napkins, equipments for differently-abled, tractor equipment and accessories, power-driven pumps and unbranded sugar confectionaries.

I would also urge the hon. Finance Minister to look into the grievances of manufacturers and traders who carry out their business in the rural areas and were unable to file their statement thrice in a month and also their annual statement.

During the debate on the Supplementary Demands for Grants on 10th of December, 2014, I had participated and brought the issue of non-payment of CST compensation to the States to the notice of the hon. Finance Minister. The Finance Minister had said, “A major impediment in the implementation of the GST has been the trust deficit in non-payment of the CST compensation to the States from 2010 onwards.” He further added that the Union Government was committed to the payment of CST compensation to the States in the coming financial year. Now, we are in 2017. I would like to remind the hon. Finance Minister that arrears receivable from the Government of India as of August, 2017 in respect of CST compensation to Tamil Nadu is to the tune of Rs.4,988. 67 crore. What I ask of the Union Finance Minister is that the States had trusted the Union Government when they had enrolled for GST

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and that the Government of India would pay the CST compensation to the States. I hope to see that that trust is not breached, and I expect a positive reply from the hon. Finance Minister in this regard.

Finally, with the passage of these two Bills we will have the CGST and IGST extending to Jammu and Kashmir. What I would urge or rather plead the Government of India is to bring about peace and put an end to the unrest prevailing in the State thereby our brothers and sisters in Jammu & Kashmir prosper. Thank you, Sir, and we support the Bill.

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SHRI TATHAGATA SATPATHY (DHENKANAL): Thank you, Sir, for allowing me to speak on the Goods and Services Tax (Extension to Jammu and Kashmir) Bill, 2017. We are happy that the J&K Assembly had taken such a positive stand and has agreed to make that State a part of the GST set up. They passed a Resolution accordingly, for both the CGST and SGST. This move will not only ensure a blanket indirect regime across the length and breadth of this country but it will also be considered as a step forward in further integration of this nation in spite of this tax being a negative tax.

Whatever we may claim about GST, we can be silenced by noise, by shouting, by screaming by muscle power or by Government power. But, it is truly not a ‘one nation one tax’ as is being propounded. When I say it is not ‘one nation one tax’, as the Government is claiming, it is evident if any of us bother to go back to our constituencies – those who have constituencies – and ask our traders, our people as to what exactly they feel when they are dealing with GST.

Let us take Gujarat as a model for GST. We all know that the month before last, there was a tremendous show and at midnight GST kicked in; again on 15th of August, we will be celebrating another thing that had happened 70 years ago. So, parallels are

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being created, which is good. Every Government should try to leave an impression on the feeble minds of the public. It is perfectly all right. But, we have also seen from Gujarat that from the 1st of July, the traders have been on strike in most of the *mandis* in Gujarat – the model State. You know, we always thought that models were something to look up to. Now, we have a State as a model. So, as a model State, it has been on strike, the traders have been troubled. They have actually shut shop. Just imagine how much the poor, the weaker traders would be suffering because their daily bread depends on opening the shutters and selling things. So, new orders and outputs have also decreased in the past one month.

I saw a television programme this morning. I do not remember as to which channel it was. It was showing the fall in orders for furniture units in Punjab. While we see the GST in the manner that the Congress had thought of and the NDA has introduced, we have had very many steps of GST being introduced. What is happening is, unlike Malaysia and Singapore where GST has been a success, we are keeping so many levels of GST. There is also a zero level. So, the zero thing is where the bureaucrats are very happy. ‘Zero’ means that you are not out of the ambit of GST; you are somewhere there, but we have yet to look at you; we have yet to put our focus on you. Within hardly 30 to 31 days of time since the GST has been introduced, I have told that the GST

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Council has changed the law. Some 61 items have been introduced and taken out. So, the fine tuning is going on, which is also perfectly all right when you consider that the nation is such a big country and so many things are happening. So, we will not go down heavily on that, although everybody knows that the Indian manufacturing industry in July, 2017 has seen a sharp decline in orders.

I am trying to go beyond what States' problems will be, how they will be losers and so on. Everybody knows about it. If any one State that really opposed GST tooth and nail, it was Tamil Nadu when the great Amma was alive and when the AIADMK was a party to contend with.

However, this morning, the hon. Law and IT Minister in a reply to a certain question has very categorically stated that data is the new oil. GST network is another attempt at data gathering. It is virtually a private company. 51 per cent is held by private banks – Fintex – and 49 per cent by the Government. The Government will simply fund this network such as hardware and all the development work will be funded by the tax payers' money. The Government does not have any money of its own. It is all the tax payers' money, our money, common people's money.

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The GSTN will not only be operated by Fintex but, unfortunately, they will also be privy to each and every transaction that involves GST of companies exceeding 20 lakhs turnover. The smallest companies also will come under GSTN if they are filing GST. If they tabulate the data, they will be able to tell the history and the functioning of any company in this country. If a rival company comes in and says that they want to buy that data, these GSTN operators will be able to give industrial secrets which are so well-guarded by every other country. They will be able to sell industrial secrets to competitors clandestinely and damage established old companies also.

Apart from that, while Section 139 and Section 143 of the Companies Act 2013 makes it mandatory for the C&AG to audit any State or Union Government company, this network has been kept out of the purview of the C&AG. Similarly, they have also decided to keep it out of the purview of RBI. Efficiency is nowhere to be seen.

Sir, we know, as children, in our village, there was Brahmani River next to our village and when we used to jump in and if the tide was rising, if the water was speeding and we wanted to reach the other bank, we never swam straight. We would swim slightly

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upstream so that the water would push us and we will reach our destination.

When we have such intelligent Ministers, in-charge of Finance, Law, Information and Broadcasting and so many other Ministries, I am amazed that, as common citizens, I am sure they have lived life as common citizens also, they have not been in Government forever, have they not encountered the Indian bureaucracy? Have they not seen what a convoluted machinery it is and how efficiently it corrupts the simplest of things? If they know, I am really surprised, why are they again bringing back the horrible Inspector Raj that the Congress had introduced in this country? We all, as common citizens of this country, were so happy that the Congress has been ousted, that we will see a new day, that we will see a new morning and we will see a new nation. But, here, we are again burdened with Inspector Raj from 0 to 28 per cent plus GST at various levels killing the small traders, killing the small people and killing the average businessmen. Those businessmen are not Chinese or Pakistani. Those businessmen are Indians too. Do you not think that the Government has a responsibility for them also?

[Translation]

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SHRI ANANDRAO ADSUL (AMRAVATI): Hon. Deputy Speaker Sir, I am grateful to you for allowing me to speak.

Sir, today's Bill is a straightforward and simple one. A few months ago, we had passed the GST Bill in this House with consensus and with the cooperation of the States, and now this Bill has been brought for Jammu & Kashmir. Therefore, it is a simple Bill. You may or may not recall, but I remember that during the Lok Sabha elections, our Hon. Prime Minister had given his first slogan, *Sabka Saath, Sabka Vikas*. The people reposed their faith in it, and the Government was formed with a majority. Many schemes were introduced, starting with the Swachh Bharat Abhiyan, followed by the Pradhan Mantri Jan-Dhan Yojana, then the Pradhan Mantri Krishi Sinchai Yojana, then the Pradhan Mantri Fasal Bima Yojana, the Pradhan Mantri Bharatiya Janaushadhi Pariyojana, and slogans like *Start-up India, Stand-up India*. The people accepted these wholeheartedly. It was the dream of our Hon. Prime Minister to have *One Nation, One Tax*. Accordingly, great efforts were made. The Chief Ministers and Finance Ministers of every State were invited. Everyone understood its importance, and thus the CGST and SGST Councils were constituted for the Centre and the States. All this has been in order.

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When it comes to Jammu & Kashmir, I can understand why *One Nation, One Tax* could not be implemented there at the same time. When our country attained Independence, Article 370 was incorporated into our Constitution. Without their consent, we could not move forward. After much effort in Jammu & Kashmir, our Bharatiya Janata Party now shares participation in the Government there, governing jointly. This matter of Article 370 resurfaces during elections. For many years, the Shiv Sena has been in alliance with the BJP, and during election campaigns we have always raised the issue of Article 370. Three years of our Government have now passed. Earlier, the problem was that we did not have a full majority, and until recently we did not have a majority in the Rajya Sabha either. But today, we have a majority in both Houses. There are some who oppose merely for the sake of opposition. Those who have turned minorities and Scheduled Castes into their vote banks have held power for years on that basis. For this reason, they had no interest in removing Article 370 from the Constitution. But we have always spoken about it. What, then, is the reason for delay? Our Government is in power there. Where our Government is not in power, they too have accepted it. The BJP is part of the Government in the State. Even so, why does it take time? Our Union Consolidated Fund, which is meant for the development of our citizens, is funded by their money. From this,

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we spend thousands of crores of rupees on the maintenance of Jammu & Kashmir. We have given special packages, built a new major national highway, laid a railway track despite the hilly terrain, announced the setting up of small-scale industries, and have given priority to the youth of Jammu & Kashmir in police recruitment. We have done all this and will continue to do so. Yet we face this problem: in 1965, when war broke out with Pakistan, they attacked us, we did not attack them, our soldiers advanced far into their territory. They went as far as Lahore, but the experience was that, in truth, we had achieved a victory. We win in war, but lose in strategy. The same is the case here, “Pakistan-occupied Kashmir” - how does it sound when we hear it?

My colleagues seated here know well what Pakistan-occupied Kashmir means, it is our territory under Pakistan’s illegal occupation, and over the years it has become a base for terrorist camps. Terrorism has plagued us for decades, claiming the lives of countless soldiers and civilians. How long are we to continue hearing the term “Pakistan-occupied Kashmir”? Hardly a day passes without news of yet another incident, an attack from one side, another from elsewhere, reports of so many civilians killed, so many soldiers martyred. When we neutralise two terrorists, we rightly publicise it and I believe we should. Only yesterday, a leading figure of a terrorist outfit, who had been spreading terror

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in Jammu & Kashmir for a long time, was killed along with his associate. This is a matter of pride. The surgical strike was also a matter of pride. In the Ministry of Home Affairs, when we were shown the CD, it depicted our soldiers crossing the border and, within 12 hours, destroying over 40 of their camps. This demonstrates that our soldiers are courageous and carry out their orders with utmost precision. But then, why do we still hear of terrorist attacks here and there almost every day?

Sir, on the other side we have China, which attempted to construct a road in Doklam. Our soldiers stopped them and did not allow them to proceed. China issues threats in different forms almost daily. While they are on that side and we are on this, until we take further decisive action for a single surgical strike is not enough. It must be made clear at all times that we are in no way inferior to them.

Sir, Article 370 has long been a source of difficulty for us. It should, therefore, be removed. You now have the majority. Just as with the GST, on which I have little objection, though Shri Tathagata Satpathy may hold a different view, I would still say it was framed after due consideration. Mistakes may occur during implementation, and some may misuse it. In your reply yesterday, you addressed certain valid points and responded appropriately.

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What was positive in their understanding was understood, and what was positive in ours was also appreciated because we take a constructive approach, and this was necessary. It is for this reason that we must extend this and ensure that whatever is done is done in a lawful manner. That is why you have brought this Bill today. My submission is that, as you now have the majority, you should not be concerned about anyone's opposition. You are, fortunately, not only the Finance Minister but also the Defence Minister. Another of my colleagues was to speak on this subject, but I wished only to make this appeal to you. With these words, and while thanking you, I express my support for this Bill on behalf of the Shiv Sena.

[English]

SHRI JAYADEV GALLA (GUNTUR): Hon. Deputy Speaker Sir, at the outset, I take this opportunity to congratulate the hon. Prime Minister and the Finance Minister for successfully launching GST as it has united the fragmented tax structure and created one tax, though not one nation until now as Jammu and Kashmir was left out. But now with this Bill, it is truly one tax for the entire nation. With GST, India is now the single largest market in the world, not the USA or China. As we all know, tax rates change from State to State and from region to region. But now it

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is not the European Union but India which is leading the way as the single largest market. This Bill has been brought to replace the Ordinance issued by the President on 8th July 2017 and it will extend the scope of GST to the State of Jammu and Kashmir.

Last time when we discussed GST Bills, it was not clearly known to people, traders and others in which slab they would fall and what impact it would have on them. Now that the picture has become clear, traders and people have started airing their grievances for the consideration of FM and the GST Council.

My State, more particularly, my district Guntur has some issues regarding GST as some of the items are classified as non-agricultural commodities whereas, in reality, they are agricultural commodities. I would just spend a few minutes to talk about that.

Agriculture items are removed from the purview of GST. This is very welcome. But, there are some commodities which are of agriculture, but the GST Council, for reasons best known to it, is not considering them as agricultural commodities. Let me give an example. GST of five per cent is imposed on red chillies, whereas it is zero per cent on green chillies. My district Guntur is the largest chilli growing district in the world. We produce 20 per cent of the chillies produced globally. Green chillies are dried under the sun and it is a natural process absolutely carried out by farmers.

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Earlier, there was no Sales Tax or VAT on red chillies. I request you to look into this and bring it down to zero as it is in the case of green chillies. Similarly, there is zero per cent GST on turmeric, but after drying this under sun, again which is a natural process, 5% GST is imposed. It is not justified. So, I request the FM and GST Council to remove 5% GST on red chillies and turmeric.

Another example is roasted red gram. It is also done through a natural process and neither there is any value addition nor any other process is involved, but 18 per cent GST is imposed on this. It should also be treated like agricultural commodity and not processed food. Roasted red gram is done by farmers with a very basic roasting process, not in a modern setting.

I have no hesitation in saying that it is an irony that de-stemming is also considered as value addition under GST. It is ridiculous that if you remove stem from any vegetable plant, it becomes value addition and attracts GST. Please do not consider de-stemming as a value addition. I request the Finance Minister to look into these and remove GST on chillis, turmeric and other non-processed and naturally processed agricultural commodities.

A five per cent GST is imposed on tobacco leaves on reverse mechanism and 28 per cent on all other goods not specifically mentioned elsewhere other than bids. It is really pinching the

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tobacco farmers in particular and the agriculture sector in general. Earlier, Central Excise Duty was removed on raw tobacco and unmanufactured tobacco. Now, the GST Council has reversed this and proposed to impose rates at five per cent and 28 per cent which is detrimental not only to the tobacco growers but also to the exporters. Secondly, it impacts foreign exchange which we are now getting around Rs. 6,000 crores per annum. So, this may also be considered and GST may be reduced to zero per cent and five per cent respectively.

The next issue is textiles and what I am going to say is probably an input that you have been receiving from many people across the country. The hon. FM is aware of the country-wide agitation by textile traders against imposition of five per cent GST on man-made yarn, fabric and readymade garments. Earlier, there was no VAT on hank yarn and handloom fabric. Secondly, if readymade garments are more than Rs. 1,000, GST of twelve per cent is imposed. I request the hon. FM to reconsider this decision as lakhs and lakhs of handloom weavers are involved in this.

My next point is on real estate. Many ventures in real estate were about to be completed and not sold as on the appointed day due to slump in the real estate sector for the last two years. Moreover, the completion of the construction of apartment will

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take a minimum of 15 to 18 months and even 36 to 42 months in case of high rise apartments. Hence, restricting the input credit for invoices of not earlier than twelve months will cause the denial of legitimate input credit for the stocks held on the appointed day. So, their demand is that input credit should not be restricted to 12 months for the builders and credit should be given for all the invoices the stocks of which were held in stock on the appointed day.

I would like to make a few other points. Many Members have spoken on sanitary napkins. So, I would not take too long but sanitary napkin is something I would also like you to review, Sir, as also the branded vegetables.

Any vegetable sold with a registered trademark is now attracting the GST. That means, basically the quality, the freshness, the hygiene that is granted by a brand or trademark is being taxed whereas the same product that is not branded is not being taxed. This is working as a disincentive. It is a disincentive for the customers to move to branded, quality, fresh, hygiene products rather than other products and we would request you to please re-look at this also, Sir.

Another one is hybrid and electric cars. There is a mission by the Government that by 2030 there should not be sale of anything

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other than the electric vehicles. If you look at what is happening in Delhi because of pollution, the odd-even rule, they allow hybrid cars and electric cars to ply on both the days but do not allow any other cars. I am surprised to see that hybrid and electric cars are being taxed even higher than petrol and diesel cars. I am not sure if you are aware of this but please take a look at that. It may not be the case in the smaller capacity cars but if we start going up to mid-size and larger cars, the tax rate for hybrid and electric vehicles is actually more than the petrol and diesel cars. So, I would like you to take a look at this.

As many Members have already stated, I too feel that there are still too many rates. I feel there is still a scope going forward for some of the goods. I will give you an example of a shirt. Depending on the price of the shirt the tax rate is changing. It is leading to a lot of confusion in the market place. I would like you to consider maximum of three slabs instead of six and remove multiple slabs for same goods and services.

Sir, tax officers are being very proactive. I have interacted with them in Guntur also. They are interacting with the trade quite well but right now I believe the customer awareness is at a very low level. Customers are not clear about what they should be looking for or what they should be careful about when buying any

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goods or services. So, some type of campaign or a programme to educate them would be useful.

Malaysia had enacted an Anti-Profiteering legislation at the time of their introduction of GST. I think that would be something that we should consider as well.

Finally, Sir, my last point is on industrial incentive. At the time of bifurcation Andhra Pradesh was promised that we would be given industrial incentives in line with Uttarakhand and Himachal Pradesh. When we insisted on this, it was told to us that because of GST that is no longer going to be the case because excise duty exemption is no longer going to be possible. But now, the States are getting GST refund in lieu of those incentives. Sir, on behalf of the people of Andhra Pradesh, I would also like to demand, to keep up with the promises made to us, that as per the Andhra Pradesh Reorganisation Act whatever is being given to hilly States like Uttarakhand and Himachal Pradesh the same benefits should be extended to Andhra Pradesh and Telangana.

Thank you, Sir, for giving me this opportunity.

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SHRI MEKAPATI RAJA MOHAN REDDY (NELLORE):

Thank you, hon. Deputy Speaker, Sir, for giving me this opportunity.

As explained by the hon. Finance Minister in his opening remarks, Jammu and Kashmir being a consumer State is going to benefit a lot by this and hence we support it. Jammu and Kashmir is the only State that missed the 1st July roll-out date of GST and joined the new indirect tax fold making GST one-tax, one-nation regime. Jammu and Kashmir Goods and Service Tax Bill, 2017 was adopted by the State Assembly in the first week of July.

The State Assembly and the people of Jammu and Kashmir should be congratulated for making GST constitutionally possible in the State. With this, the State, being a consumer State, is hoped to get maximum benefit from the GST. It will also pave the way to replace national, state and local levies with a single unified value added tax and integrating India as one market. The Bills are hoped to amalgamate throughout the country all the indirect Union Government levies like Sales Tax, Service Tax, Excise Duty, Customs Duty, Surcharge and Cesses. By providing safeguards to the special status to the State, the country has sent out a message to the people of Jammu and Kashmir that India cares for its sensitivity. The Centre's action has also been the biggest internal

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confidence building measures. The constitutional safeguards for the State as per Section 5 of the constitution of the State - which empowers the State to levy tax - shall remain intact. This is indeed a great gesture of the Union Government towards the State.

After the roll out of the GST, textile sector in the country has been badly hit and needs to be exempted from the GST net. Otherwise, the textile sector will be uncompetitive. The Government should also consider removing the items relating to disabled/handicapped persons from the GST net. The injustice is evident in the decision to tax replacement of non-functional or partly functional body parts like, crutches, hearing aids, walking frames as also all replacements -- albeit artificial -- for body parts along with other aids and appliances. Unfortunately, the items of luxury, whose deprivation causes no challenges to the human existence, are being prioritized instead of aids and appliances that are extremely essential for disabled persons in their routine life.

Sir, there has to be a proper coordination between the Centre and States for effective implementation of GST. With these words, I conclude and support the Bill. Thank you very much.

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[Translation]

SHRI THUPSTAN CHHEWANG (LADAKH): Hon. Deputy Speaker Sir, I thank you for giving me the opportunity to speak on this Amendment Bill. As is well known, certain provisions of the CGST and IGST had come into force on 22 June 2017, while the major provisions came into effect on 1 July 2017. This Act was enforced across the entire country except in the State of Jammu & Kashmir, where it could not be implemented due to constitutional constraints. On 5 July 2017, the Jammu & Kashmir State Legislature passed this Bill. On 6 July, as Parliament was not in session at the time, the Hon. President of India, through an Ordinance, initiated the process to extend this amendment to Jammu & Kashmir. On 7 July 2017, the State of Jammu & Kashmir passed the Bill. This entire process, and the Amendment Bill now brought by the Hon. Finance Minister here, is part of taking that process to its logical conclusion. I am surprised that some of our friends in Parliament are opposing it. This is being done purely for political gain and mileage. When an Ordinance is promulgated, it must subsequently be converted into an Act, and this Bill is precisely to bring that process to its logical conclusion. Therefore, there should be no objection to it. It both surprises and astonishes me that many intellectuals in our country, and even some senior colleagues in this House, speak of the interests of

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Jammu & Kashmir and claim to represent its cause, yet remain unaware of the ground realities in the State.

Just now, Shri Shashi Tharoor was speaking about the interests of the people of Jammu & Kashmir and of the State itself. What I fail to understand is which Jammu & Kashmir was he referring to? We must appreciate that, geographically, the Kashmir Valley constitutes barely 15 per cent of the total area of Jammu & Kashmir. Even in terms of population, when Ladakh and Jammu are taken together, their population far exceeds that of the Valley. Yet, whenever an issue concerning Jammu & Kashmir arises, and we speak of the interests of its people, do we mean only those who advocate the disintegration of the country, who at the behest of Pakistan, incite violence, and who pelt stones at our paramilitary forces, soldiers, and even at members of the State's mainstream political parties? We must understand that when we speak of Jammu & Kashmir, we must speak of the State in its entirety, including the people of Ladakh and Jammu. This is particularly important in the context of the present Bill. If one truly speaks of the interests of the people of Jammu & Kashmir, let it be noted that the people of Ladakh have wholeheartedly welcomed the GST, the people of Jammu have welcomed it, and there are supporters of it in the Valley as well. Then which Jammu & Kashmir is being referred to when it is claimed that this Bill is not in the interest of

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the State or its people? Whenever we speak of Jammu & Kashmir, we must keep this perspective in mind.

I also endorse the statement made by our senior Shiv Sena colleague that Article 370 should be abrogated. Do you wish to see Jammu & Kashmir remain bereft of peace and tranquillity? Do you wish the violence, fuelled by Pakistan, to continue unabated? If we truly wish peace and stability to prevail in Jammu & Kashmir, then Article 370 must be removed, keeping in mind the interests of the majority population of the State. We want to be fully integrated with the national mainstream. Is there anyone in this Parliament who would wish for peace not to be established in Jammu & Kashmir?

As far as GST is concerned, we know that it has many benefits. Shashi Tharoor ji was saying that this is not in the interest of the people of Jammu and Kashmir. But it is a fact that the Congress Party has given its full support to it. In this entire process, since the GST process started, when the Hon. Minister of Finance established the GST Council on the instructions of the hon. Prime Minister, every party supported it, every state supported it, decisions were taken with everyone's consent and the Congress Party has fully supported it. Then why is the Congress Party adopting a different stance on this in Jammu and Kashmir, why has

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the National Conference adopted a different stance? They are not supporting the GST in the state of Jammu and Kashmir just for political purpose, for vote-bank politics. It was also said that when this bill was passed in Jammu and Kashmir, the opposition was not present there. Why was it not present there? They themselves also wanted that this bill should be passed and implemented in Jammu and Kashmir because it is in the interest of the people of Jammu and Kashmir. The implementation of GST in Jammu and Kashmir was in the interest of the nation. After independence, the biggest reform taxation regime has been established in the form of GST. Wouldn't you like that the people of Jammu and Kashmir should also benefit from it, the state of Jammu and Kashmir should also benefit from it?

This GST is, a great experiment in cooperative federalism where the Centre and States have pooled their sovereignty. Now comes the question of sovereignty. The way, the environment and the spirit in which GST has been decided, agreed upon and implemented, the benefits it has, don't you want the people of Jammu and Kashmir to also benefit from it? ... (*Interruptions*)

Deputy Speaker, Sir, I would like some time from you because I come from Jammu and Kashmir. It is my duty to maintain the sentiments of the people there. It has been said about

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GST that India became a political Union in 1947 but GST will now convert India into an economic Union also. This is absolutely correct. There may be many variations to this, but whatever the variations are, they will be applicable in the same way in every state of India.

I believe that there are some parties in the state of Jammu and Kashmir which are separatists, they will definitely oppose this because they oppose everything there. But, why are the mainstream parties opposing it? I believe that they are spreading violence there at the instigation of Pakistan to gain political mileage and are furthering its agenda.

Since there is a time constraint at present, I would like to make a request to the Hon. Minister of Finance without saying much that while GST has many benefits, it may be that there may be some sections of Jammu and Kashmir, like Jammu and Kashmir is a tourism state. Tourism has a lot of importance there. If some objections are being raised in this regard, it is possible that people from some sectors may feel that they need to be given some concessions related to tourism. I would like to request the Hon. Minister of Finance to pay attention to their demands.

I want to make a request to you regarding my constituency Ladakh. Because Ladakh is in a very difficult situation. The route

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to Ladakh gets cut off from the rest of the country for 56 months. The cost of living is highest there. We are far from the average market there. Industry cannot exist there. As far as the increase in taxes related to tourism and trade through GST is concerned, people's business there is mostly related to tourism, hotels and small businesses. Regarding this, a delegation from Ladakh came here and met the Hon. Minister of Finance and a request was made to the Government of India that as far as Ladakh is concerned, it should be exempted from GST for five years because there are a lot of difficulties there. The communication system is very poor there. Whether it is due to road connectivity or through telecommunication. Internet services were completely shut down there for four months. These days it is summer and tourism is at its peak, but telecommunication services remain disrupted. People are not able to get the facility easily. Keeping this in mind, since Ladakh is exempted from income tax, the State was exempted from sales tax. Keeping this in mind and keeping these difficulties in mind, exempt Ladakh from GST for five years, so that after all facilities are made available to the people there, they get an opportunity to fully come into it.

Thank you very much.

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[English]

SHRI KONDA VISHWESHWAR REDDY (CHEVELLA):

Hon. Deputy-Speaker, Sir, thank you very much for giving me this opportunity to participate in the discussion on this Bill.

Sir, at the outset, I rise to support this Bill. If it is good for the nation, then definitely it is good for the State of Jammu and Kashmir also. However, the State of Jammu and Kashmir is a politically sensitive area and the economy of the State is fragile. When GST first came in, the notion was that it is good and there will be better tax compliance and more tax collection which is good for the nation. So, GST will immediately start yielding good dividends to the State and the Central exchequer. But little later they said that in the short term there will be a dip but in the long term it is going to be good because we saw the practical implications of so many issues. So, in the State of Jammu and Kashmir it is even more important because this short-term should really be short and if it is any longer, then, I think, there will be other repercussions in the State of Jammu and Kashmir. But the fundamental point is, only now we are beginning to realise that even though the GST is tax neutral, we are going to get more revenue. That means, where is it going to come from? It is going to come from, as the Finance Minister explained, by casting a

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larger net and more compliance. This is supposedly not going to affect the common man. But after the implementation of the GST, we have seen the prices of items rising. The reason is, in a convoluted manner, it is hurting the tax payer. The original argument is, more tax compliance leading to more revenue to the State and the Centre and thus, there will be more hospitals, more schools, more roads and more development which will help the common man. But in the immediate effect, because of non-tax compliance, product prices especially in Tier II cities, whether it is rubber chappal or shirts, are much lower than in the cities. The taxes in the Tier II cities have much lower compliance.

In these areas, where there are primarily rural customers, they are suddenly experiencing that the retailer as well as everyone has started collecting tax and hence it has actually increased. Thus, in the immediate effect, there is a dip in the Government collection. Especially in our State, we have noticed that in the Tandur stone issue, the industry has come to a standstill. Now it is slowly picking up. But it is also affecting the common man who is paying higher especially in Tier II cities and rural areas.

This can be very detrimental in Jammu and Kashmir. There is also a barter system in Jammu and Kashmir especially in Ladakh and other areas. Hence, special care has to be taken in this regard.

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But the most important issue is the one which I raised yesterday also. Many Members came up with various examples like chillies, turmeric powder, etc. There are hundreds of such examples and there will be because no system can be perfect. It has to be smoothed out. That is why, we have the GST Council. The Sectoral Groups are supposed to address each and every item. Many items have been brought up by Members.

Many anomalies exist. There is the famous example of coconut oil. In Kerala, it is edible oil and in Rajasthan, it is hair oil. To make matters worse, one famous brand sells coconut hair oil with a vegetarian mark implying that it is actually edible vegetarian item. That complicates the matter. It is just one example. This example was discussed even before. I hope that issue is resolved by the GST Sectoral Council.

I would like to bring to the notice of the Minister that we are worried that the GST Council is working at a normal pace. They should be actually working on a war footing basis and these issues should be resolved within weeks and not months because that may hamper the implementation.

Hence, I request the Minister to prod the GST Council because several MPs including myself have written to the Sectoral Councils almost a month back but we have not even got a response

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back. This is very important for the success of GST in Jammu and Kashmir and the nation. Our State Government fully supports and endorses it.

We wish Jammu and Kashmir, the nation and the Finance Minister well. We support it.

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[Translation]

SHRI ANURAG SINGH THAKUR (HAMIRPUR): Hon. Deputy Speaker Sir, thank you. Today, I rise to speak in support of this important bill. The speakers before me also spoke in support of this bill. This House of the Parliament passed GST first and when it was rolled out on 1st July, I think it is the biggest thing that has happened in this country after independence, so GST has been a huge achievement in this country. Yes, but it was incomplete without Jammu and Kashmir.

After July 1, a day came on July 5, when the political parties in the Legislative Assembly of Jammu and Kashmir passed the GST bill there too. Hon. President on 8th July issued a public notice releasing the Central Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance and the Integrated Goods and Services Tax (Extension to Jammu and Kashmir) Ordinance, 2017. Today we all have this opportunity. If we have to fully achieve the basic principle of GST which is One Nation, One Tax, One Market, by passing it once again, then it will remain incomplete without Jammu and Kashmir. I come from a political party where if anyone sacrificed his life to end the Permit Raj, he was Dr. Shyama Prasad Mukherjee. He had said that there cannot be two heads, two flags and two constitutions in a country. In this journey

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continuing from there, today we are standing at a point where we have achieved One Nation, One Tax, One Market, for which I express my heartfelt gratitude to all the members of the House and all the Members of the Legislative Assembly of Jammu and Kashmir.

Sir, the hon. Prime Minister's dream of Ek Bharat ,Shreshtha Bharat was very important for the integration of Jammu and Kashmir into the Indian economy. Why have some people opposed this? Shashi Tharoor ji has a connection with Jammu and Kashmir. If he opposes it or says such a thing, then all I can say is that some people hate us just because a lot of people love us. GST has been accepted by the entire country and he say that the Indian government implemented it without preparation, Malaysia gave two years' time and we gave two weeks' time. I can say that what no one else could do in two years, the IRS officers of this country and the state governments and the Union Government together with the businessmen have achieved what no one else in the country has been able to do, no other country has been able to do. More registrations happened in less time than before, how would that have happened if the systems weren't adequate? This was possible only when the government made full preparations, this was possible only when more than 52,000officials were trained for it. This success was achieved only after training was imparted to

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the state and central officials. More than 4500 training programmes were conducted at Outreach stations in the country. A call center is available 24hours a day and 7days a week and receives more than 4000calls per day. A dedicated YouTube channel has been provided. There is even a rate finder application through which millions of smart phone users in the country can make use of it. I feel saddened by the way the Minister of Finance presented his views in great detail yesterday, while presenting his views on the Supplementary Demand for Grants, he had already answered many things yesterday. But some members are not in the habit of staying in the House. He gave his speech and left, he didn't even wait for the speech.

16.00 hours

Tomorrow they will ask that we ... *do not know what happened, how did it not happen. But Pappuji is sitting in front of us.

SHRI KANTI LAL BHURIA (RATLAM): Who is Pappu, whom are you calling Pappu?

SHRI RAJESH RANJAN (MADHEPURA): I think an FIR will have to be lodged in my name.

* Not recorded as ordered by the Chair.

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SHRI ANURAG SINGH THAKUR: Now Contempt of ...** also began to happen. ... (*Interruptions*) don't know why the Congress Party member started asking about ** ** Whoever has it, it is enough. Who benefits from it, I do not want to go into it ...(*Interruption*) I just want to say that some people were not present in the House, yesterday also Hon. Minister of Finance spoke about these things for more than an hour and a quarter and today he said that it was of no use. Those people are opposing it who used to oppose black money till yesterday. Despite the Supreme Court's order, whose party could not form a committee on black money for four years, our government, on the very first day in the first cabinet, formed a committee on black money under the chairmanship of Justice A. P. Shah. Not only this, apart from this, Benami Property Act was made, strict law was made on black money and by taking strict action on black money, 500 and 1000 rupee notes were banned.

You were opposing till yesterday, but the people of the country stood in queues and supported demonetization because they wanted to take the country forward. Today you oppose GST. In the GST State Council meeting, officials and representatives

** Expunged as ordered by the Chair.

** Expunged as ordered by the Chair.

** Expunged as ordered by the Chair.

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from 29 states and 7 union territories came and together they decided on the rates. Today Shashi ji asked why did you do this. If this is reducing inflation and providing relief to the poor, then why do you have stomach ache? We have seen that during your time, inflation used to be 10-11 per cent, today it has come down to one and a half per cent. If our government has done successful work then you should praise it somewhere.

Deputy Speaker, I come from an area where there are many truck drivers. The World Bank report said that 60 percent of truck drivers' time was wasted due to stopping at various places like toll plazas, check posts and to pay various taxes. Traders, industrialists, truck drivers and small shopkeepers came to thank me. This thanks was not mine, it was of all the states, of all the governments, of the Union Government. Together we passed GST. Today, if trucks are not standing at one place, goods will reach quickly, less money will be spent and transportation cost will come down. Not only this, 17 types of taxes, 22 types of cess, 115 toll plazas and check posts will be removed. Who will benefit from this, the common man will benefit, the general public will benefit.

Sir, many big things were said, yesterday Nishikant ji also said that hon. Atal ji had given industrial package to small states, hilly states like Himachal Pradesh, Uttarakhand, Jammu-Kashmir

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and North-East states so that employment is generated there, migration is reduced and industrialization takes place. But the Congress government took it back as soon as it came to power. I thank the Hon. Minister of Finance and express my gratitude for giving relief to these states despite GST.

Sir, many things were tried to be said before this. *[English]* GST is higher than VAT *[Translation]*. If we go into its details, then GST is less than that after excluding excise duty and VAT, as far as I know. If you count as it used to be earlier, then it will cost more than today, but GST is less than that. Not only this, it was said that the retailer needs internet all the time. It was said that he should file returns 37 times. This is not right, I would like the Hon. Minister of Finance to tell once again that you do not have to file returns 37 times. You have to do it only once in a month, auto pilot is generated twice, please correct your information.

Provision has also been made in the library of the Parliament for the Members of Parliament to learn this. You can get more information there. It was said that ID is a must. It was replied long back that the provisional ID will be your final GST number. I don't think shopkeepers are creating this confusion. One party and some political parties are deliberately trying to create this confusion. Jammu and Kashmir will benefit from GST. Sales of other goods,

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including shawls, bats, large carpets, will increase there. When taxation on them will be reduced, my brothers and sisters of Jammu and Kashmir will get more employment.

Shashi Tharoor said, "Whether it is Kashmir or Kerala, everyone will be affected. The Hon. Minister of Finance said yesterday that if the cost of a room is up to Rs. 1000, then how much tax will be levied on it. If it is super luxurious, then maximum tax will be levied on it, but tax on the rest has been reduced. If the Congress leaders are not present in the House and when I asked that the Congress leaders are not present in the House, Kharge ji got angry and stood up. They will get the information only when they give correct information to the people.

I want to say that this is a very big step for the economic integration of Jammu and Kashmir. I welcome this step taken by all the leaders of Jammu and Kashmir. In this fight which is between consumers and separatists, we have to decide whether you are with the separatists or with the consumers? Are you in favour of giving Kashmir its rights or are you in favour of keeping it away? Do you consider Kashmir an integral part of India or not? Are you ready to rectify the mistake you made in 1947 by giving special status to Jammu and Kashmir? We consider all the states

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of the country equal. We consider Jammu and Kashmir an integral part of our country.

While supporting this bill, I congratulate the Hon. Minister of Finance and Prime Minister that you have brought GST in the interest of the country. We will get a lot of strength in both Ease of Doing Business and Make in India movement. India is progressing and inflation is falling. I congratulate you a lot for this.

I conclude my speech in support of this Bill.

[English]

HON. DEPUTY-SPEAKER: Now, the hon. Minister.

... (Interruptions)

SHRI RAJESH RANJAN: Sir...

HON. DEPUTY-SPEAKER: You may speak on the next Bill.

... (Interruptions)

SHRI MOHAMMAD SALIM (RAIGANJ): Sir, my name is also there.

HON. DEPUTY-SPEAKER: You were not there when I called your name. I am sorry. What can I do? *[Translation]* Just now, you are coming. I have already called the Hon. Minister to reply.

SHRI MOHAMMAD SALIM: Sir, please allow me to speak.

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HON. DEPUTY-SPEAKER: I cannot allow you to make a full speech, now. You may make one or two points and conclude.

[Translation]

SHRI MOHAMMAD SALIM: Deputy Speaker Sir, I want to say that all the Members and the Minister got a chance to say something about GST in a span of one month. The Minister said in his reply to the supplementary budget yesterday that it was necessary to give clarification to the people, otherwise we have taken it out of the Parliament and given it to the GST Council. They will correct the tax proposals. They have also said that we will sit and review every month. What was the responsibility of the Parliament will now be done by the GST Council, of course there are state ministers in it. Our Parliament had the responsibility of tax proposals, but now we have lost authority over that too.

Secondly, many people campaign very negatively for Article 370, especially at the time of elections. But by saying Article 370, you had to bring the Extension Bill in Jammu and Kashmir. This has given the House a chance to re-examine what is the impact of GST? Jammu and Kashmir is an integral part of India. The laws that we are making for the entire country, both Central GST and IGST should be extended to Jammu and Kashmir as well. The state GST will be done by the assembly of Jammu and Kashmir. If you

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see, when the midnight programme was happening in Parliament a month ago, small businessmen from Surat to Kolkata and from Tamil Nadu-Kerala in the south to North India were worried and they took to the streets for this. The low income people in Surat wear synthetic sarees. Now synthetic yarn, which mostly comes from Surat, has been taxed at 18 percent. Those who are rich, super rich, do not use these synthetic sarees.

Women in Bengal wear sarees, and there is an 18% tax on it. Similarly, those who are in tailoring and readymade garments, where I come from, tailoring work is done in Kolkata, Indore, East Delhi. Today our readymade garment industry is growing all over the world, the government is promoting it and upgrading the technology, but there is a lot of turmoil within it as well. Same is the case with pharmaceuticals, textiles and medicine. You will also agree with me that regarding the price of medicines, on one hand the government is saying that we are making a scheme in the name of the Prime Minister or in the name of the Chief Minister to make the medicines cheaper. On the other hand, the tax you have imposed on essential medicines and pharmaceuticals is not correct. This creates confusion.

Sir, there are tiny and small entrepreneurs, small industries. I have written a letter about this. There is only one industry which

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is indigenous strings, which are traditional Indian instruments, there is only one such company. Before independence, by doing research, they had substituted its import. Now the strings coming from China will be used in our Indian musical instruments and tax has been imposed on the strings that we are manufacturing in a small factory in Bengal. The industries on which we had given exemptions in our states to promote them, today GST has been imposed on them. You should impose anti-dumping duty on the products coming from China and impose a five percent tax on the products produced in your country. By imposing 18percent tax, that factory itself will be closed. *[English]* Sir, I am talking on the specific issues. *[Translation]* Similar situation exists in the bidi industry, transport, match box manufacturing industry as well. The fireworks industry in Tamil Nadu is in trouble because it is labour intensive and poor people work there. Today such a situation has arisen before them. You have mentioned that *[English]* the small traders with turnover above Rs. 20 lakh per annum have to file their Returns online and get their input tax paid by them which makes it very difficult. *[Translation]* You will have to look into that and clarify it.

Yesterday also you told me why I should go to AC instead of non-AC. You yourself have said that the tax structure is such that the tax paid on input is claimed from the final tax payment. Food

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is being prepared in the same kitchen in the same restaurant, the input ingredients are the same, the payment is the same, but if they are eating sitting in an AC room, they will have to pay 18 percent tax. Now who will go to that kitchen and keep track of where the food, oil and other items went, which one went to the AC room and which one went to the non-AC room? As far as the matter of claiming tax is concerned, I believe that I am talking about the customer, the common man. They are facing problems. Small businessmen are facing problems. Big businessmen have no problems. Medium, small and tiny enterprises are facing a lot of problems. You are trying to connect Kashmir with you. Under this law, it will be connected and they will feel attached to it. Therefore, at least the problems that are causing hue and cry across the country today should not be faced by the people of Kashmir. This will have to be looked into and before that you will have to rectify it in the GST Council.

SHRI ARUN JAITLEY: Deputy Speaker Sir, Jammu & Kashmir has been integrated with GST, this is a positive step for Jammu & Kashmir and the entire country. With the integration of Jammu and Kashmir into GST, the dream of economic integration of the entire country from the tax perspective has truly been fulfilled. I will just say that the issue which was raised by one or two Members, whether this infringes their special status, was raised by Members

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of the Congress Party. I do not think that a national political party should get involved in this issue. I have said earlier also that *[English]* in the State of J&K, this was an argument conventionally given by the separatists and the argument was that this will lead to greater integration with India. So, do not go in for GST. And conventionally, it was the PDP and BJP Government which was strongly advocating it.

The Finance Minister there belongs to the PDP; he is an economist. I had also expected the Congress and the National Conference to support this. In fact, when I first became the Finance Minister, it was the National Conference leader who was the Chairman of the Empowered Committee of Finance Ministers who was advocating the GST. Subsequently, they took a different position. I will only say, without getting into this controversy of special status, the comment which was made in the Assembly there, when this issue was raised, that the special status was never intended to create the economic impediments for the State, that the State must Economic progress in the larger interest of its people. This can never go contrary to the special status itself. Therefore, the whole argument of special status is getting diluted because economic integration of the State takes place in terms of taxation is not a fair argument to give. *[Translation]* As I said in the beginning, if J&K had not integrated, the consumers there would

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not have got input credit, the trade there would not have got it, every product would have become expensive. A car would be cheaper in Pathankot but costlier in Jammu and Srinagar. A refrigerator or television set would be cheaper in Pathankot but costlier in Jammu and Srinagar and the consumer would buy the product from Pathankot bypassing the traders there. This would cause problems to their consumers, their traders and the state's revenue collection would also reduce. Therefore, this step, by adding a consuming state, has also benefited it. Many questions were raised. Many times when we read some information, we believe it to be true.

[English]

Satpathy *ji* raised the issue about GST and some people have been canvassing on GSTN. I explained yesterday that GSTN has the massive job to perform. It has to register lakhs and lakhs of people. It has then to evolve a system which will receive literally billions of vouchers and then match 320crore vouchers every month, which will keep an eye on every transaction in the country.

[Translation] As soon as you raised this issue, as is Kharge *ji*'s nature, he said that yes, you are absolutely right. Sometimes Kharge *ji* scores a self-goal. This is because the structure of GSTN was created by the UPA government and there was pressure on me

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to change it. *[English]* The pressure on me was, they have made it; it is a faulty structure and you must change it. I took a position that what the UPA Government did was a correct structure and I will not change it. I was surprised when Shri Kharge started agreeing with you. Why was it a correct structure? It was a correct structure because about 25 per cent, 24 per cent of the shares belong to the Union Government. Equal amount belongs to the State Governments collectively. So, the Centre and the State Governments own 49 per cent approximately. So the company is technically not a Government company. If it was a Government company, then for the purpose of employment of staff, the IT experts, their salary structures and grades, you would have had to pay them the Government structures. To manage an operation of this magnitude, probably the UPA Government then in power thought it was not possible to get the best minds in the world to start working on such a structure, if you have to just pay them a Director or a Joint Secretary salary. So, they created a structure which was technically not a Government company. But who did they give the 51 per cent share to? It was given to HDFC, to National Stock Exchange, to LIC Housing – credible organisations with a condition that we can take over those shares and increase our own shareholding to 51 per cent, if necessary. We did not consider it necessary.

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The Board will have a Government majority. The executives will be appointed by the Government and for any decision to be taken, a Government's positive vote is required. So, no decision can be taken without the consent of the Government nominee and then, when we came to power, I just added one more thing that GSTN will also be subjected to CAG audit. So, we made this correction and, therefore, the present structure that has been evolved, it was formed at that time, it has evolved now. It is a structure which is working. So far there have not been major glitches. There could be but then those glitches are always corrected. There is no such technology in the world that does not have glitches. The moment an examination result comes out and young students of class 10th or 12th go to the software to find out their marks, there are glitches even [*Translation*] then the system fails, so they fix it after some time and bring it back. Therefore, it is not right to make GSTN an issue again and again. The government is keeping a close watch on it. As No other argument was found so everyone is saying that the slab is too high. I agree that there are more slabs, [*English*] but then do not address contradictory arguments. You will say there are too many slabs and it must also contain inflation. The two are directly related. Now, assuming instead of 12 per cent and 18percent, we had only one slab. Let me for a moment, demolish this argument of multiple

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slabs. It is an argument against the poor people in this country. It is an argument in favour of the wealthy and the rich. Supposing there was only one slab as some people in columns have said and we had said everything will be taxed only at 15 percent, then the *Hawaii chappal* would have been taxed at 15 percent, the BMW car would have been taxed at 15 percent. So, those who are advocating a single tax have learnt from western society where there is no population which is BPL.

Please remember that an indirect tax is a regressive tax. The rich man and the poor man pay the same amount of tax. *[Translation]* Whether a poor man buys soap or a rich man buys soap, the same tax is levied. Income tax is progressive because the rich person pays more, the middle class pays a little less and the poor person does not pay income tax. If we put a single rate on all commodities, then the things meant for the rich and the things meant for the poor will be taxed the same and then we would have seen the argument in the House as to what kind of GST is this. We have said that many items have come under zero percent. The purpose of bringing it to zero percent was that there would be no tax on it and especially on those items which are used by the poor man. Such items were kept in zero percent or five percent. If we had merged 12% and 18% immediately, this was discussed in the council, this was not just the decision of the Union Government

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but also of all state governments, then those paying 9% tax would have been directly put in 16% and those paying 21% tax would also have been put in 16%. This would have had an inflation impact on the 9percent item. With a view to a smooth GST, it was thought that initially there would be more slabs in it. There will always be a slab of zero percent and five percent. *[English]* The principles which were followed were (i) It should be revenue neutral. *[Translation]* Neither the Centre nor the State should get less tax than what it gets today. The second is equivalence. Equivalence means that an item should be put in the slab closest to the tax that was being levied earlier.

Thirdly, there are many items that we once believed were used only by rich people. But now they have reached the middle and lower middle class as well. Therefore, they should now be brought down below 28 percent. The two standard rates in the old tax system, VAT and excise, were 12 and a half percent and 14 percent. Both together made 27 percent. If it went from one state to another, then 2 percent CST was levied on it. In this way, 27 and 2 became a total of 29 percent. Including the cascading effect of tax on tax, the standard rate was 31.6 percent. Some items were brought in the slab of 28 percent and some items were brought in the slab of 18 percent.

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[English]

Shri Reddy raised this question. Finally, I do concede that as it moves forward, there will be scope for rationalising the rates. There, probably, will be scope that the two standard rates of 12 and 18, after some time, could be clubbed into one. That is a fair possibility and a suggestion. But if you had done it immediately and had a single slab or a lesser slab, its inflationary effect would have been much higher. Therefore, we did not get into this exercise.

Now there are several items—I addressed some of them yesterday—on which some programme on television that Shri Tathagata Satpathy saw or some news item will come or some industry will say that I have this position. Somebody mentioned movies. Earlier entertainment tax was being levied by the States only. What was the rate? The rate was from 20 per cent to 110 per cent. The entertainment tax was 20 per cent to 110 per cent in different States. The weighted all-India average was 30 per cent because GST is an all-India tax. Initially, we put it at 28 per cent. Then some people in some States said in our States for regional films exemption used to be granted. Those State Governments are still entitled to give a tax refund. In GST, there is no exemption but you can give a tax refund.

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Maharashtra can give a refund to a Marathi film. Gujarat can give it to a Gujarati film. Tamil Nadu can give it to a Tamil film. So we said, everything is right, if you feel so. The Council collectively took a decision that for a certain slab below Rs.100 ticket, let us make it 18. So, actually, there is a reduction because the earlier tax was of a particular amount. The problem is that earlier the slabs were being mentioned. *[Translation]* Salim sir, these impressions that we do, it was not felt earlier. One reason I mentioned yesterday is that earlier excise used to be embedded. Secondly, there is another reason, *[English]* I am very reluctantly giving that reason. *[Translation]* There was also a practice of not paying some taxes. *[English]* Now you gave the example of the problem of some States. Let us say, granite. *[Translation]* Granite is not used by the poor man, it will be provided by the consumer. Granite is used on slabs. *[English]* The all-India weighted average rate of granite was twelve-and-a-half plus fourteen-and-a-half plus two plus cascading effect, 31.6. That 31.6 rate became 28. So, what is the grievance? *[Translation]* When it was 31.6 percent, it was not given at that time, but now it has to be given. *[English]* ...*(Interruptions)* Let me just complete. You ask me later.

SHRI A. P. JITHENDER REDDY (MAHABUBNAGAR):

You said granite is used by the rich people. But our grievance is with regard to the poor people. After the granite slabs are cut, there

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are some pieces. Those cut pieces are collected by the poor industry people. They just polish it with gas. So, the people take these pieces, put some polish on them and spray something and sell them as small tiles. Earlier, the tax on them used to be 7 per cent. They are about one lakh people, who are there in Khammam district itself. So, we want exemption for this purpose only. I am not talking about the 28 per cent. That I agree. Rich people will have to pay that tax. ...(*Interruptions*)

SHRI ARUN JAITLEY: We have to see the all India weighted average.

Let me deal with two items for which I read the maximum number of articles written on. It was also mentioned by some hon. Members. In fact, when I went to Chennai, the other day, a group of NGOs came and met me and explained to me and I am having that matter investigated also. It is about the disability aids.

The GST Council decided that the disability aids will all be kept at five per cent tax slab and everybody asked to keep it at zero per cent tax slab. A senior Congress leader also wrote a letter saying to keep it at zero per cent tax slab. Then, some television channels, which say it is a disability tax, also discussed it. But in GST zero is costlier than five per cent tax. Let me explain this and make this good.

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When you manufacture any item with respect to disability aid, whether it is a clutch or a wheelchair – what the components are of a wheelchair, there will be iron, there will be aluminum, there will be rubber, there will be leather for the back – all the inputs are taxed at 18 per cent or 28 per cent. In the chain, when the final product is made, it is taxed at 5 per cent. It means that since the inputs are taxed at very high rate and the final rate is only five per cent, the manufacturer will get the input credit. Since it is an issue connected with Tamil Nadu, I will speak in English for the convenience. So, let us say that his input credit is 14 per cent or so, five will be subsumed in 14 and he gets a refund of 9, which helps him to bring down the price of wheelchairs or clutches. If it is zero, he does not get input credit. So, a disability aid at zero per cent tax will be costlier but at five per cent will be the cheapest. But without application of mind, somebody did a programme on a television channel, because in kindergarten they learnt in their basic arithmetic that five is more than zero, and therefore, this whole campaign started. The people who met me in Tamil Nadu said that actually some traders have increased it. ... (*Interruptions*)

HON. DEPUTY SPEAKER: What they have felt is that five per cent may also be exempted.

... (*Interruptions*)

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SHRI ARUN JAITLEY: If you exempt five per cent, you do not get input credit.

HON. DEPUTY SPEAKER: Even getting that input credit, they want this five per cent also to be reduced.

... (*Interruptions*)

SHRI ARUN JAITLEY: So, the whole campaign started. Let us see that there is a third objective. Let us decide it. Do we want in India the Make in India products to increase? Or, do we want to just allow cheap foreign products to come in? One of the objectives of GST is that you must aid and assist domestic products. For that purpose, on all foreign products, which are imported into India, you pay the basic Customs Duty and in addition to the basic Customs Duty, an amount equal to GST is charged as Integrated GST (IGST). So, if basic Customs Duty is, let us say, 10 per cent, and the IGST is 12 per cent, then a Chinese product coming into India will have to be levied at 22 per cent. So, it will be at 22 per cent disadvantage. That disadvantage will help the growth of Make in India product. If you say that this 12 per cent should be reduced to zero, then the Chinese product will get a 12 per cent advantage.

Let us see, some MPs also met me and I examined it, in the earlier regime with VAT and Excise and all different taxes and

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their cascading effect, the case in point typically is sanitary napkins.

Now, on first sight, everybody says reduce the tax. The earlier rate till 30th June was 13.8 per cent. That was the net taxation impact. Nobody made a representation because tax was embedded in the cost. It was 13.8 per cent. On an equivalence basis, the Council decided 12 per cent. When it was fixed at 12 per cent, they said ‘please remove it because it is necessary for menstrual health and we must popularise it.’ What will happen to village self-help groups? They are all below 20 lakhs. So, they are all exempted. So, no village self-help group will have to pay. Those up to 75 lakhs will have to pay only two per cent. Now, you come to a large Indian manufacturer. A large Indian manufacturer is taxed at 12 per cent minus input credit. All his inputs – synthetics, absorbents, glue etc. – are taxed at 18 per cent and 12 per cent. When the Indian manufacturer gets input credit, the rate actually becomes much less. He gets a large input credit because the inputs are costlier than the final rate. The same principle is there. Therefore, those made in India by village self-help groups pay nothing, medium people will pay two per cent and large Indian producers will pay 12 per cent minus input credit. Since the input is taxed at a much higher rate, most of it will be absorbed. Some minor tax will be left. But if you make it zero, the impact will be that every Indian

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manufacturer will close down. The Chinese products will become 12 per cent cheaper. And, your Make in India brand does not survive because the IGST on the Chinese products will become nil.

As I said, it is a new regime. The Council has a lot of experts. There are a lot of Finance Ministers and many of them are economists. Therefore, we have the benefit of their services. All the States decide. The State Commissioners are also technical people who have learned this trade. So, they are not fixing up these rates casually. They will see the principle of equivalence; they will see the principle of revenue neutrality; they will see what the maximum burden is on a domestic consumer; they will see how Make in India brand is to be strengthened and field not left open for foreign products to just come in, by making such an inverse charge. Therefore, whenever we read in the newspapers or watch on the televisions, we must verify twice before believing it to be the Gospel's truth.

Sir, since we had a debate yesterday, I clarified it. Shri Jayadev raised the issue of hybrid cars. ...(*Interruptions*) I will examine the chillies. Without getting into the name of the companies, I may tell that for small cars, the duty was reduced. Did the company manufacturing the hybrid cars reduced the price or did it increase the price? They increased the actual price, after

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you gave a massive reduction in duty for the small car. They have no explanation to give. Then, they start a propaganda seeking duty concession for the luxury hybrid. For the small consumer, we gave a duty concession. Instead of reducing the price, they increased the price. Now, for the luxury vehicle the campaign is that 'to the luxury purchaser, please reduce the duty.' Now, a man who can pay Rs. 45 lakh, can also pay Rs. 50 lakh because for the man who had to buy it for seven lakh rupees, instead of reducing the price, you increased the price. Therefore, that segment of the private sector also, before it can pressurise the GST Council, will have to see that there is some responsibility that this new regime has on them also. After all, just because electrical vehicles are better from environmental point of view, we cannot convert it into a regime which is so unfavourable to the consumer where the State gives up its revenues and the manufacturer increases the price. Further, the number of manufacturers is not too many. Therefore, the Council is watching that situation.

As I have said that they are watching and their experts keep meeting regularly. Every State is getting grievances. I can only tell this House that every member of the Council and every Finance Minister of the State is neither being pressurized by a demonstration nor by only some domestic concerns. When they sit collectively they look at the data; they look at what is in the interest

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of the consumer and the country; what was the earlier rate; what is the revenue neutral rate; how can the 'Make in India' brand be strengthened; and then correspondingly take a decision. I am sure that we will continue to meet regularly and continue that exercise.

Sir, with these few words, I commend these Bills for approval of the House.

[Translation]

SHRI ADHIR RANJAN CHOWDHURY: Jaitley ji, there has been no negative discussion from our side regarding Article 370. I had advised that ... (*Interruptions*) Yes, I had advised that doubts are being raised in the valley regarding Article 370 and fiscal autonomy, because when you yourself had started GST in India, at that time you had failed to take the Jammu and Kashmir valley along with you. This is your fault, because there is your government, PDP-BJP is your government. So you had to bring an ordinance. I drew your attention to the doubt that is there, because people there have this doubt and the traders and businessmen there, they all came out in protest. Your government thrashed them, beat them up, this should not have happened. You are doing a great job, a good job, and you even use force on somebody else. These two things shouldn't happen together. So I drew your attention.

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I want to tell you that [*English*] the GST on dry fruits in the valley should be at 5 percent and not at the proposed 12 percent as higher tax will lead to price rise and encourage illegal trade across the LoC. [*Translation*] The Chief Minister there herself is saying that there should be no restrictions, no ban in Muzaffarabad, Kashmir. Second thing is that your Chief Minister herself tells you to reduce the GST rate there. I am saying the same thing that while implementing GST on these three subjects of Kashmir valley, namely horticulture, tourism and handicrafts, you should think about the valley. so we did not talk any negative about section 370. Your attitude is that Article 370 should be abolished from the valley. But after coming to power, you lost it all ... (*Interruptions*) You forgot, you even forgot the Uniform Civil Code, you even forgot the abolition of Article 370. These were your election rhetoric. ... (*Interruptions*) You used to raise the slogan of Article 370 to do politics. After the elections, you dropped that slogan. ...(*Interruptions*)

The third thing I want to tell you is that the path of ordinance should not be adopted. This is our democracy. Ordinance should not be brought in every matter. Today it is Ordinance Day in the Lok Sabha and Parliament of India because Ordinance is being discussed in the legislative business.

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[English]

HON. DEPUTY SPEAKER: Shri Adhir Ranjan Chowdhury, are you withdrawing your Resolution?

SHRI ADHIR RANJAN CHOWDHURY: Yes, Sir, I am withdrawing my Resolution disapproving of the Central Goods and Services Tax (Extension to Jammu & Kashmir), Ordinance, 2017.

HON. DEPUTY SPEAKER: Is it the pleasure of the House that the Statutory Resolution moved by Shri Adhir Ranjan Chowdhury be withdrawn.

The Statutory Resolution was, by leave, withdrawn.

HON. DEPUTY SPEAKER: The question is:

“That the Bill to provide for the extension of the Central Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir, be taken into consideration.”

The motion was adopted.

HON. DEPUTY SPEAKER: The House shall now take up clause by clause consideration of the Bill.

The question is:

“That clauses 2 and 3 stand part of the Bill.”

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

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

SHRI ARUN JAITLEY: I beg to move:

“That the Bill be passed.”

HON. DEPUTY SPEAKER: The question is:

“That the Bill be passed.”

The motion was adopted.

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HON. DEPUTY SPEAKER: Now, the House shall take up Item No. 22.

Shri Adhir Ranjan Chowdhury, are you withdrawing the Statutory Resolution?

SHRI ADHIR RANJAN CHOWDHURY: Yes, Sir.

HON. DEPUTY SPEAKER: Is it the pleasure of the House that the Statutory Resolution disapproving the Integrated Goods & Services Tax Ordinance, 2017 moved by Shri Adhir Ranjan Chowdhury be withdrawn.

The Statutory Resolution was, by leave, withdrawn.

HON. DEPUTY SPEAKER: The question is:

“That the Bill to provide for the extension of the Integrated Goods and Services Tax Act, 2017 to the State of Jammu and Kashmir, be taken into consideration.”

The motion was adopted.

HON. DEPUTY SPEAKER: The House shall now take up clause by clause consideration of the Bill.

The question is:

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“That clauses 2 and 3 stand part of the Bill.”

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

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

SHRI ARUN JAITLEY: I beg to move:

“That the Bill be passed.”

HON. DEPUTY SPEAKER: The question is:

“That the Bill be passed.”

The motion was adopted.

16.47 hours

**STATUTORY RESOLUTION RE:
DISAPPROVAL OF BANKING REGULATION
(AMENDMENT) ORDINANCE, 2017**

AND

BANKING REGULATION (AMENDMENT) BILL, 2017

HON. DEPUTY SPEAKER: Now, we are taking up Item Nos. 18 and 19 together.

Shri Adhir Ranjan Chowdhury to move the Statutory Resolution.

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR):

Sir, I beg to move:

“That this House disapproves of the Banking Regulation (Amendment) Ordinance, 2017 (No. 1 of 2017) promulgated by the President on 4th May, 2017.”

THE MINISTER OF FINANCE, MINISTER OF CORPORATE AFFAIRS AND MINISTER OF DEFENCE

(SHRI ARUN JAITLEY): Sir, I beg to move:

“That the Bill further to amend the Banking Regulation Act, 1949, be taken into consideration.”

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[Translation]

SHRI ADHIR RANJAN CHOWDHURY: Sir, our Hon. Minister of Finance has started bringing ordinances in everything, therefore ...* While addressing him I would definitely say a few things that ...* You have brought an ordinance on banking regulation, but you yourself are not serious about it. The reason for this is that this ordinance is promulgated on 4 May, but if you look at the press release of RBI, they are saying that *[English]* an Internal Advisory Committee was accordingly constituted and it held its first meeting on June 12, 2017. *[Translation]* Our House began on 17 July, what did you do in the meanwhile. *[English]* You stated that accounts totaling about 25percent of the current gross NPAs of the banking system would qualify for immediate reference under IBC and a resolution plan within six months in cases where a viable resolution plan was not agreed upon, banks should be required to file insolvency proceedings under IBC. *[Translation]* You did these two things.

I would like to ask the Hon. Minister of Finance that the legislative powers that you had, the legislative tools that you had in your hand, were they not enough for recovery, were they not

* Not recorded

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enough to deal with NPAs? You should think about this because like you, we all are worried that the way NPA is increasing in India, our financial institutions and banks will have to face problems.

16.51 hours

(Shri Anand Rao Adsul *in the Chair*)

[Translation]

The credit growth of banks is declining right now. People don't have money to invest. Therefore, we should take care that NPAs do not increase too much. *[English]* Under the baseline scenario, in a macro stress test, the industry's gross bad loan ratio may increase to 10.2 per cent by March 2018 after climbing to 9.6 per cent in March 2017, the highest since 2002, according to the Reserve Bank of India's Financial Stability Report released. The stressed assets including soured debt and restructured loans eased slightly to 12 per cent in March 2017 from 12.3 per cent in September 2016. The soured loans have contributed to a US dollar 191 billion pile of zombie debt that has cast the future of some lenders in doubt and curbed investment by businesses.

[Translation]

What is your intention to bring the bill? This ordinance which is now being billed, this act which you are bringing, your intention behind bringing this act is that *[English]* the Union Government

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may authorise the RBI to issue directions to banks for initiating proceedings in case of a default in loan repayment. These proceedings will be under the Insolvency and Bankruptcy Code, 2016.

Second, the RBI may issue directions to banks for resolution of stressed assets. Stressed assets include NPA and loans that have been restructured further. The RBI may specify authorities or Committees to advise banks on resolution of these assets. Members on such Committees will be appointed or approved by the RBI.

[Translation] I would like to draw the attention of the hon. Minister and say that *[English]* over the last decade, the NPA's proportion of total loan extended by banks have increased from 2.3 per cent in 2008 to 7.5 per cent in 2016. To recover the outstanding amount, banks may restructure loans, such as, change the repayment schedule or choose to initiate action under RBI scheme. These schemes allow for various options, including:

- 1) conversion of debt into equity;
- 2) take-over a company's management; and
- 3) collective decision-making by banks on a recovery plan.

There may be cases where the defaulter is unable to repay the loan despite restructuring, banks may also take legal action

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approaching Debt Recovery Tribunals, taking possession of the collateral SARFAESI, taking action under the Insolvency and Bankruptcy Code. In case, banks cannot recover a part of the loan, the un-recovered amount will have to be written off as a loss.

[Translation]

I want to ask the Hon. Minister of Finance that despite having so many laws, why did you feel the need to bring this banking regulation with this ordinance, because our India is an *[English]* over-legislated country in the world. *[Translation]* And then why did you feel that it is necessary to bring this ordinance. You might be aware that in the year 2016, we have passed the Insolvency Bankruptcy Code. *[English]* In Insolvency and Bankruptcy Code, specialist insolvency professional is appointed to manage the defaulter's asset and to constitute a committee of creditors. Creditor's committee decides to formulate a resolution plan to restructure the defaulter's loan and liquidate his assets to recover the outstanding amount. If no decision is taken within 180 days, extendable by 90 days, the defaulter's assets will be liquidated. Proceeds from the sale of assets will be distributed based on an order of priority with secured creditors and workmen's getting preference over others.

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Now, I will ask two-three questions from the Finance Minister. First, the ordinance empowers the Centre to authorise the RBI to direct banks to initiate recovery proceedings against loan defaulters.

According to RBI, loans extended by public sector banks account for 88 per cent of the NPA in the country. This implies that a majority of the NPA is in the banks where the Government is the majority shareholder. Therefore, the Government has the power to direct public sector banks to initiate recovery of NPAs under various RBI schemes and laws such as the Insolvency and Bankruptcy Code, 2016.

In this context, I will argue that the Government had the authority to initiate recovery of 88per cent of NPAs without having the Centre to authorise the RBI under the Ordinance. *[English]*
This is my first question.

[Translation]

Second, I would argue that the banking regulator, who is responsible for ensuring stability of the banking system, thereby preventing writs to the financial system. Therefore, its role should be restricted to formulating broad guidelines to be followed by all banks and it should not issue directions related to specific loans. Banks should have the independence to take business-related

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decisions such as criteria for extending loans, risk profiles of borrowers, lending rates and recovery in case of loan default. Banks are best placed to assess the likelihood of recovery. For example, a bank may judge that a higher amount may be recovered if it waited for an improvement in the business cycle. Further more, specific direction by RBI exposes it being a challenge, this has happened in one of the cases, especially, the Essar case. *[Translation]* I believe that the responsibility that RBI should shoulder as a regulator is being compromised with the position of that regulator.

[English]

Sir, the RBI promised to develop a framework to facilitate an objective and consistent decision-making process for resolution reference. It constituted an internal advisory committee which recently recommended accounts with an outstanding amount greater than Rs. 5,000 crore with 60 per cent more classified as non-performing on 31st March, 2016 for reference under the Insolvency and Bankruptcy Code. It is not clear why a cut-off date of 2016 was chosen. Substantial provisioning would have already been done for such accounts. These cases are expected to get priority at the National Company Law Tribunal. The mechanism for according such priority treatment is not clear.

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I would also draw the attention of the hon. Minister that resolution of NPA is a two-stage process. We have to assess the viability of the debtor's business. The second stage involves decision as to whether the debtor's company should be restructured or liquidated. Any such resolution, be it restructuring or liquidation imposes losses on the banks that lent money to the corporate debtor. The larger the losses the higher the amount of capital that is needed by the banks to meet the Reserve Bank of India's guidelines on provision requirement. While the Government has promulgated the Ordinance, it has not made any commitment to additional capital to support the Resolution.

17.00 hours

Capital allocated for the banking sector in the 2017-18 Union Budget or part of the mid-term capital infusion plans fall short of what the banks collectively need. *[Translation]* On the one hand you are saying that banks should eliminate all NPAs. When these banks decide to give loans, they do so according to their own discretion. By handing over this responsibility to the regulator, the accounts of the banks, their assessments for giving credit, all these assessments will come under control and the whole system will be ruined. *[English]* Public and private sector banks have non-government shareholders, and non-bank creditors; so do

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companies that may get referred to the IBC following RBI's direction to the banks. Any action under the Ordinance that adversely affects the interest of these parties may be litigated in court. The Ordinance was presumably brought about because banks on their own could not trigger IBC proceedings against the stressed companies for fear of investigation and prosecution or due to lack of capital or because of challenges in negotiating with politically-connected promoters. The Ordinance gives banks a regulatory cover to take resolution decision. *[Translation]* I want to ask the Hon. Minister of Finance why this NPA is increasing day by day. You will say that NPA started during the Congress era, but what is happening in your era? NPAs are rising but why are you not paying for its provisioning? Why aren't you recapitalizing? You have given only 10 thousand crore rupees in the budget whereas 8 to 9 lakh crore rupees are required for recapitalization. The amount required to dismantle all these NPAs is provided by your government, not by you. When Shri Raghuram Rajan was the Governor of RBI, he had given advice, he also said a lot, but nothing was effective. Therefore, there will be no benefit in bringing regulations. It is not in your power to free India from NPAs because in the present times, NPAs are posing a threat to the economic system of India. You are refusing to fulfill your responsibility just by citing the ordinance. ... *(Interruptions)*

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[English]

HON. CHAIRPERSON: Motions moved:

“That this House disapproves of the Banking Regulation (Amendment) Ordinance, 2017 (No. 1 of 2017) promulgated by the President on 4th May, 2017.”

“That the Bill further to amend the Banking Regulation Act, 1949, be taken into consideration.”

[Translation]

DR. UDIT RAJ (NORTH-WEST DELHI): Hon. Chairperson Sir, first of all I would like to thank the Minister of Finance that the work which should have been done many years ago is being done now. I thank them for bringing the Banking Regulation Amendment Bill today. It was needed a long time ago. This ordinance which was issued in May has to be submitted in the form of a bill.

Just now one of our learned colleagues said why so much arbitrary power was given to RBI? This was also given because of the current circumstances, the fear that bankers have in their minds that *[English]* they are not settling their debts. *[Translation]* They have the fear of vigilance agencies that if they settle an NPA, then

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who knows when the CBI will raid someone or a vigilance inquiry will be initiated against them. That's why it was important. Therefore, there is a need to make changes in the Banking Regulation Act, 1949 and RBI has been given the power to issue directions to Central Banks and other banks regarding any particular case, whether it is a corporate or a partnership or a firm. Earlier, it was limited to corporate houses only, now individual firms have also been included and hence its scope has increased. *[English]* With this, the banks will become fearless and they will be in a position to resolve.

[Translation]

There is a solution for the stressed assets which are around Rs. 9-10 lakh crore. I cannot think of any better solution than this. Secondly, *[English]* this is a fact that *[Translation]* the banks do not have experts, there is a shortage of insolvency professionals, because their officers *[English]* they are trained for different things, not for liquidation, assessment, valuation and sales, *[Translation]* they are not for this thing. If this had been done earlier, *[English]* we could have had many thousands of insolvency professionals. *[Translation]* An oversight committee will be formed comprising insolvency professionals, eminent persons, experts, *[English]* under the guidance of RBI,

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[Translation] so that it would help. It will be decided by the committee. After this, the situation will be that the creditor will have control of the assets, which till now was in the control of the daters. The reply to the question he raised now is *[English]* why is it needed. Why is RBI being given more powers?

[Translation] The committee of directors of the Banking Regulation Association, the committee of eminent persons, the committee of experts and the insolvency professionals, *[English]* all of them will get together and they will be better equipped to redress this problem. *[Translation]* If we sort out 25-30 big corporate houses, then our stressed assets, which are around Rs. 10 lakh crore, will reduce.

Now whatever he said about Insolvency and Bankruptcy Court, it was necessary to bring it because till now there were multiple agencies in it. Overriding all the agencies, *[English]* the court seeks to consolidate and amend the laws relating to re-organisation and insolvency resolution of corporates, persons, partnership firms and individuals. *[Translation]* Till now its maximum application was on corporates, but now it is on partnership firms and individuals. Earlier, debt recovery tribunals used to take a lot of time; it used to take years. But, the time frame given now is of 180 days, six months, extendable upto only

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270days. It is because of this fact, a solution has to be found within this time. If the date is not time-bound then its process in the court becomes non-ending. *[English]* An oversight committee comprising insolvency professionals and eminent persons will be there to look into all these things. *[Translation]* Earlier there was fear and doubt that daters and bankers together hush-up the matter. Now the chances of that will be greatly reduced, will be minimised. So in the year 2016 there were changes in the insolvency and bankruptcy code. *[English]* This was needed because multiple laws were in force at that time. *[Translation]* That led to consolidation *[English]* and it will have an overriding effect. *[Translation]* Therefore, in today's time there is a need to empower it as much as possible.

By placing the Banking Regulations Act, 1949 under RBI or by RBI's involvement in it, I am confident that the non-performing assets, the stressed assets, can be brought down as quickly as possible. Now it has been said from that side that efforts have been made to weaken the banks. It's not like that. The banks had become weak. They were afraid. *[English]* When the banks, in consultation with the RBI and the oversight committee, try to resolve this, this fear will be gone. *[Translation]* The fear factor will also be removed by this. I thank the Hon. Minister of Finance for this, because it was very much needed. He said, *[English]* 'Why have

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the stressed assets increased over a period?' [*Translation*] Its genesis is in the past. It has been going on for many decades. It is like an inbuilt system. Unless the inbuilt system is fixed, it cannot be corrected. [*English*] This is a corrective measure which was not taken in the past. That could have been done. Now, the economy is changing. Its structure is changing. The GST is in place. In this scenario, it is far more necessary to have such laws and such amendments.

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SHRI B. SENGUTTUVAN (VELLORE): I thank you, Sir, for affording me this opportunity to speak on this short Bill. Though it is a short Bill, it has far-reaching consequences.

The Banking Regulation (Amendment) Bill, 2017 seeks to replace the Banking Regulation (Amendment) Ordinance, 2017, which is one in a long series of commercial legislations introduced by the NDA Government.

The Bill is intended to plug the glaring loopholes in the banking practices which undermine the banking system as a whole. The provisions of the Amendment Bill are intended to address the high level of NPAs faced by the banks.

According to the Statement of Objects and Reasons, “the stressed assets in the banking system or the non-performing assets have reached unacceptably high levels and hence urgent measures are required for their speedy resolution to improve the financial health of banking companies for proper economic growth of the country.” The stressed assets are the cumulative total of the non-performing assets plus restructured loans plus written-off assets; and the non-performing assets are the loans whose agreed remittance of interest or instalment of principal is delayed beyond a period of 90 days.

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The stressed assets and the non-performing assets of the Indian banking companies have touched an all-time high of Rs. 6.46 lakh crore. This has brought about a situation where the very existence of many of the lending banks is threatened. The bulk of the stressed assets and the NPAs emanate from the corporate sector. It is understood that a handful of corporates account for nearly a third of the loan defaulters.

It is a sad fact that we witness day in and day out in our country that the bankers are not unduly worried by any scruples in shooing away the common man who approaches them for a loan for the purpose of education of his children, housing, and medical treatment; but on the other hand, they fall over themselves to entertain the big businessmen and the corporates and afford them big loans which in all probability is not remitted back. We do not even get to know their names as well.

Interestingly, the Supreme Court is seized of a matter agitated by an RTI activist who demands that the RBI make public the names of the chronic defaulters. The RBI which has furnished the names of the defaulters in a sealed cover to the Supreme Court has refused to disclose the names of the loan defaulters who owe more than Rs. 100 crore to the PSBs citing a non-existent fiduciary confidentiality clause.

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Sir, the reasons for the high incidence of NPAs are not far to seek. Diversion of bank loans, mismanagement and sometimes, global developments and governmental policies also contribute to the rising NPAs. The case in point is the dumping of Chinese steel into Indian markets that has brought the premium steel manufacturing companies in India to its financial knees. As banks alone lend huge capital advances to industries in sectors like iron and steel, aviation and mining, they have to bear the brunt of the loss. However, it is essential to restore the banks, particularly the public sector banks, to their original financial health as they perform some social obligations like operation of Jan Dhan Yojana, etc. Hence the Bill.

The Bill seeks to add two new provisions to the Banking Regulation Act, 1949. It inserts after section 35A, sections 35AA and 35 AB respectively. Section 35AA empowers the Union Government to authorise the Reserve Bank to issue directions to any banking company or companies to initiate insolvency resolution process in respect of a default under the provisions of the Insolvency and Bankruptcy Code, 2016.

Section 35AB on the other hand provides that the RBI may from time to time issue directions to the banking company or banking companies for the resolution of stressed assets. The RBI

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may specify one or more authorities or committees, namely the oversight committees, with such members as it may appoint or approve for appointment to advise any banking company or banking companies on the resolution of stressed assets.

We welcome the initiative of the Finance Ministry in piloting this Bill. However, Sir, one cannot help thinking that the huge NPAs are due to the declining standards of morality in our life. Our banking institutions have become easy prey to the unscrupulous few who cheat and scot the country. I need not name the persons personally but the public is aware of them. Though the measures introduced by the Government in this Bill are welcome, by themselves, I am afraid that they would not prevent the banking losses in a very big measure.

I would strongly urge the Government to consider an enactment that would penalise the loan defaulters to the banking institutions by creating a statutory offence in the Banking Regulation Act. The Government has already done that in respect of Negotiable Instruments by incorporating section 138. It may also bring in a similar provision in the Banking Regulation Act. The Ministry may also advise the banks to invoke the provisions of sections 420 and 406 IPC liberally. When it is found, Sir, that the loan is availed of on the basis of fake collaterals or forged

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records or when the bank loan is converted for unauthorised purposes, I think the harsh reality of declining moral standards and ascending bank liabilities calls for such harsh measures.

With these observations, I reiterate our Party's stand in welcoming the Bill. Thank you.

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HON. CHAIRPERSON: Prof. Sougata Ray.

SHRI K. C. VENUGOPAL (ALAPPUZHA): Sir, as per the List of Business Item Nos. 18 and 19 are to be taken up together. Item No. 18 is the Statutory Resolution in the name of Shri Adhir Ranjan Chowdhury and he has spoken on that. Item No. 19 is the Banking Regulation Bill and the discussion on it has to be initiated by Shri Gaurav Gogoi, the hon. Member from the Congress Party. How can you deny him the chance?

PROF. SOUGATA RAY (DUM DUM): You cannot club it together.

SHRI K. C. VENUGOPAL: You will have to give a chance to Shri Gaurav Gogoi.

HON. CHAIRPERSON: I will allow Shri Gaurav Gogoi to speak now. That was rightly said that it was a Resolution at no. 18 and the Bill is at no. 19. I can understand it. ... (*Interruptions*)

PROF. SOUGATA RAY: Shri Adhir Ranjan Chowdhury need not have made his speech. ... (*Interruptions*)

HON. CHAIRPERSON: Prof. Sougata Ray, please let him speak. Yes, Shri Gogoi.

SHRI GAURAV GOGOI (KALIABOR): Hon. Chairperson Sir, thank you for this opportunity. This is a Bill and the Congress Party has the right to initiate a discussion on the Bill and set the

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agenda as the single largest Opposition Party in the Parliament. This is not about the right of an individual Member, but it is the right of the single largest Opposition Party. This Bill deals with non-performing assets. *[Translation]* Non-performing assets have become a biggest challenge for the economy of our country. This is a challenge not only for our country but for the entire world. Minister of Finances of countries around the world are trying to solve the problem of non-performing assets.

Yesterday I was listening to the speech of Union Minister of Finance Arun Jaitley ji, he gave some credit to the government, fiscal deficit has reduced, inflation has reduced, and he gave credit to BJP for that. I would like to ask the ruling party that the non-performing asset has increased in two years. Will you take credit for that too? It cannot be that the government takes the credit for reduction in physical account deficit, the government takes the credit for reduction in inflation, the government takes the credit for reduction in retail inflation, I humbly give the credit to the government for reduction in non-performing assets in two years. The non-performing asset has increased by 100 per cent in the last two years. In the year 2016, the proportion of non-performing loans to total gross loans was 7.8 percent and in the year 2009, the proportion of non-performing assets was 2.3 percent of non-performing loans. You can check the data, it was 2.3 percent in

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the year 2009 and 7.8 percent in the year 2016. This problem is not going to subside.

The financial stability report of the RBI says that this problem is going to increase in the coming years. *[English]* The RBI Financial Stability Report, 2017 says that the gross non-performing asset ratio may increase to 12.5 per cent and then by 12.9 percent, in the following year. *[Translation]* Why is this happening? You people have made various types of rules, you have done Joint Lender Forum, Corporate Debt Restructuring, Sustainable Structure of Stress Estate, SARFAESI, Insolvency and Bankruptcy Court also. Despite all this, why is this problem increasing and why is it expected to increase further in the coming days? The reason for this is very simple. The BJP has failed to address the challenge of this non-performing asset today. Today, the biggest problem in 24 public sector banks is non-performing assets. The Government is the majority stakeholder in 24 public sector banks. If you wanted, you could have told the public sector banks in three years, you have made various rules for non-performing assets, you can do recovery, do debt restructuring. You have given various types of weapons. Why does the first speaker of the ruling party say that today's public sector banks are scared? Why did BJP's opening speaker say that public sector banks in which government is the majority stakeholder are afraid of

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recovering bad loans. Is this the objective of this Act? If RBI's support and direction comes to the public sector banks, then their fear will reduce. You are supporting the public sector banks, there the responsibility is not of RBI but of the public sector banks. They know which client has taken how much money, what is the financial position of which client, whether he will be able to repay the loan in two years or five years or ten years, the entire history of that client is with the public sector bank. In which the government is the majority stakeholder. Where will RBI get this information?

You have outsourced the entire authority to RBI. There are 24 public sector banks which have various non-performing assets and what is the financial position of the loan borrower, how will he be able to repay the loan, how will this information reach RBI? You must understand whether RBI is a regulator or an executive? The job of the regulator is to make guidelines. There is a problem of non-performing assets in Europe. There the European Central Bank made the guidelines, but here you are giving instructions, whereas RBI already has the power to give advice in public interest. You are saying that RBI will directly intervene in the loan debt recovery strategy. This means that tomorrow any loan borrower who does not agree with the advice of RBI can take RBI to court. *[English]* This opens up RBI to more litigation.

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[Translation] Due to this, RBI's time will be wasted in the court. You have diluted the interest of RBI.

Sir, I want to ask which are the big companies that have given a big challenge to the economy of India. Please disclose the names of these companies. Which are the companies that have taken loans of Rs. 500 crore, Rs. 900 crore and have put the public sector banks in this situation? Please disclose their names. The hon. Supreme Court has also directed that the names of the companies that have caused huge losses to the country's economy should be disclosed. Today big companies think that without any business model, without any project plan, they will take loan from public sector bank in personal equation and no action will be taken against them. We thank the hon. former Prime Minister Indira Gandhi who nationalized the bank and for the first time made arrangements for the convenience of the common man.

Why don't you take action against banks? What happened in Vijay Mallya's Kingfisher case? Vijay Mallya got a loan of Rs. 900crore from IDBI Bank even though the financial condition of Kingfisher was not good, its credit score was not good. IT and ED cases are also going on against IDBI Bank, the former CMD and eight officials are facing cases. How many such cases are there? How many such public sector banks are there that have given loans

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to the owners of big companies under the table or through some kind of secret dealing, have you taken action against them? Have you done any investigation on them? Who is behind the Panama Papers? Who is behind the HSBC list? Seeing your slow pace, I don't think that the problem of non-performing assets is going to end in a few days nor are you going to enforce the law on these companies.

On insolvency and bankruptcy, hon. Supreme Court judge Shri A. K. Sikri says that the document of the Insolvency and Bankruptcy Code is very nice, *[English]* it is a wonderful document but there are great challenges in successfully implementing it. *[Translation]* The Supreme Court is also saying that you are making the law, the objective of the law is fine, the map is fine But where is the meticulous planning for the infrastructure? Even today it is not known whether the insolvency case will be looked into by the National Company Law Tribunal or the Insolvency Tribunal. The ruling party itself has said that today there are no insolvency professionals. The Insolvency and Bankruptcy Code is a good law. If you want to use this law properly then meticulous planning should be done for it. In demonetisation we saw that the government does not have the skill of meticulous planning. There is skill in marketing, skill in slogans, but there is no skill in meticulous planning. What is the

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result? You keep on saying 60 years, 60 years, during your rule in 2017 the bank retro industry has reached its lowest level in 60 years. I humbly give you this credit also.

Your own Economic Survey Report says that today two twin problems have arisen. On one hand the bank's bank sheet is over average and on the other hand there is weak corporate demand. If we look at the industrial index of production in corporate, it has decreased by 0.7 percent in eight core sectors due to which the industry is not growing. Which are these sectors? These are coal, steel and mining. There is a huge problem of non-performing assets in these. These are the sectors where people get employment and jobs. But we see that the government is not giving importance to it. How will the government give importance to this, because on one hand the Minister has to implement GST, fix non-performing assets and on the other hand the government has also given him the responsibility of Defence Minister, so he will have to look after China also. *[English]* We cannot have a full time Finance Minister who is also a full time Defence Minister. The Government has to take a call because both are suffering. Our Defence is suffering, our finance is suffering.

[Translation] Finally, I would like to say that you should give some advice to your Niti Aayog advisors. Advisors of Niti Aayog

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...(Interruptions) When it comes to loan waiver of big companies, these advisors say that it is a very good policy, an economic policy. But when it is said that farmers' loans should be waived off, the same advisors say that these are populists, this is populism. ...*(Interruptions)* Forgiving the loans of big companies is good economics, but waiving the loans of poor farmers is populism. ...*(Interruptions)* You know this. ...*(Interruptions)* I want to say that you look at the State Bank of India. ...*(Interruptions)*

SHRI MALLIKARJUN KHARGE (GULBARGA): Sir, he is the initiator and the other one is talking about you. ... *(Interruptions)* Third, he was out for six days. ... *(Interruptions)*

HON. CHAIRPERSON: He is not talking about me alone, he is talking about everybody. He has said a good thing.

... *(Interruptions)*

SHRI GAURAV GOGOI: Hon. Chairperson sir, NITI Aayog is called the brain child of the Prime Minister. That is why I am saying that the image of the Prime Minister is getting tarnished. Advisors of the NITI Aayog formed by him say that waiving off farmers' loans is populism.

Finally, I would like to say that you should understand the problem of non-performing assets deeply. But you do not try to understand. Whenever a question is raised on you, you tell us what

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is going on at the international level. I want to ask you what is happening at the international level? Today there is no financial crisis of the year 2008-09. The war that America was fighting in Iraq and Afghanistan in the past is not going on today. Oil, which was earlier priced at \$100 per barrel, is now priced at around \$50 or \$30. Earlier, the facility of international market was very big, despite that, if we talk about employment today, the record of creation of new jobs is less as compared to the year 2008. If we talk about non-performing assets, in the year 2008-09 the whole of Europe, America, Ireland had collapsed and there was pressure on India, despite that even today in 2016-17 when the market is very good, even then you are not able to fix the country's economy properly.

Chairperson sir, I am very grateful to you for giving me the time to speak. What I want to say in the end is that you look at the banks today. The banks which should have been helping the non-performing assets and the poor are counting notes in the experiment of demonetization. It has been six months since this happened, but the RBI governor goes to the standing committee of the Parliament and says that I still do not know how many notes have come and when will we be able to give this data. The falling rates of SBI are against the poor. ...(*Interruptions*)

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I conclude my talk with these words. Thank you.

[English]

PROF. SOUGATA RAY (DUM DUM): Sir, I rise to speak on the Banking Regulation (Amendment) Bill. I had given a notice opposing the introduction of this Bill and I also had given a Statutory Resolution against the Ordinance. Why did I oppose the introduction? I said that this is neither a necessary Bill, nor was there any hurry to issue an Ordinance. I shall substantiate the points that I made at that time.

Per se the provisions of the Bill may not be bad. But I will show that this Bill is unnecessary under existing laws. The Government could have taken steps against NPAs. There is no doubt that the problem of NPAs has reached heights from which Government will find it very difficult to extricate itself.

Coming to total stressed assets, gross NPAs and restructuring of standard advances of scheduled commercial banks were Rs.9.64 lakh crore as on 31st December, 2016. It is more than Rs. 9.50 lakh crore. The total NPA in financial year, 2016, for public sector banks was 9.83 per cent of gross advances. It is almost ten per cent of advances in the public sector banks. So, measures need to have been taken but as the young Member, Shri Gaurav Gogoi correctly

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pointed out, what was the Government doing for three years as the NPAs rose?

We talked about Vijay Mallya. I will give you the names of 12 top NPA companies. It is called the toxic 12 as has been very rightly put. The total NPA amount is Rs. 7.7 lakh crore. What are those big companies? One is Bhushan Steel amounting to Rs. 44,000 crores. One company is having an amount of Rs. 44,000 crores! Then there are Lanco, Essar Steel, Bhushan Power and Steel, Alok Industries, Amtec Auto, Monnet Ispat, Electrosteel Steels, Era Infra, JP Infratech, ABG Shipyard and Jyoti Structures. The total NPA of just 12 companies is Rs. 2,53,729 crore. It is these 12 companies against whom action has been taken under the Insolvency and Bankruptcy Code. But unfortunately, this has the possibility of getting stuck in court because there is already a case in Ahmedabad High Court. Will this really sort out the problem? I am not too sure on this. That is why, I was saying that the Government had several instruments in its hand. For three years or even before, this law was enacted. It had both the legal and non-legislative loan recovery proceedings. They could have done loan restructuring, corporate debt restructuring, Joint Lenders Forum, 5: 25 Scheme, strategic debt restructuring and sustainable structuring of stressed assets. These are the non-legislative ways open to the banks. (*Interruptions*)

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The other thing is, there was already DRT, that is, for the recovery of debt due to banks and financial institutions. There was SARFAESI Act under which asset reconstruction companies could have taken over the assets.

Then in 2016, we had the Insolvency and Bankruptcy Code. Shri Nishikant Dubey was a Member of that Select Committee. Insolvency and Bankruptcy Code is a good law.

Now what does this Ordinance or the Bill bring into? It says that the Reserve Bank may issue directions to the banks to go for insolvency proceedings. Now what does the insolvency law say? It says that you should first appoint an insolvency professional; it forms a Creditors Committee and then the Creditors Committee together takes a decision on the bank. The ultimate arbitrator is the National Company Law Tribunal.

This is the procedure. The advantage of insolvency code is that one has to settle the matter within 180 days. So, it is time-bound resolution of the insolvency problem. But the Government did hurry, quickly for these 12 companies -- whose names did not disclose, I have got it from the internet, Shri Premachandran also has it -- they launched this. The main question remains. Is the Reserve Bank an appropriate authority? I am totally against the Reserve Bank of recent times, post-Raghuram Rajan because this

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is the Reserve Bank who up till now has not been able to count the notes which were deposited during the period of demonetisation. Why should we have confidence in such a Reserve Bank? The Governor Reserve Bank repeatedly was asked by hon. Members in the Standing Committee on Finance as to how much money has come in. My information is that they are still counting and they say that they have to bring machines from abroad. The Reserve Bank is totally inefficient and incapable and nobody knows how much money has been deposited. The balloon will be punctured when it will be known.

[Translation]

SHRI MALLIKARJUN KHARGE: Outsourcing has been given to them, there is some delay in counting and giving it to them. ... *(Interruptions)* If it comes quickly from outsourcing then it will be done. ... *(Interruptions)*

[English]

HON. CHAIRPERSON: Nishikant ji, please do not interrupt. We do not have much time. We have to complete the discussion. Prof. Sougata Ray, please continue.

... *(Interruptions)*

HON. CHAIRPERSON: What is it going on? This is not good. Please address the Chair.

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[Translation]

PROF. SOUGATA RAY: Both of them are active members of the Finance Committee, that is why this is happening. ... *(Interruptions)* Sir, I am going to wind up now. Please be a kind to me, I am a very good supporter of yours. ... *(Interruptions)* Please give me some time, I will tell you the actual facts. ... *(Interruptions)* Today this government is in great trouble. ... *(Interruptions)* *[English]* The whole banking system, as our Chairperson of the Parliamentary Standing Committee on Finance said is facing collapse. The Government is trying to hold on to straws and one such straw is Ordinance.

Sir, I would like to ask a few questions. Currently, under Section 35A, Reserve Bank may issue directions to banks on grounds of public interest and in the interest of banking policy. Ordinance gives RBI additional power to direct banks to initiate recovery proceedings. Already the power to issue directions to the banks rests with the RBI. Why do they need the Ordinance then? Secondly, the majority of NPAs, 88 per cent, are in Public Sector Banks. The private sector banks, like HDFC, ICICI, do not have such large NPAs. Government could have themselves issued directions in stead of asking the useless RBI to issue direction because Government owns all these... *(Interruptions)*

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HON. CHAIRPERSON: Please conclude now.

PROF. SOUGATA RAY: Sir, I am concluding.

My next point is this. As a banking regulator, RBI is supposed to look at the macro economic picture. As a regulator, they are responsible for maintaining financial stability while banks have the flexibility to make business decisions. For example, you have to settle a loan, you have to take a haircut, then the banks will not take a decision. They will say, 'let the RBI tell, then we will take a haircut and settle the matter'. I think Shri Udasi agrees with me. So, the whole thing will be delayed. The appropriateness of RBI directing banks in default, which is a business decision, needs to be examined. Why should we not leave the banks to do their own things?

Currently, banks face certain challenges as part of recovery proceedings such as lack of incentives for public sector bankers to recognise losses, fear of investigation in case of low recoveries and insufficient capital to absorb losses. Everybody has mentioned that banks do not have enough capital according to Basel III norms.

HON. CHAIRPERSON: Please conclude now. I am going to call the next speaker.

PROF. SOUGATA RAY: Sir, I am concluding.

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I have already said that I have given a Statutory Resolution. I have opposed the introduction of the Bill. I have called this an unnecessary Bill. Along with that, rather I would accept the Bill if the Government accepts Shrimati Supriya Sule's amendment. She has said that the decision of going to the Insolvency and Bankruptcy Board should be left to banks themselves. I request the Minister to read the amendment given by Shrimati Supriya Sule's amendment, accept it and then I will support the Bill.

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SHRI RABINDRA KUMAR JENA (BALASORE): Hon. Chairman, Sir, I thank you for allowing me to speak on the Banking Regulation (Amendment) Bill. This Bill is, in fact, very significant in the sense that in a country of our size which has a budget of about Rs. 20 lakh crore, the stressed assets in the system is to the tune of Rs. 10 lakh crore. That is why, I say this is a significant Bill. In addition to that, the stressed assets of public sector banks, which is the subject that we are discussing in detail now, are almost 50 per cent higher than the networth of the banks. So, we are virtually sitting on a volcano of liability in the country as of today.

Before I go into the merit of the Bill, let me raise one question as to whether the Ordinance was necessary which was promulgated on 4th of May. Here, I would like to quote what Shri Arun Jaitley said in September, 2013 when he was in the Opposition. He said: 'The Ordinance is an abuse of legislative power'. So, the question today is, whether the Government intends to abuse the legislative power through Ordinance and if so, to what extent.

Having said that, I would like to speak on three different aspects of this Bill. The first one is the merit of important provisions of the Bill, the second is on the issue of whether the

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Insolvency and Bankruptcy Code is the solution and the last one is the way forward.

Sir, there are two essential provisions in this Bill. The first one is, the Union Government may authorize the Reserve Bank of India to direct banks to initiate recovery proceedings against loan defaulters. The second one is, the recovery has to be done through the Insolvency and Bankruptcy Code.

This gives rise to three basic questions. The first one is in relation to Section 35A. Section 35 of the Banking Regulation Act already empowers the Reserve Bank of India to direct banks. So, is there any necessity today to bring in Clause 35AA and Clause 35AB? In fact, in one of the affidavits filed by the Government and the Reserve Bank of India in the Supreme Court in a case relating to demonetization, the Government has said that the Reserve Bank of India is empowered under Section 35A of the Banking Regulation Act to enforce this. So, when they could use Section 35A then, what is the necessity of bringing in Clause 35AA and Clause 35AB today through this Bill?

The next point is this. Who is the Reserve Bank of India? The Reserve Bank of India is a regulator. The Reserve Bank of India is not a Bank Manager to direct banks to initiate action on some persons.

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[Translation]

The third point is this. Of the total NPAs, 88 per cent is in the public sector banks, where the Union Government is the majority shareholder. Does the Bankruptcy Code not provide a provision by which the banks alone can go and initiate proceedings against the defaulters? *[English]* Is there any necessity for doing so or are the banks scared of taking action against the defaulters for fear of ED, CBI and CVC? This is the basic question I am trying to understand.

17.50 hours

(Shri Hukum Singh *in the Chair*)

Now, I would come to the second part of my deliberation. I want to know whether the Bankruptcy Code is the solution. In the last 20 years, there have been nine provisions out of which six are by the RBI and three by the Legal Department. Be it, Joint Lender's Forum, 5:20 Scheme, AQR, SDR, Sustainable Restructuring, SARFAESI Act and Insolvency and Bankruptcy Code, the sum total of these nine provisions whether by the RBI or the Legal Department, is that the NPA level of our banking system has gone up by 300 per cent in the last seven to eight years. From a level of 2.3 per cent, it has gone up to 7.6 per cent today. That is the magnitude of the problem today in the system.

Even a country like South Africa has got three per cent NPAs; Sri Lanka has got 2.6 per cent NPAs and Malaysia has got 1.6 per

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cent NPAs. But where are we? We are in a vicious circle; and Rs. 10 lakh crore are embedded into the system.

Sir, I come from Odisha. To make matters more worse, I would give an example of Odisha, where the situation is becoming more and more complicated. There is a case, which I have brought to the notice of Shri Meghwalji, the hon. Minister of State for Finance also.

HON. CHAIRPERSON: Please conclude, now.

SHRI RABINDRA KUMAR JENA: Sir, just give me two minutes.

Sir, it is a very important Bill; Rs. 10 lakh crore are embedded into the system, which means Rs. 10 lakh crore are in distress. So, it is important that we spend some quality time in discussing it and find a way forward.

I would give an example of one particular company in Odisha. It had got Rs. 2,600 crore of NPAs; and the lead banker is the SBI. What is he doing? He is bringing in some new fellow; and that new fellow is asked: “You take over a loan of Rs. 1,300 crore. Another Rs. 1,300 crore can be paid after 25 years.” What is the deal? The SBI has to give another Rs. 1,000 crore to it. Now, the fellow who has been brought in, is under the scanner of ED and CBI. He is a chronic loan defaulter.

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

The question is, whether you are going to sort out the problem in the system or you are bringing in more problem into the system. Can the Government, can the Finance Ministry keep quiet on such issues?

I was having a discussion with my senior Members. In Bihar, a particular case has happened where a genuine borrower, who had been repaying his installment of loan in time for a long time, is affected because of floods etc. As there is no insurance, his company is going to be sold out. Is it the system? This way, will you not become some kind of a barrier between the willful defaulter and somebody who is a genuine borrower?

Now, I would suggest a way forward. This Amendment to the Bankruptcy Code is not going to sort out your problem entirely. This may give you only a limited success and not full success. I would request you to please consider handling of MSME Sector, which is the backbone of the economy of our country.

Thank you, Sir.

SHRI ANANDRAO ADSUL (AMRAVATI): Hon. Deputy-Speaker, I am thankful to you for giving me an opportunity to speak on this every important Bill.

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I rise to support the Banking Regulation Act, 1949. The amendment is sought only in Section 35A. As we all know, there are many types of banks. There are public sector banks, private sector banks, Multi-State Scheduled Cooperative Banks, Urban Cooperative Banks and other Financial Institutions.

In the year 2000, fortunately, the NDA Government was there at the Centre. For the fast recovery of loans, under the Securitization Act, one-time settlement concept was brought in by the Government.

Sir, there are two types of defaulters. One is, where a person has defaulted because of certain circumstances. He is a honest person but because of some unavoidable circumstances, he is unable to repay his loan. Other one is the wilful defaulter. That is why, under one time settlement he is willing to pay but he cannot pay because of some unavoidable circumstances. Under the Securitization Act bank can take possession of all the mortgaged properties. But, nowadays, particularly, this year there is a highest percentage of NPAs in various public sector banks and in other Scheduled, Multi-State and Urban Cooperative banks.

[Translation]

I would like to draw the attention of the Hon. Minister of Finance and ask him why he does step-motherly treatment? Any

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law is brought for fast recovery. As an owner, we have a responsibility towards the equity that the government holds in public sector banks. The board of public sector banks also has members nominated by the government. The Reserve Bank of India also controls it. Despite all this, the NPA increases as per RBI guidelines. *[English]* Actually, the gross NPAs should not be more than seven and a half per cent and the net NPAs should not be more than four percent. On the other side, 4R (Risk Ratios and Rate Ratios) should be above nine per cent and the CD ratio must be 60 to 70percent. These guidelines are there. *[Translation]* When work is not done according to these guidelines, then action is taken. In this, despite the control of the Government nominees and the Reserve Bank, the NPA goes up from 7.5 percent to 15 percent, 20 percent or 25 percent. Who is responsible for this? The one who is responsible for this has given the loan in a wrong manner, because otherwise the NPA cannot be so high. I can understand that there may be one or two defaulters, but if the NPA goes two or three times above the guideline, it means that someone is making a mistake there. No action is taken on this. It gets dissolved into Urban Cooperative Banks and Multi Schedule Cooperative Banks. An administrator is appointed there or an order is given to merge them. There were about 2 thousand cooperative banks in this country. The situation today is that due to liquidation

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or amalgamation of 600 banks, only 1400 banks are left. There is not a single public sector bank whose board has been dissolved. There is not a single public sector bank on which any legal action has been taken. Many directors of our cooperative banks are sitting inside. I don't have any problem with that. They have made mistakes, indulged in corruption and given loans in the wrong manner, due to which NPA has increased. If even half percent more than 7.5percent is given, some penalty is imposed.

I have tried to bring this to your attention many times. Many cooperative banks are registered under the Societies Act, but the functioning of the banks is governed by the ' Banking Regulation Act, 1949'. They are inspected every year. Every fortnight they have to submit their financial statements, they have to comply with whatever points come up in the inspection every year, yet we are not treating them as banks. because the Securitisation Act has not been implemented. In the year 2002, respected Atal ji gave me the opportunity to become the State Minister of Finance. I asked the Secretary why this is not for cooperative banks? He told me that they have been registered under the State Act. I agree with this, but the functioning is done under the Banking Regulation Act. He acknowledged this and issued a notification, but the Act did not change. The same thing is also raised in the court that cooperative bank is a society and not a bank. It is not understood that every

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cooperative bank has a bank in its name, secondly it has an elected board, thirdly every law of the Reserve Bank is applicable on it. Despite this, we are not ready to accept them as banks. This amendment that has been brought today is very good.

[English]

HON. DEPUTY SPEAKER: Now, it is six o'clock.

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THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI ANANTHKUMAR): Sir, we may further consider and take up the Bill tomorrow.

HON. DEPUTY SPEAKER: Shri Adsul, you can continue tomorrow.

The House stands adjourned to meet on Thursday, the 3rd August, 2017 at 11 a.m.

18.01 hours

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, August 3, 2017/Shravana 12, 1939 (Saka).

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Published under Rules 379 and 382 of the Rules of Procedure and Conduct of
Business in Lok Sabha (Sixteenth Edition)
