

15.06 hrs.

INDUSTRIAL DEVELOPMENT BANK

(TRANSFER OF UNDERTAKING AND REPEAL) BILL, 2002

Title: Consideration of the Industrial Development Bank (Transfer of Undertaking and Repeal) Bill, 2002. (Not concluded)

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): I beg to move:

"That the Bill to provide for the transfer and vesting of the undertaking of the Industrial Development Bank of India to, and in, the Company to be formed and registered as a Company under the Companies Act, 1956 to carry on banking business and for matters connected therewith or incidental thereto and also to repeal the Industrial Development Bank of India Act, 1964, be taken into consideration. "

Sir, this is the Industrial Development Bank (Transfer of Undertaking and Repeal) Bill, 2002. The Bill has already been introduced. It was referred to the Standing Committee on Finance. The Committee, on examination, has submitted its report. It has, among other things, recommended that suitable provisions be incorporated in the Bill to ensure that the new banking company also continues to be a development bank which will provide term-lending to large, medium and small scale industries. The Government has accepted this recommendation of the Committee so that the IDBI will continue to do business as a development bank and the Bill will be amended accordingly.

The other recommendations of the Committee related to addressing the question of Non Performing Assets of IDBI, giving IDBI tax exemption under Income Tax Act, 1964, retaining a minimum of 51 per cent of the equity holding of the IDBI with the Government and introducing VRS in IDBI. Sir, I will respond to each of these recommendations in a minute. But they are recommendations that actually do not require any amendments to the proposed Bill and they really can be addressed adequately enough through executive action.

The summary of Committee's recommendations - for the benefit of the Chairman of the Committee, who is also present in the House and other Members - is, for example the Committee recommended that more steps be taken by the Government to achieve the targeted deposits by the converted entity and the original mandate of the IDBI should also be kept in mind. We had the RBI's comment on this. RBI really has no difficulty with it. IDBI has confirmed the Government that after conversion into a bank, the IDBI will continue to perform its development role also.

Another recommendation of the Committee was that suitable provisions be incorporated in the Bill to ensure that the new banking company ensures the development aspect also. I would like to share the RBI's comment, that this would be incorporated into the Act and that the IDBI will also continue to discharge its development finance role.

The Government impressed, through another recommendation, upon the management of the IDBI to make concerted effort to realise the Non Performing Assets which have grown to a sum of about Rs.15,000 crore. This does not require any amendment to the proposed Bill. We will do so.

There was a recommendation about tax exemption.

We are examining the tax exemptions. So far as tax exemption is concerned, I have to be rather careful in announcing tax exemption. We will examine this and take a suitable decision.

The next recommendation was about the shareholding of the IDBI that it should not be less than 51 per cent. The Government of India holds the view that in nationalised banks the shareholding is now 33 per cent. Therefore, the correct shareholding pattern should exactly be the same as in other nationalised banks. We will examine this and, of course, adhere to also but not the 51 per cent because we do not think it is in harmony with others.

The other recommendation was about sufficient management. It does not require any explanation as it is self-evident and we will do so. As regards special VRS package, the IDBI will certainly address this sympathetically.

Sir, you will observe that all the recommendations of the Standing Committee have been adopted. This Bill was really introduced in the month of December 2002 with the intention that we move quickly into reforming the IDBI considering we have Rs.50,000 crore package of non-performing assets. We are committed to doing so. I would, therefore, appeal to all the Members now - since this has gone through the Standing Committee route also -- to lend their support to this Repeal Bill.

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill to provide for the transfer and vesting of the undertaking of the Industrial Development Bank of India to, and in, the Company to be formed and registered as a Company under the Companies Act, 1956 to carry on banking business and for matters connected therewith or incidental thereto and also to repeal the Industrial Development Bank of India Act, 1964, be taken into consideration. "

SHRI SHIVRAJ V. PATIL (LATUR): Sir, I would request you to give me sufficient time to express my views on behalf of the Congress Party and myself also. My second request is that you may please allow me to read out my speech so that I could be more precise and non-repetitive.

SHRI SUDIP BANDYOPADHYAY (CALCUTTA NORTH WEST): Sir, the Chairman of the Standing Committee is from the Congress Party and we had a very detailed discussion on this Bill in the Committee. I do not think we should require much time for discussion. Moreover, at 4 o'clock, we have discussion on *dalits* and many Members including our party Members are intending to speak on that.

MR. DEPUTY-SPEAKER: The Business Advisory Committee has allotted two hours but we would like to finish this Bill before 4 o'clock. That is our intention.

SHRI SHIVRAJ V. PATIL : My submission is that the legislative measures of this type should not be hurried. Everybody should be given an opportunity to speak. If any hon. Member wants to express his views in detail, he should have the opportunity. To save time, I am reading out my statement on this Bill.

This Bill is introduced to achieve three objectives, namely, to repeal the Industrial Development Bank of India Act of 1964; to transfer the assets and liabilities of the undertaking to Industrial Development Bank Limited -- a new company; and to transfer officers of IDBI to the new company, that is, IDBI Limited. In short, these are the three objectives. Why is this being done? According to the Government, the undertaking is in a bad financial condition. It is not possible for the Government to provide funds to the undertaking to keep it green and working. It should get funds from the open market, for which purpose, it should have the permission to carry on multipurpose activities. The Narasimhan Committee and the Khan Committee suggested that it should be allowed to carry on banking and multipurpose activities. Hence, according to the Government, this Bill is introduced to turn this undertaking into a company.

Why has it become weak? The main reason is that NPAs to the tune of Rs. 15,000 crore have been creating a burden on this institution. It has happened because of their not getting the funds from the Government and the market and also because of not having a very good management. So, the Government says that they are turning this into a company.

Sir, sometimes, some of the hon. Members from the other side were asking, what else can be done to see that this institution does remain capable enough to achieve the objectives for which it was created? The main point I want to make in this respect is that the NPAs should be liquidated. The Non-Performing Assets should be recovered. But instead of recovering these NPAs, this Undertaking is being turned into a company. Why is it that the Government is not in a position to recover the NPAs? If the Government is not doing this duty, then should not the Members of this House ask the Government as to why it is not performing its duty, why it is not asking the Undertaking to recover these NPAs? The main thing is that the Undertaking should have been managed in a proper manner.

Sir, if there is a Board of Directors and it decides that beyond a certain limit the credit facilities or the loans should be given by the Board of Directors and if it is provided in the law and if this responsibility is transferred to only three persons in the Board of Directors, then is that kind of a decision correct? It has happened because of this kind of a modification. If the funds have been given to the companies and industries to which they should not have been given, then who is responsible for this? Why is it not possible for the Government to stop anything of this kind? This is exactly what has happened in this institution. That means, this Undertaking has not been managed in a proper way. That is why it is suffering and there are NPAs. So, instead of taking steps to remedy these defects, if this Undertaking is transferred to some persons as a company, as a private company, then it is very difficult.

Sir, the Undertaking was brought into existence to encourage the development of industries. I repeat, this Undertaking was created to encourage, to help the development of industries in the country. It was meant to provide funds to the entrepreneurs who were keen to set up small, medium and big industries. Term Loans could be given by it for entrepreneurial purposes. It did achieve some of these objectives. But when it was used for adventures by some unscrupulous persons for their interest, it became weak.

Sir, ICICI was a financial institution. It has been turned into a bank. It has given loans to the persons who wanted to buy cars and build buildings and houses, but it is not in a position to provide big term loans for sufficient number of years to develop industries in this country. The result is that to that extent the industrial development in the country has suffered a setback. This can happen to IDBI Ltd. also. This company's capacity to provide funds to private cooperatives and public sector units would be reduced and that would not be in the interest of the entire industry in the country. The company would earn profits, but that would be done at the cost of industrial development in the country. The profits that are earned by the Government and the public sector units are the profits earned by those who are helped by them. They should be seen in the development that occurs in the shape of advancement of the country as a whole. This would not be done by a company created under the Company's Act. It would earn profits by enhancing the charges it levies for the services it renders which may or may not be just and equitable. If they are equitable, nobody should object to it. But, if they are exploitative, that would not be in the interest of the country as a whole. If it does not earn profits or cannot earn profits, it can be closed down which may affect the entire advancement of the industry of the country.

15.22 hrs (Dr. Raghuvansh Prasad Singh in the Chair)

We are asking the Government institutions and all the public sector undertakings to earn profits. We are not saying there is anything wrong in doing that. We should do that. But what is the profit which the Government or the public sector undertaking earns? The profit is the sum total of the profits earned by all those to whom the services are provided. If this fact is lost sight of, we will have the companies which will close down immediately. If the profit does not come to them, in that case the companies which were assisted and helped by an undertaking of this nature will suffer and loss of all other companies would be the real loss of the country as a whole and the loss of the Government also. Why should we, the representatives of the people, sitting in this House forget this fact?

We are just taking into account the account books of the company and the money which is earned by them. But we are not assessing the assistance given to the people who earn profits, who get encouraged, and who establish new industries. That is the benefit and that is the profit the Government and the country as a whole earn. But this is not going to happen if the company is in the private hands. They will say, 'Look, we are here to earn profits. If the profits are not available, we are not charitable institutions; we will better close down.' So, when a financial institution closes down, all the companies which could have received funds from that financial institution will be deprived of the resources and that will entail the losses that the country as a whole would incur. Why should the Government forget this aspect?

I think we who are sitting here are interested in seeing that the individual gets the benefit and an institution runs. But, at the same time, we are not going to sacrifice the institution for an individual or the interest of the country for an institution or an industry. This exactly appears to be happening and this appears to be the policies which are made by the Government sitting at the apex of the country, which should look ahead into the future. If they are just looking at an institution only and if they are feeling helpless that they are not in a position to bring that institution out of the red, well, that speaks of the lack of confidence of the Government in itself.

It speaks of the deficiency in ingenuity. It speaks of the helplessness or negligence to find out ways and means which can really help that institution and the entire activity as such. What is important is development. It should be done by running the institution in a proper manner as well as by seeing that those who depend upon the institution are not deprived of the assistance that can be given to them. There are banks which are also not doing well. Unfortunately, if this happens to this new banking company also, what will happen to the small holders of the stake in the bank? There is no guarantee that the company will succeed where the undertaking has failed. What is the guarantee? The undertaking was with you. It was manned by people who might have been selected by the Government as quite efficient managers and yet, it has failed. So, instead of finding out something new, something innovative and something helpful, if helplessly the Government itself is also transferring this undertaking to someone else to manage and earn profit, then that someone else will not be responsible to this House and to the society, and at any time, he can close it down. What happens to the industry which could have been helped by them? But it is certain that the industrial development would suffer a setback to the extent to which the funds from it would be diverted to non-productive and small activities. I have no doubt about it in my mind. If the multipurpose activity can be done, if it can be carried on without affecting the capacity of this undertaking to provide funds to the industry as it used to do, then, with the increase which is expected to take place every year, we cannot quarrel with that idea. But I am not sure that this is going to happen. I am apprehensive that this may not happen and this company also will fail to produce the dividends which it is required to produce.

The Bill was referred to the Standing Committee of the Parliament. The Committee has given the Report. The Government has accepted some recommendations and has not accepted other recommendations. The position in this respect is as follows. I would not read out this written statement. The hon. Minister has said that some of the recommendations have been accepted, some of the recommendations do not need to be a part of the law. By executive orders, they can be implemented. He has also said that some of the recommendations can be looked into for future action.

Now, what would the Government do if the small holders of shares in this company suffer as they are suffering in some co-operative banks, as they are suffering in some banks? You are giving them the money in order to protect their interest but grudgingly in a delayed manner. If this also happens there, this will happen in this company also. That has to be looked into and so, I will pass this on right up to the hon. Minister for his examination and for his kind consideration. I will not read it now. He was very kind enough to refer to the recommendations of the Standing Committee and, to a great extent, he has been able to accept the recommendations of the Standing Committee. But some recommendations still remain to be accepted by them. We do think that the Government should have accepted all the recommendations, and specially the recommendation in respect of 51 per cent shareholding. I think there is a scope for the Government to look into it.

The Bill has the following provisions relating to the officers and other employees of the Development Bank. I will draw the attention of the hon. Minister to these provisions. I seek the permission to read out these clauses in the Bill.

Clause 5 (2) reads as follow:-

"Where an officer or other employee of the Development Bank opts under sub-section (1) not to be in employment or service of the company, such officer or other employee shall be deemed to have resigned. "

Further, Clause 5 (3) reads as follows:

"Notwithstanding anything contained in the Industrial Disputes Act, 1947. "

The point is that the Industrial Disputes Act was brought into existence to protect the interests of the officers and the employees of the industry. This law is saying: "Notwithstanding anything contained in the Industrial Disputes Act, 1947 or any other law" It is extending the scope of this provision to any other law also.

I quote clause 5 (3):

"Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being in force, the transfer of the services of any officer or other employee of the Development Bank to the Company shall not entitle such officer or other employee to any compensation under this Act or under any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority."

Why is this provision there? Mr. Minister, you are ousting the jurisdiction of the judiciary or the court or the tribunal or the authority. Why are you doing this? This is a very draconian provision provided in the Bill. By saying this thing, we are saying that the courts shall not entertain any application or any petition. We are saying that the tribunals which have been created also shall not entertain any application or any other authority created for this purpose shall not entertain it. Why should we do this? We are doing this thing to those who have functioned in this organisation for the last so many years.

It is true that this Undertaking is suffering since the last few years. But before that, it did help the country's development in the industrial

area.

Then, clause 5 (6) reads as follows:-

"Notwithstanding anything contained in this Act or in the Companies Act, 1956, or in any other law for the time being in force or in the regulations of the Development Bank, no director of the Board, chairman and managing director or any whole-time director or any other person entitled to manage the whole or substantial part of the business and affairs of the Development Bank shall be entitled to any compensation against the Development Bank or the Company for the loss of office or for the premature termination of any contract of management entered into by him with the Development Bank."

What kind of a provision is this? Why should we have this kind of a provision? We are saying that anything may be there in this law and yet even if an employee is entitled to the kind of compensation under the existing law or the Companies Law or any other law, he should not be given that kind of a compensation. Why should we have a law of this nature? What does this mean? What is the meaning of this thing? I do not understand this. Why are we doing these things? Those who have worked as officers and employees in the Company, if they are entitled under the law for compensation or any benefit, they should be given that compensation or benefit. Why are we getting a sanction of this House to the fact that even if they are entitled to any compensation or benefit under any law - the Companies Law or the Industrial Disputes Act or under this law also - he should not be given that compensation? Why is this thing being done?

We would like to ask as to why is it so. Is it not against the interest of those who belong to the working class, those who do not have property, those who are not industrialists, those who are not traders; and those who are not part of the land-holding community, but are working in these institutions putting in their efforts and sweating for its development. If any compensation can be given under the law, why should it not be given to them? I fail to understand why it should not be given to them. If a law of this nature has come before this House and we all are sitting here and approving it, how will we be able to face the people outside? This can happen to anybody. If these people are entitled to any compensation, they should be given that compensation. This is my submission. I do not know why the Standing Committee also has not examined this issue in greater detail. If the law is there. If the Company Law entitles them to get compensation, this law says that they have the right to get compensation under any other law but we, by this law, are providing that they are not entitled. Why is this kind of provision there? Why is this being done?

I would request the hon. Minister to convince us about the logic behind this kind of provision in the law. What is it that we are trying to gain out of this? Why are we doing such things? Now, if the people have worked in this undertaking for 30 years or 40 years and this undertaking is not having branches spread throughout the country, and you say that we would start the branches of the company at some corners of the country and if they do not go, then their services will be terminated and they will not be entitled to compensation, this is not correct. Those people who have taken a sum of Rs. 15,000 crore from this institution, they are not returning it. You are not penalizing them, but you are penalizing those persons who are working and who were working in this undertaking. Why is it so? Is it right? Is it correct? Is it just? Is it equitable? Should we do it?

We do not understand only one aspect of it. I do understand the Government's anxiety to see that the industrial undertaking functions well. But I do not understand the Government being insensitive to the fact that those who have worked for these institutions not for one year but for 30 years and 40 years are being told that they will not be getting any compensation under this law, even if they are entitled to compensation under any other law. Now, this is not the correct position.

I would request the hon. Minister to see as to how this can be avoided. I do not know whether in the time which is available to us this Bill shall be passed because at 4'O Clock the other subject has to be taken up. I am not sure if it would be possible for us to consider and pass this Bill even in this House. So, if it is not taken up today and it is not passed today, tomorrow is the day for Private Members' Bill and then it would be difficult in getting it passed. This Bill also has to go to the other house, it has to be passed and only then it has to go to the President. But my only submission to the hon. Minister is that before this Bill is taken up for consideration in this House, it was considered by the Standing Committee and we are deliberating on this Bill today. The Government would come tomorrow and say: "Look, this Bill is not passed by the House. So, we are adopting the Ordinance route to get it passed and say that this is an Ordinance and you are duty-bound to accept this Ordinance and pass it." Let this not be done. Now, Heavens are not going to fall if it comes in the next Session or is considered. But if you are doing it, we are entitled to put forth our point of view. You shall have to convince us as to how this institution, which was initially created to help the development of the small-scale and medium-scale industry is going to help, if it is going to be a trading company, if it is going to be a commercial institution not concerned with the development but with the commercial activities which is expected only to earn profit in the shape of money earned and not in the shape of assistance given to those people who are in the industrial development.

I have given the example of ICICI. In the Committee on Finance, we wanted to examine them. The ICICI came before us and said that they are no more a financial institution and that we have no jurisdiction to examine them. They said that they are a private company now and we, the hon. Members sitting over there, had to tell them that we would like to examine and ultimately they submitted to us. But this is going to happen with this institution also and you will have no control over this institution.

Sir, the Government has directed that 40 per cent of the lending of all the commercial banks should be given to the people living in rural areas, to the agricultural sector and the priority sectors. Now, the Minister knows very well as to what is the position. We have examined it in the Committee also and found that 40 per cent of the lending of the commercial banks is not given to these areas and then the Government had to change its direction and say that if any commercial bank has not given on loan this amount of money, then it would be given to NABARD and NABARD would give it to the State Governments and they would give this money to these areas. But even after giving this money to NABARD, it has not been able to see that that amount is given to those who need the amount. NABARD has come back to the House and before the Committee saying that they do not have their branches spread all over the country and that is why they are not in a position to spend this money. That is the reason why we have not been able to spend 18 per cent of the money on agriculture and only six per cent of the funds were spent on agriculture.

This is the position now. Your own directions are not followed by the commercial banks and now this bank is also becoming a commercial bank. If you want to see that the industry develops in the North-Eastern States and in the backward areas of the country where the funding has to be done, you will not be able to compel this bank to give that kind of loan to the industries which will come up in the North-Eastern States and in the backward areas of the country. You will see that the funds are given to the companies which are coming up in the already industrialised and developed areas. There will be a mismatch. There will be uneven development and you will not have any instrument in your hand to see that proper development takes place in the North-Eastern States and in the backward areas of the country. What will you do? Then, when we ask a question, you will come back and say: "Look, they are a private company, they are governed by the Company law and so we cannot compel them. What can we do?" Now, the instrument is in your hand today. You can ask them to give money to the companies that are coming up in Nagaland, Arunachal Pradesh and in the backward areas of Madhya Pradesh, Karnataka, Maharashtra, Tamil Nadu and Orissa. But if the commercial banks refuse to do that, you will have no power to compel them to do so. You have seen what had happened to the directions that you had issued that 40 per cent of the lending has to be on the priority sector.

So, my only point is that this is an instrument available to you. If you are not using it properly, you will feel yourself very helpless and then, when we ask a question or when the Members sitting in Opposition Benches ask the question, you will come back and say: "This is a Company, we are helpless and we cannot help you." But this is not the kind of answer we can give to the people.

So, I would submit that let the Government not take the route of Ordinance to see that this Bill becomes a law. If you take it, I would very respectfully submit that we would feel very unhappy and we would feel entitled to oppose it tooth and nail. With numbers on your side, you may get it passed in the House and yet we would be feeling unhappy. I know that the Minister is a very sensitive representative of the people. I have seen him accepting the views expressed on the floor of the House and also outside while seeing that his Budget is passed. Now, this is a Bill which we are not opposing for the sake of opposing because it has come from him. We have sincere apprehensions. We do feel that this is a wrong step.

And yet we see it coming with some changes and modifications. If you are able to protect the interests of the private industry, the cooperative industry, the public industry, industrial development, we would be happier. That is the only request we have to make. Thank you.

SHRI JASWANT SINGH: Sir, I am now really trapped. When this Bill was introduced in the last Winter Session, I had made an appeal to the Chair that if you send it to the Standing Committee, please request that Committee to return it quickly.

Hon. Shri Shivraj Patil is now recommending that we do nothing about this particular thing and we take it forward to the Winter Session. That will be one whole year of deliberation on this. I must, in all honesty, share with hon. Member that in this one year of uncertainty, not only have the NPAs of Rs. 15,000 crore added on, but the lending ability of the IDBI has also declined. I can give no assurance to the House that in the remaining months, the IDBI's functional capacity to lend for all the noble intentions, hon. Shri Shivraj Patil, will be enhanced in any fashion. The non-performing assets of Rs. 15,000 crore is not my doing.

SHRI SHIVRAJ V. PATIL : Whose doing is this?

SHRI JASWANT SINGH: It is the Government's doing... (*Interruptions*) I had not been here for five years.

SHRI SHIVRAJ V. PATIL : You might not have been there but your Government is there.

SHRI JASWANT SINGH: Your Government has created this. (*Interruptions*) Here is a question being raised that I created these NPAs of Rs. 15,000 crore. ... (*Interruptions*) It is an inherent liability, which I am trying to correct. ... (*Interruptions*)

SHRI SHIVRAJ V. PATIL : To what extent?

SHRI JASWANT SINGH: I can give the figures. The Standing Committee has fully considered it. I can give no guarantee to the House. Certainly, the House is its own master. If you want to stop this Bill, do stop it. But I must put it on the floor of the House. I can, therefore, give no guarantee about the health of the IDBI in the future. It is not possible.

The NPAs got created in the IDBI because the entire borrowing system got changed. Development financial institutions had access to cheaper finance when the entire financing system was changed in the 90s so that credit, that was accessed by development finance, will have to be accessed at commercial rates. When that was done, the very nature of development financial institutions had to be altered.

If we are recommending that it become a bank with no SLR liability for five years so that there is no bond, it is because the Bank will then have an access to cheaper rates of borrowings, not the current rates of borrowings. But if the House does not want to do it and you want to prolong the discussion, by all means, prolong it. I can certainly give no assurance to the House about the health of the IDBI.

SHRI SHIVRAJ V. PATIL : This is very strange. If the Government cannot give the assurance to the House that it will take steps to see that this undertaking functions in a better and efficient manner, who will give it? I cannot give it. The Chairman of the Finance Committee cannot give it. Now, the NPAs is the money given to the people. It has to be recovered from them. Why is the Government sleeping? Why is the Government not taking steps to see that the money is comes back? When it is throwing out the workers and handing over this company to someone else, who else it is? Then, we are told: "We are obstructive." We have given concrete suggestions.

We are also saying that if it is necessary, do it. But do it in such a fashion that the individual development does not suffer. If it is thrown at us as a Bill of this nature, if the institution responsible for the development of the industry for the last 40 years, by passing a law, has to be handed over to some persons who are not responsible to this House nor responsible to the Minister what should he do. We do not expect this thing. If you do it, we have only the right to question you and take it to the people. We have no other thing to do.

Now, you are ousting the jurisdiction of the courts, the tribunals, and the authorities. You are ousting the jurisdiction of the law that you yourself have framed. You are handing over the assets of the public, to some people and then you are saying that you cannot guarantee that this institution cannot function.

Because we are using very soft, very responsible and use respectable words, should the Minister brush it aside like this? Only when we shout and shout at the top of our voice, rush to the well, should he heed to it? He has never done that. I know it. That is why I have said that he has been sensitive. I can understand his difficulty. But I cannot understand his incapacity to control it. He has the capacity to control it. I would have done that if I were in his place. If he is not able to do, allow me to say that at least he is not doing it because he does not want to do it or he is not doing because he has not paid attention to it or he is not doing it because he has some other design.

SHRI SUDIP BANDYOPADHYAY (CALCUTTA NORTH WEST): Sir, the anxiety expressed by the hon. Finance Minister is to be taken with all seriousness because the Members of the Standing Committee on Finance, under the Chairmanship of Shri N. Janardhana Reddy, have very efficiently dealt with the whole issue...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : The Parliament is above the Standing Committee also and the Executive is responsible to the Parliament...*(Interruptions)*

SHRI SUDIP BANDYOPADHYAY : Sir, with all importance to this issue, in the Standing Committee we discussed the issue in detail and ultimately it was decided.

that IDBI will function as a bank only.

As far as the NPA question is concerned, we are all concerned and all this belongs to the captains of the industry and the common people have no involvement in this. So, we believe that it is to be passed in this Session itself. We should all take care and see that the future of the bank is not jeopardised and that it can function properly.

SHRI JASWANT SINGH: I wish to respond only to the very strange allegation waged against me by hon. Shri Shivraj Patil that I am acting...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : If there is any personal allegation, I shall withdraw it.

SHRI JASWANT SINGH: He has just made it. It is a very strange allegation. He must be highly excited. He said that I was acting under some strange compulsion.

SHRI SHIVRAJ V. PATIL : I did not say that. He can check the record.

SHRI JASWANT SINGH: I do not need to check the record. If he is not saying, it is all right. But he is excited at the moment.

SHRI SHIVRAJ V. PATIL : It is probably because he does not understand soft language.

SHRI JASWANT SINGH: The Standing Committee fully considered this issue. This was introduced in the Winter Session of last year. Now I am being told that all the recommendations of the Standing Committee have been accepted and we are pursuing the path.

SHRI SHIVRAJ V. PATIL : No, that is not correct. In his statement also, he has said that some of the recommendations can be implemented through Executive order and some of the recommendations, he has said, he will consider later. That is part of the record.

Now, he will go to the people and say that I am speaking like this, I am excited and all that. I am not excited. I am old enough not to be excited. I am just speaking out what I feel in my heart... *(Interruptions)*

SHRI SUDIP BANDYOPADHYAY : So many recommendations of the Standing Committee have been accepted.

SHRI RUPCHAND PAL (HOOGLY): No, all of them have not been accepted. He is not accepting the major recommendation about 51 per cent Government stake. He is saying that at par with other commercial banks, where the Government proposes to dilute it to 33 per cent, the same will be applicable to IDBI also, which is the major recommendation of the Standing Committee.

SHRI JASWANT SINGH: Sir, I am relieved to hear that hon. Shri Shivraj Patil is not excited. But nevertheless the fact remains that the issue here is of the health of IDBI and if we continue to prevaricate upon reforming the IDBI, then certainly you cannot say that the Government is not responsible for any reforming and yet is responsible for it. I have to reform it in a manner - that is the Government's consideration - in consultation with RBI after examination by the Standing Committee. The House is certainly well within its right to continue to debate this issue for one more year, if necessary.

SHRI SHIVRAJ V. PATIL : Let him accept all the recommendations and see that the Bill is passed.

SHRI RUPCHAND PAL : The major recommendation is not accepted by the Government, that is, 51 per cent Government stake, and the Government is saying that it will bring it down to 33 per cent. What will happen after five years?

समापति महोदय : ये सब चर्चा के समय होगा।

SHRI SUDIP BANDYOPADHYAY : The major decision is that IDBI will operate as a bank.

SHRI JASWANT SINGH: It will continue to operate as a development bank. I have given that assurance and I stand by that

assurance. The Government currently holds about 68 per cent equity of the IDBI. It will continue to hold that in the foreseeable future (*Interruptions*) I do not know what is the excitement. I have to reform because I am responsible for this organisation.

Exactly, the same criticisms were heard about Unit Trust of India when we came forward with a reform package (*Interruptions*)

SHRI SHIVRAJ V. PATIL : What about ICICI?

SHRI JASWANT SINGH: I do not control ICICI (*Interruptions*) It is more interesting that Shri Shivraj Patil, who is not excited, has now engaged in cross- chatting with me when I am trying to explain the position. But the fact remains that this is an important development and financial institution. It does require reforms. The reforms that we would like to recommend have been taken as per the examination by the Standing Committee. Even then we wish to say that if you do not want to pass it now, certainly the House can continue to debate it for as long as it wants.

किरीट सोमैया (मुम्बई उत्तर पूर्व) : माननीय सभापति जी, मैं सबसे प्रथम माननीय वित्त मंत्री जी को जो यू.टी.आई. का रिवाइवल न सिर्फ पैकेज उन्होंने घोषित किया, किन्तु रिवाइवल को दिशा दिखाई है, इसके लिए अभिनन्दन करना चाहता हूँ। मैं एक छोटा सा उदाहरण दूंगा कि यू.टी.आई. की 1998 तक जो यू.एस. 64 में गिरावट आई थी, वह एक स्कीम के मार्फत गवर्नमेंट ने 3300 करोड़ रुपया दिया था, जो 1.1.1999 और किसी समय 1500 करोड़ रुपये हो गई थी, इस रिवाइवल पैकेज के कारण आज उसकी वैल्यू 3900 करोड़ रुपये हो गई है, इसलिए मैं उनको बधाई देता हूँ।

मैं वित्त मंत्री जी से यह प्रार्थना करूंगा कि यह जो आई.डी.बी.आई. के बारे में रीस्ट्रक्चरिंग, The actual and particular word is consolidation and universal banking. मैं उसका समर्थन करता हूँ। मैं 1-2 मिनट आगे पीछे समाप्त भी करूंगा। मेरा पहला प्रस्ताव यह है कि जब आप यूनीवर्सल बैंकिंग के लिए जा रहे हैं, कन्सोलिडेशन आज एक प्रिंसिपल बन चुका है तो मेरी पहली प्रार्थना है कि आई.डी.बी.आई. और आई.डी.बी.आई. बैंक का मर्जर होना चाहिए, मैं आपको आग्रह नहीं करता, I have already discussed with him. आई.सी.आई.सी.आई. आज बाहर आ रहा है। आई.सी.आई.सी.आई. की एक ऐसी ही कल्पना थी, आई.सी.आई.सी.आई. और आई.सी.आई.सी.आई. बैंक का मर्जर हुआ है। आई.डी.बी.आई. बैंक अलग रखकर फायदा नहीं होगा तो मेरी पहली मांग यह है कि यह मर्ज होना चाहिए। There is a little difference between other Government companies and IDBI. यह क्लियर नहीं हुआ, फाइनेंस कमेटी में भी क्लियर नहीं हुआ, आर.बी.आई. और फाइनेंस मिनिस्ट्री भी क्लियर नहीं कर पाई कि अभी जो आई.डी.बी.आई. बैंक का आई.डी.बी.आई. के पास जो होल्डिंग है, दो बैंक साथ में नहीं रह सकते तो उस होल्डिंग का क्या होगा, वह ट्रस्ट में जायेगी, अपने हाथ से वह बैंक निकल जायेगा, इसलिए मैं आपसे प्रार्थना कर रहा हूँ।

मेरी जो तीसरी विनती है कि IDBI was established by an Act of Parliament and the UTI was also established by an Act of Parliament. मैं माननीय शिवराज जी पाटिल के इस वक्तव्य के बारे में सहमति दिखाता हूँ, माननीय वित्त मंत्री जी, Election of shareholders' directors और इसके लिए यू.एस. 64 में आपने स्माल इन्वैस्टर्स को बचाया, उसके लिए मैं आपका अभिनन्दन करता हूँ। आज आई.डी.बी.आई. का 15 हजार करोड़ रुपये का एन.पी.ए. है। स्माल बॉण्ड होल्डर्स और डिपाजिट होल्डर्स आठ करोड़ से ज्यादा होंगे और एक बार आई.डी.बी.आई. एक्ट से निकलकर कम्पनी हो जायेगी तो कल जाकर वह बी.आई.एफ.आर. में भी जा सकती है तो He will have to give an assurance to the small depositors that they are properly secured. मैं यह स्माल इन्वैस्टर्स के प्रतिनिधि के नाते आपसे प्रार्थना करता हूँ। मेरी एक और विनती है, आज भी आई.डी.बी.आई. मार्केट से बॉण्ड के द्वारा 3-4 हजार करोड़ रुपये इकट्ठे कर रही है, Let us make it clear, it is not Government's guarantee or he can say that it is the Government's guarantee. और मुझे विश्वास है कि इस सम्बन्ध में आप क्लैरिटी करेंगे। मेरी एक और प्रार्थना यह है कि Some clarity is required. यह विषय पिछले दो साल से पार्लियामेंट और बाहर चल रहा है। आज पब्लिक सैक्टर बैंकों में ऐसा क्लोज 1998 के पहले डाल दिया, One-third of the Directors will be elected by the small shareholders. और उसमें टोटल डिपाजिटर्स नहीं हैं, कुछ 2-4 लोग मिलकर डायरेक्टर चुनकर बैठे हैं, आई.डी.बी.आई. में भी वही प्रोवीजन कण्टीन्यू रहेगा।

16.00 hrs.

उसके बारे में भी मैं आपका ध्यान आकर्षित करना चाहूंगा कि इस संबंध में भी आप घोणा करें। आपने कहा कि पब्लिक सैक्टर बैंक में 33 प्रतिशत होल्डिंग्स का बिल अभी फाइनेंस कमेटी के सामने है। मेरी प्रार्थना है कि आप आई.डी.बी.आई. के बारे में कहना चाहते हों तो पब्लिक सैक्टर में वह क्लॉज प्रोटेक्शन का है कि Though the Government holding may go below 51 per cent, it will remain a Government bank. तो वह क्लॉज इसमें नहीं है। वह प्रोटेक्शन वाला क्लॉज इसमें इंकलूड कर दें। मैं यही आपसे प्रार्थना करता हूँ और इस बिल का समर्थन करता हूँ।

SHRI SUDIP BANDYOPADHYAY : Mr. Chairman, Sir, what will be the fate of this Bill? (*Interruptions*)

सभापति महोदय : बिजनैस एडवाइजरी कमेटी ने इसके लिए दो घंटे का समय स्वीकृत किया है।

श्री सुदीप बंद्योपाध्याय : क्या यह कल लिया जाएगा। इसे अभी पास करा दीजिए।

सभापति महोदय : कल देखा जाएगा।

SHRI SUDIP BANDYOPADHYAY : Sir, will this Bill be discussed tomorrow? The Minister expressed his annoyance that if passing of this Bill is delayed and if this Bill goes to the Winter Session, then the total bank's future will be jeopardised. So, he is very much appealing to the House to pass this Bill. (*Interruptions*)

सभापति महोदय : इस पर बिजनैस एडवाइजरी कमेटी ने जो समय स्वीकृत किया है वह समय पहले पूरा होगा।

(व्यवधान)

SHRI RAMESH CHENNITHALA (MAVELIKARA): Sir, you have allotted two hours for this Bill. How can it be passed now? (*Interruptions*)

SHRI SUDIP BANDYOPADHYAY : Sir, what I am saying is perfectly in order because I am a member of the Standing Committee

on Finance. This Report was prepared under the Chairmanship of the Congress Party Member. (*Interruptions*) This recommendation was made by the Standing Committee on Finance. (*Interruptions*)

सभापति महोदय : आप समय बर्बाद कर रहे हैं। आप बैठ जाइये। जब इस पर दो घंटा पूरा हो जाएगा, तभी इस पर बहस होगी। आज पूरा नहीं हुआ तो कल होगा। श्री राम विलास पासवान जी, नियम 193 के अधीन चर्चा पर आप बोलें।

SHRI SUDIP BANDYOPADHYAY : It is the Report of the Standing Committee on Finance that is being discussed. (*Interruptions*)

SHRI RAMESH CHENNITHALA : Sir, you have allotted two hours for this Bill. Only one hour is over now. So many Members want to speak on this Bill. (*Interruptions*)

श्री राम विलास पासवान (हाजीपुर) : सभापति जी, आज 6.30 बजे से प्रतिमा के उद्घाटन का कार्यक्रम है। इसलिए 6 बजे के बाद हम यहां नहीं बैठ पायेंगे। यह विाय अत्यंत महत्व का विाय है। इसलिए सीधे इस मुद्दे पर आयें।(व्यवधान)

श्री जसवंत सिंह : इस बिल पर जो चर्चा हो रही थी, क्या वह आज के लिए समाप्त है?

सभापति महोदय : आज किरीट सोमैया जी ने अपना भाग किया है।

श्री जसवंत सिंह : तो क्या आप इसे विंटर सेशन में लेंगे या कल लेंगे।

सभापति महोदय : कल प्राइवेट मैम्बर बिल लेने से पहले थोड़ा समय रहेगा।

श्री राम विलास पासवान : वह तो स्पीकर साहब डिसाइड करेंगे। स्पीकर साहब देख लेंगे। हमारा वाला बिल भी पूरा नहीं हुआ तो कल यह भी चलेगा।

डॉ.लक्ष्मीनारायण पाण्डेय (मंदसौर) : सभापति महोदय, जब विधेयक पर चर्चा हो रही थी तो किरीट जी ने अपना भाग समाप्त किया। उसके बाद माननीय मंत्री जी का रिप्लाइ होना था। रिप्लाइ के बाद यह शुरू हो जाता।

सभापति महोदय : उसके लिए दो घंटे का समय स्वीकृत है।

डॉ.लक्ष्मीनारायण पाण्डेय : तो क्या उसे कल लिया जाएगा।

सभापति महोदय : हां, कल लिया जाएगा। पासवान जी, अब आप बोलिये।
