

1. To reduce the loss of water and to make its optimum use for irrigation, to increase the irrigated area and brickline the canals so as to increase their capacity, dissemination of technical knowledge etc.
2. Increasing the production through proper use of water, land reclamation, propagation of the latest production techniques and development and research in agriculture.
3. To enforce equal distribution of water under the Barabandi Scheme and to ensure more irrigation with the available water.
4. Land conservation and afforestation to prevent land erosion. Afforestation of the land along the area affected by land erosion, ravines, main canal and main drains.
5. To meet the basic needs and increase the facilities of the irrigated land and also to construct roads, culverts brick-lined outlets etc.

Rs. 69.90 crores have been earmarked for 5 years in the second phase. It is necessary in the interest of the targets to approve the draft of the second phase of the scheme at the earliest.

I, therefore, request the hon. Agriculture Minister kindly to extend proper cooperation and financial help to the State Government so that work on the second phase of the above scheme could be started at the earliest.

12.52 hrs.

**GOVERNMENT SAVINGS LAWS
(AMENDMENT) BILL**

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : On behalf of
Shri Vishwanath Pratap Singh,

I beg to move :

“That the Bill further to amend the Government Savings Banks Act, 1873 and the Government Savings Certificates Act, 1959, be taken into consideration.

The facility of nomination is available to the depositors of Post Office Savings Bank and holders of National Savings Certificates, Section 4 of Government Savings Banks Act, 1873 and section 6 of the Government Savings Certificates Act, 1959 provide that in the case of death of a depositor/certificate holder, the nominee shall become entitled to receive the sums due, to the exclusion of all other persons notwithstanding anything contained in any law for the time being in force or in any disposition, testamentary or otherwise by the depositor/certificate holder.

Section 4A of the Savings Bank Act and section 7 of the Savings Certificates Act also provide that in the case of the death of a depositor/holder of certificate and there is no nomination, the legal heirs could be paid claims not exceeding Rs. 5000 without production of probate of his will or letters of administration of his estate or a succession certificate.

The aforesaid provisions were made to avoid hardship to the heirs of the deceased depositors as the production of legal proof of succession involves considerable delay and expense. In cases of claims not exceeding Rs. 5000, the Department of Posts is making payments by obtaining a claim application form from the person who is entitled under law and statement of consent from the near relatives of the deceased depositor. The claimant has to declare on oath before a Judge, Magistrate or other empowered authority that the particulars given in the claim application are correct. The payment is then made by the postal authorities according to the powers delegated to them.

If the sum due to a deceased depositor/certificate holder is above Rs. 5000, the Department of Posts have no alternative but to insist on the claimants to produce legal proof of succession. Obtaining proof of succession from a court of law involves considerable delay and expense. The

[Shri Janardhana Poojary]

claimants are, therefore, put to financial hardship particularly where the claimants do not have substantial assets other than investments in small savings. The limit of Rs. 5000 for payment of claims without production of legal proof of succession was fixed in 1959 when the yearly net collections in small savings were of the order of Rs. 84 crores compared to the present level of Rs. 3500 crores. Due to income-tax concession on investments, a large number of persons now invest over Rs. 5000. Further, a limit of Rs. 5000 was fixed long ago on the money value then.

The Department of Posts have stated that large number of claims exceeding Rs. 5000 each are pending with them as the claimants have to produce legal proof of succession in these cases and it is causing hardship to the heirs of deceased depositors.

The Department of Administrative Reforms and Public Grievances have recommended upward revision of the limit of Rs. 5000/-. The recommendation was examined in consultation with the Department of Posts and the Department of Administrative Reforms and public grievances and it was felt that the limit for settling claims without production of legal proof of succession could be raised to Rs. 20,000.

The proposed Bill is designed to alleviate the distress of the survivors of the deceased depositors. The limit of Rs. 5000 - appearing in the Acts will be removed and the Central Government will be empowered to provide by rules from time to time appropriate limits upto which claims could be settled by the authorities without insisting on legal proof of succession.

MR. DEPUTY SPEAKER : Motion moved :

“That the Bill further to amend the Government Saving Banks Act, 1873 and the Government Savings Certificate Act, 1959, be taken into consideration,”

Shri R.P. Das may please speak now.

SHRI R.P. DAS (Krishnagar) : Sir, I have one or two points to add. I want these points to be included in the Bill. I could not understand as to why the Minister wants to do away with the limit, which was set by the Government Savings Banks Act, 1873 under Section 4 (a) and a similar provision contained in the Government Savings Certificate Act, 1959. In both the Acts, we find that the limit was fixed at Rs. 5,000/-, for the legal heir of the deceased in the event of the death of the holder of the certificates. This Bill seeks to do away with this limit and it also wants to empower the Government to omit this limit for making rules from time to time, upto any limit, and the claims could be settled by the authorities without insisting on any legal proof of succession.

This question of withdrawing the limit was done on two counts. Two please were made in the Statement of Object and Reasons. Firstly, it is said that money value is eroding fast. Under the first Act, which was enacted in 1873, about 112 years back, it was legislative that there should be a limit. Again, in the second Act also, i.e. the Government Savings Certificate Act, 1959 which was passed only 26 years ago, some limit was maintained. In both the Acts, we find that the legislators wanted that there should be a limit. But in this Bill, the Government wants that there should not be any limit and that the limit should be withdrawn, and power should be given to some appropriate authorities who can make some rules, which will, of course be scrutinised by Parliament. But this is not enough and this is not sound also. Wisdom shows that there should be a limit to powers, whether the power is political or economical.

The unlimited power is always bad as anything. It goes to any extent and sometimes it becomes very harmful.

Therefore, the legislators thought that there should be some limit to economic powers also. Hence such limit was set here. In almost all the cases, limits are put only to make the things less worse.

Therefore, I would like to say that these two reasons are not sound. It may not also be valid. Without getting a legal proof of succession, may be in the form of succession

certificate or a provate of will or letters of administration of estate, there should be some provision by which the securities or the savings can be ensured. Therefore, I would like to suggest that there should be a limit-a-limit to be set in this Bill itself. It should not be given any such power by which the appropriate authorities can set any limits. It should be under the scrutiny of this House, and in so far this Bill is concerned, there should be some limit prescribed in the Bill itself. This is because of some socio-economic factors involved in the matter.

MR. DEPUTY SPEAKER : Mr. Das do you want more time ?

SHRI R. P. DAS : So my proposal is that there should be some limit in some form or other, may be upto the tune of Rs. 20,000 set under Section 4 (a). This way, I oppose the Bill as it is.

MR. DEPUTY SPEAKER : We shall adjourn for lunch and meet at 2.00 P.M.

(The Lok Sabha then adjourned for lunch till fourteen of the clock)

The Lok Sabha reassembled, after lunch, at Four minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

MR. DEPUTY SPEAKER : Now Shri Maheswara Rao.

SHRI A.J.V.B. MAHESWARA RAO (Amalapuram) : I rise to extend my qualified support to the Bill.

No doubt, it is a sensible move by Government to waive the formality of production of legal proof of succession for payment of Savings Bank deposits of a deceased to his heirs. The old limit of Rs. 5,000/- is also being deleted, and Government is being empowered to provide by rules from time to time upto which claims could be settled by authorities without insisting on legal proof of succession.

Firstly, I would like to point out that the amount so fixed under this amendment by government should in no case be less

than Rs. 5,000/- because if the amount so fixed is less than Rs. 5,000/- it will amount to denying the existing facility.

Secondly, it is not clear whether with a view to avoid subsequent litigation, how is the government going to decide whether a particular person is genuine or not. This factor becomes all the more important because of the limit of Rs. 5,000/- may be raised to Rs. 8,000/- or Rs. 10,000/-. Moreover in villages and backward areas the people are uneducated, and there will be many problems, resulting in family feuds for claiming the amount. Some safeguard in this respect is very essential.

So, a provision should be made that after the payment from deposits in a saving bank of a deceased has been authorised, this shall not be questioned by any authority and no claims in this connection shall be entertained.

Then the authority, who can decide about the payment being made to a claimant from the saving bank deposit of a deceased, should be specified. It should be ensured that the authority is a fairly high and responsible authority.

This is a good provision but this can be improved by enhancing this limit. The Minister is requested to consider the change and make suitable amendments. Thank you.

SHRI RAM SINGH YADAV (Alwar) : I support the Government Savings Laws (Amendment) Bill, 1985. which provides *inter alia* the amendment of the two Acts that is the Government Savings Bank Act 1973 and the Government Savings Certificate 1959. As a matter of fact he has not come out with a comprehensive amendment which was expected to come, because the existing Section 4a reads as follows :

"If a depositor dies and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925, is not within three months of the death of the depositor produced to the Secretary of

[Shri Ram Singh Yadav]

the Government Savings Bank in which the deposit is, than —

(a) if the deposit does not exceed five thousand rupees, the Secretary may pay the same to any person appearing to him to be entitled to receive it or to administer the estate of the deceased.”

Now the provision is that the Secretary may pay the same to any person appearing to him to be entitled to receive it ; appearing to him means that the discretion has been given to him ; and up-till now this discretion was being exercised, upto the amount or Rs. 5000/-. Now, you are taking the power that the amount may be determined by the government by subordinate legislation by rule making power and that may extend to Rs. 10,000 or Rs. 15,000 or Rs. 20,000. It is in the wisdom of the government to do it. Now, it will be too much. You dont provide that the Secretary will go or determine the entitlement of the person or the depositor or heirs that he is entitled, according to law, according to the succession, according to the law of succession, law of inheritance, under which the depositor is governed. So, we expected that some sort of provision that may be governed by the law of succession of the depositor, that provision should have been incorporated in this very Act, but you have not done that. So, I think, it is the basic requirement. Even now, when you are giving the Secretary much more Power, financial power, then this provision, that he must be guided by some-norm of the law prevailing in the State or the law of the land, should have been here. Otherwise, it will be very much discretionary with him and the depositor ultimately may not be benefited by the present amendment.

Secondly, at least there should be a permanent limit as it was permanently settled that Rs. 5000 was the limit. Everybody whether he is living in a small village or a big city, knows that the upper limit is Rs. 5000 and upto Rs. 5000 he need not go to the court for taking the probate or letter of administration or succession certificate. Even now what is necessary is that whatever may be the limit that should be permanent. The latest drawback in the country is that today we are making laws which are flexible and the general public is suffering

because of that. You can make a provision for 20 years or 30 years or 40 years but there should not be any flexibility ; otherwise the public at large will not have any knowledge without approaching the legal advisers or the persons who are well conversant with these things. So, while making the subordinate legislation care should be taken by the Finance Ministry regarding this.

When these powers are being given to the authority with which the amount is to be deposited, whether it is the banking authority or the post office saving bank authority especially in cases where there is no nomination, we have to take a decision clearly that there cannot be any point of discretion with him so that he may not exploit his position and he may not take undue advantage of that, because, today the banking institutions are not above board. There are so many charges levelled against the people in authority in banks. Especially when you are giving the discretion to pay the amount of say Rs. 10,000 or Rs. 20,000 or Rs. 30,000 to a person who has not only not been nominated but does not have the probate or letter of administration or succession certificate, in that case, what precaution the Ministry will take and what guidelines the Ministry is going to lay down in the Subordinate Legislation so that he will not exploit his position ? Special care should be taken to see that there should be checks and balances on the person or the authority to whom this power is given so that he may not exploit his position.

Of course, the amendment which has been introduced by the hon. Minister is most welcome and I support it.

SHRI V. S. KRISHNA IYER
(Bangalore South) : It is really a simple amendment. But at the same time, there is a great danger involved in it. In the first place, I quite welcome and appreciate that legal probate or succession certificate is not necessary if the amount is Rs. 5000. But this limit was incorporated a century ago. I know the value of Rs. 5000 then and now. Certainly it should be increased. But how much that should be left to this House. It is not a sound principle in the financial matters to delegate the power to any authority though it will come up before

Parliament for being recorded. We know that in most of the cases when the rule making power is given to the subordinate legislation, it will never come to the notice of the Parliament. It will not be taken up seriously. So, I really find a great danger in the unbridled power being given to the executive. I agree with the hon. Members Shri Yadav and Shri Das that the limit of the amount should be mentioned. It may be Rs. 50,000, it may be Rs. 60,000, but some limit should be there. Even the Committee has recommended Rs. 20,000. So, let it be even Rs. 20,000, but some limit is very necessary.

I quite realise that in the present day circumstances, the savings bank and the National Savings Certificates are playing a vital role in the economy of our country. The States and the Centre have been very much benefited by these. I must say that both the schemes are really very popular but they should be made still more popular. There are some defects in the working of these two schemes. I would like to make only one or two suggestions in this behalf.

With regard to the savings bank, even now in most of the villages there are no banks. They depend on the Post Office Savings Bank only. The confidence of the people in post offices is so much that even those who could invest in a bank, they prefer to invest in a post office. What I would like to suggest is that our Finance Minister must use all the media-radio, television, etc.-to see that the savings bank and the saving certificates are popularised. I am proud to say that Karnataka has done very well in this regard and last year the Government of India has given a bonus of Rs. five crores to Karnataka. I am sure, the Minister will take necessary steps in making these schemes an or popular. The only thing which I would like the Minister to note and to send circulars to all the State Governments, is to ensure that there shall not be any kind of compulsion in the national savings drive. We know how at times the amounts are collected. It should be purely veluntary. At the same time I would like the Government to motivate the people and tell them that it is their duty to see that they also involve themselves in the development of our country. They

should tell them that every pie that they invest in the national savings will definitely be utilised for the developmental activities of the States and of the Centre. So, the people should be motivated so that they voluntarily come forward.

I would also like to say that at the young age, particularly at the school level, the students also must be made to see that they also invest in the national savings. It will not be out of place to say that in Karnataka, even the persons in the jails also voluntarily invest in the national 'savings. So, these schemes are really playing a very important role in the development of the country, but the only thing I would request the hon. Minister again is that even now it is not too late to fix some limit. Don't have that unlimited power for the Government. The government may fix any amount that they think is proper.

I welcome the other part of the amendment but the only amendment I want is to fix the limit to any amount which the Minister thinks fit.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Deputy Speaker, Sir, I support this Bill. Under the Bill, the Saving Laws are being amended where by amount less than Rs. 5000 for which there is no nomination, can be given by the officer or the Secretary to a person whom he considers entitled.

You are aware that to get such type of amount or to get the Succession Certificate of the property involves considerable time and problems. For claiming an amount of Rs. 5,000, you have provided that if a person dies without nomination, his heir should get a succession certificate within three months of the death of the depositor.

It is well known that the period of three months is very short. Now-a-days one cannot get a nomination or succession certificate from any court within three months. The procedure in the courts is such that this cannot be issued in a short time. Therefore, an amendment to this effect should also have been made to

[Shri Girdhari Lal Vyas]

provide for more time so that the legal heir is able to get the succession certificate from the court.

The other provision relating to the limit of Rs. 5,000 is definitely a welcome step because the court procedure is so involving that to claim an amount of Rs. 5,000 about Rs. 1000 to Rs. 1,500 may have to be spent. This provision is very appropriate. Shri Ram Singh has rightly pointed out that people indulge in bungling in such cases. Therefore, rules should be framed to empower the concerned officer to pay the amount to a person whom he may consider entitled to receive the amount. Some proof should be asked to be produced in this connection and on that basis the amount should be paid. Otherwise, this arrangement will not work properly. In this way the money spent on the legal process could be saved. Therefore, it is necessary to make such provision. In the Statement of Objects and Reasons, it has been stated in the end :—

[English]

“It is, therefore, proposed to omit the limit and empower the Central Government to provide by rules from time to time appropriate limits up to which claims could be settled by the authorities without insisting on legal proof of succession.”

[Translation]

This is another provision which will result in more scope for bungling. If an officer is empowered to decide a claim involving an amount more than Rs. 5000, then there is a definite possibility of bungling. Of course, rules should be framed so that one is spared of the need of going to the court but at the time of issuing certificate or settling a claim, your officer must demand some proof about the heir or the authorised person so that the money is not paid to a wrong person. Presently, there have been instances, where wrong people in collusion with other received the money and the real claimant was deprived of it. Otherwise, this law is very useful.

I want to make one more submission. As has been said earlier, whatever money is collected through savings, should be spent on the development of that very State so that the people of the State may feel that their savings are being utilised for the development of their State. It will work as impetus and more money will be deposited by the people. The people there will feel that though they will get a lower rate of interest on their deposits, yet the money will be used for the projects which will enable them to improve their economic lot and make progress. This type of arrangement should be made.

In addition, it has been observed that targets are fixed for Income Tax Officers, Sales Tax Officers, S.D.O's, Tehsildars, Collectors and B.D.O's and they are asked to ensure deposits as per those targets. They are told that in case of failure to do this disciplinary action would be taken against them. Because of this order, people are forced to make the deposit. We have seen that targets are fixed for transport officers also. In tax cases also, similar targets are fixed and excesses are committed. Poor people are harassed. Thus this arrangement is inappropriate. This system should be a voluntary one. As one hon. Member has said, unless it is a voluntary system, people will have to face difficulties. An amendment to this effect should also be brought. The amendment which has been brought is definitely a welcome step and I support it.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Sir, I am grateful to the hon. Members for welcoming the Bill. The Bill has received support from all sections of the House. In fact, hon. Members have made certain suggestions. I have noted these suggestions, particularly the suggestions made by hon. Members Shri Girdharilal Vyas, Shri Yadav ji, Shri R.P. Das, and also Shri V.S. Krishna Iyer.

Here is an amendment to reduce the grievances of the investing public. It is both an administrative measure for reform and also a matter of facility for the

investing public. Difficulties have been experienced by the investing public and hence the Government thought that it is better to reduce their problems and grievances and hence this amendment.

Hon. Member Shri Krishna Iyer and Shri Yadav ji stated that there should be a permanent limit. Actually, rules will be framed for fixing the limit. It could be, as stated by the hon. Member, upto Rs. 50,000. But at this stage it is proposed to have a limit of Rs. 20,000 as I stated earlier. After framing of these rules, these rules will be placed before the House and hon. Members will have opportunity to look into these rules and if it is required that the limit should be enhanced upto 20 or 30 or 50 thousand, that could be taken into consideration at that time. This limit of Rs. 5 thousands was fixed in 1959. The value of money has come down; there is erosion of money value and our collection has gone up from Rs. 84 crores in 1959 to Rs. 3500 crores now. Therefore, this measure is necessitated.

I may also bring to the notice of hon. Members that sufficient safeguards will be provided. The hon. Member made a suggestion that care should be taken to safeguard the interests of the investing public, I may bring to the notice of the hon. Member that in the year 1983-84 the target was Rs. 2400 crores. That was the original estimate. But we have crossed this Rs. 2400 crore limit. Actually the performance was of the order of Rs. 3467.93 crores. That was at the end of 1984-85. That is the performance under the head Savings. Hon. Member Shri Krishna Iyer also stated that more publicity should be given. We are taking steps in this direction. He also stated that collection should be made through post offices. I may point out that strenuous efforts are being made in this respect. But, as you know, Sir, it is also the work of the State Governments and they have to give more publicity. They have also to take steps to intensify the collection. Also Shri Krishna Iyer stated that during last year the collection was more so far as Karnataka is concerned. Now, the latest performance is this. The collection is not up to expectations. It has gone down in

Karnataka. It is better if the hon. Member also takes up this matter not only in Karnataka but in Kerala also.

So, I request the hon. Members to take up the matter with their respective States.

So far as the developmental activities are concerned, as you know, two-thirds of net collection will go, to the States for developmental activities. Even the rate of interest we are giving is 10 per cent and the Government of India, under this scheme, for National Savings certificate Issue VI and Issue VII has to pay 12 per cent rate of interest to the investors. Not only this. The hon. Member made some references to the taxation. In respect of income-tax, 85 per cent of the proceedings will go to the State Governments, 45 per cent of the Union Excise Duty will also go to the State Governments and 100 per cent of Central sales-tax will go to the State Governments. As you know, 100 per cent of Estate Duty would be given. At present it is not in operation, but at least this year, last year's quota would be given, 100 per cent would go to the States for developmental activities. This is in addition to the plan assistance that we are giving to the States. These are the resources for the developmental activities. As I stated, the assistance from the Central Government to the States has gone up. The overall assistance to be given has been raised from 13 per cent to 39 per cent so far as the plans are concerned. So, developmental activities are not put into difficulties. The hurdles have to be removed and attempts are being made to remove the hurdles. Here, as stated by the hon. Members, it is a welcome procedure and let us see how this amendment is going to work and so far as the limit of Rs. 5000 is concerned, no deficiency has been found and the system has been working very efficiently and I feel that there will not be any difficulty for the people. On the contrary, this Amendment has been introduced to reduce these grievances of the investing public. I hope that this Amendment is going to help the investing public.

Sir, I move that the Bill be taken into consideration.

MR. DEPUTY SPEAKER : The question is :

"That the Bill further to amend the Government Savings Banks Act, 1873, and the Government Savings Certificates Act, 1959, be taken into consideration."

The motion was adopted.

MR. DEPUTY SPEAKER : Now, let us 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.

MR. DEPUTY SPEAKER : The question is :

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

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

SHRI JANARDHANA POOJARY : Sir, I move :

"That the Bill be passed."

SHRI MOOL CHAND DAGA : Sir, I want to speak a few words.

MR. DEPUTY SPEAKER : Allright. You can speak.

Motion moved :

"That the Bill be passed."

SHRI MOOL CHAND DAGA : I want to just make a point that when the rules are framed by the Government, the rules are laid on the Table of the House. The rules will be given the shape of statutory rules after they are approved by the Parliament or as soon as they are published in the Gazette. That is one point which I want to make it clear.

The second point is that suppose the rules are approved by the Committee on Subordinate Legislation and later on when the Committee on Subordinate Legislation finds that there are certain lacunae and they give some suggestions after thoroughly examining them, the statutory rules will come into force as soon as they are passed by the States.

SHRI JANARDHANA POOJARY : The valuable suggestion made by hon. Member, Shri Dagaji is noted.

MR. DEPUTY-SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

14.35 hrs.

INTELLIGENCE ORGANISATIONS
(RESTRICTION OF RIGHTS) BILL

[English]

THE MINISTER OF HOME AFFAIRS
(SHRI S. B. CHAVAN) : I beg to move :

"That the Bill to provide for the restriction of certain rights conferred by Part III of the Constitution in their application to the members of certain organisations established by the Central Government for purposes of intelligence or counter-intelligence so as to ensure the proper discharge of their duties and the maintenance of discipline among them, be taken into consideration."

Sir, the Constitution (Fiftieth Amendment Act, 1984) came into force with effect from 11th September, 1984. This Act amended article 33 of the Constitution so as to bring within its purview persons employed in any bureau or other organisations established by the State for purposes of intelligence or counter-intelligence and persons employed in or in connection with the telecommunication systems set up for the purposes of any force, bureau or organisation referred to in the article 33. Parliament is, therefore, now empowered to enact a law determining