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18.22 hours

**STATUTORY RESOLUTION RE: DISAPPROVAL OF
RECOVERY OF DEBTS DUE TO BANKS
AND FINANCIAL INSTITUTIONS (AMENDMENT) ORDINANCE
AND
RECOVERY OF DEBTS DUE TO BANKS
AND FINANCIAL INSTITUTIONS (AMENDMENT) BILL**

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I beg to move:

"That this House disapproves of the Recovery of Debts Due to Banks and Financial Institutions (Amendment) Ordinance, 2000 (No.1 of 2000) promulgated by the President on 17 January, 2000."

I do not oppose the Bill in principle, but I do oppose the manner in which it is being brought.

The parent Act which was passed in 1993 was held to be *ultra vires* by the Delhi High Court. So, the legal position regarding the status of the Bill is existing for over five years. Now, at the time when the original Bill was passed, there were apprehensions in the House that the Bill is defective in many ways. But the Government did not take note of it. The Bill was finally passed and the matter had gone to the High Court in a writ petition. The Delhi High Court declared that the Bill is *ultra vires* in many ways. Now, this issue is pending before the Government for over five years. The Central Government moved an appeal before the Supreme Court. Now the tribunals are functioning under the strength of a stay order issued by the Supreme Court. That too is functioning for over 15 months. Nothing has been done by the Central Government to get the law finally passed. The defects pointed out by the High Court were not taken into consideration. No amendment was moved before this House for the last five years. Now, even in the last Session also the Government could have moved a Bill and got it passed. They did not do that. They have taken that the House is more or less like a rubber stamp and at any time they can come with an Ordinance and get it passed. This is not a healthy precedent. This is not a good parliamentary practice as well. Sir, you remember, even the Supreme Court had, in unequivocal terms, deprecated the tendency of issuing Ordinances. An Ordinance, as you know, sir, is a matter of committed legislation.

Even the Members do not express their free and frank views on a particular issue if there is already an Ordinance. Even the Members of the ruling party will find it difficult to express their views. So, we always do not agree with the principle of issuing Ordinance. This Government, the Central Government even after getting many chances or opportunities did not avail the earliest opportunity of getting an Act passed. That is the present position.

Now, in the matter of recovery of debts, I have to say that the policy is also anti-people. Suppose a poor man has taken a loan from a nationalised bank. If a poor man gets a small loan from a nationalised bank and becomes a defaulter, he will be penalised. But now, I have come to know through certain Press reports that the Government had appointed a Commission to enter into the working of the nationalised banks. The Members of the Commission were the biggest defaulters. They submitted a report to the Government that the nationalised banks are running at a loss, the simple reason being they are the biggest defaulters. This is the position.

As a matter of principle, I would suggest the experience of the UCO bank. Its top executive is the biggest defaulter and he has recommended that the UCO bank be privatised. So, this is the way the recommendation on privatisation is made to the Government.

Similarly, the policy of recovery is to help the highest bureaucrat, the rich people who are flourishing and at the same time giving no loans to the poor man. The poor farmers do not get loan. Even if they are able to get it, and if by chance they become defaulters -- as I said earlier -- they will be put to difficulties; their properties will be attached; and they will be sent to the Court before they are declared paupers. Sir, this is the position.

My learned friend, the hon. Finance Minister may laugh because he has no such experience but we have our own experience. So, the present debt recovery policy of the Government is an offshoot of this tendency. Otherwise, if the Government was serious, if the Government was earnest in the matter of debt recovery, they ought to have brought out a good legislation even at an earlier date. But that has not been done. So, due to these reasons, I oppose the Ordinance and I move that the disapproval may be kindly accepted. Thank you.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I beg to *move:

"That the Bill further to amend the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, be taken into consideration. "

Mr. Chairman, Sir, as has been pointed out by the hon. Member, Shri Varkala Radhakrishnan, the Recovery of Debts due to Banks and Financial Institutions Act was enacted on 27th August, 1993 to provide for establishment of tribunals for expeditious adjudication and recovery of debts due to banks and financial institutions and for matters connected therewith or incidental thereto.

In July, 1994, the Delhi High Court Bar Association had filed a Writ Petition in the High Court of Delhi challenging the validity of the D.R.T Act. The High Court, in its judgment dated 10.3.1995, had declared the Act as unconstitutional and void. The Government filed a Special Leave Petition in the Supreme Court and the order of the Delhi High Court was stayed. During the hearing of the case before the Supreme Court, certain observations which *inter alia* included maintainability of counter claims set off and re-constitution of the Selection Committee was made, which was considered by the Government.

*Moved with the recommendation of the President.

18.29 hours

(Shri K. Yerrannaidu *in the Chair*)

Based on observations of the hon. Supreme Court and suggestions of the Working Group set up by the RBI and the Rajya Sabha Committee on Subordinate Legislation, the Act has been amended suitably through an Ordinance dated 17.1.2000.

I would like to mention here that the Supreme Court had given us a time of eight weeks on the 3rd of November, 1998. In pursuance thereto, I had introduced an amending legislation in the Lok Sabha in March, 1999 which lapsed because of the fact that Lok Sabha itself was dissolved. We are now taking the first opportunity to come before the House. In the meanwhile, in order to honour the verdict of the Supreme Court, we decided to promulgate this Ordinance.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): What about the previous Session?

SHRI YASHWANT SINHA: You know how crowded the previous Session was and how hard we were working day after day. Unfortunately, there was no time to consider this legislation in the previous Session. That is what happened in the previous Session. It is not at all right to say that the Government has been lax or casual about bringing this legislation before the House. We are taking the earliest opportunity and that is why we had to go through the Ordinance route.

The suggestions of the High Court and the Supreme Court had to be taken into account. We have done through an Ordinance, which was promulgated in January. Now, we are before the House with this Bill, which seeks to replace the Ordinance of the 17th January, 2000.

It is not right to say that the committee which recommended the closure of the three banks was a committee appointed by the Government. It is public knowledge that there is an association called the CII which had appointed that committee. They have submitted a report. In my Budget speech, I have said very clearly that the Government does not intend to close any bank. Therefore, the apprehension of the hon. Member is absolutely misplaced and therefore I suggest that this Bill be taken up for consideration and be passed by this House.

MR. CHAIRMAN (SHRI P.H. PANDIYAN): Motions moved:

"That this House disapproves of the Recovery of Debts Due to Banks and Financial Institutions (Amendment) Ordinance, 2000 (No.1 of 2000) promulgated by the President on 17 January, 2000."

"That the Bill further to amend the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, be taken into consideration."

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Mr. Chairman, Sir, while I appreciate the hon. Minister's argument for bringing this Ordinance on the 17th January and to get it passed today for the urgency that we have to send it to the Rajya Sabha, I am thankful to the hon. Minister of Finance for his Budget speech comment that no public sector bank will be privatised.

He may recall that I wrote a letter to the hon. Minister of Finance during the last Session when he made some public speeches, possibly on the CII platform, giving a hint of the privatisation of banks. I instantly drew his attention. Possibly, the hon. Minister did not think of replying to it because he would clarify it during the Budget speech. So, I did not get the reply.

Now, Shri Radhakrishnan has made a very important point to which the hon. Minister of Finance could not possibly reply at this stage. He may reply to it at the concluding point.

Who destabilised the banking structure? In 1971, when Shrimati Indira Gandhi led a new journey nationalising the banks that were in private hands, she brought me and many others, who were students, a hope that the poorest of the poor will get justice, that the unemployed will get an opportunity for self-reliance. It was rightly so. If I recall here her speech on bank nationalisation in this Parliament, we will find that she genuinely desired to see a new era usher in.

I can refer to three banks, whose activities I know very intimately as I come from Calcutta – the Allahabad Bank, the UCO Bank and the UBI. How did they function? There was no accountability at the behest of the Board on any transaction, be it in the engineering industry, be it in the jute industry or be it in the tea industry. There are a number of instances of default for years together. The same management, in a different name, comes to the Board and gets the same kind of support, thereby making the banks sick. I do not like to name them today. It is not proper now to name them. But is it not a fact that we lack the vision to run the banking industry? Is it that we consider the banks also as units like the Railways, the Ministry of Finance or the Ministry of Agriculture?

We consider banking sector as a unit, like the Railways, the Home Ministry, the Agriculture Ministry, etc. Some officers will come and sit in the Board as the Chairman, somebody will be appointed as the Executive Director and run the show. We never think that banking sector and financial institutions are key to the economy of our country. Professional management at the level of the Chairman, at the level of the Executive Director, and at the level of the GM is required.

The whole concept of professional management has been lacking. I am not trying to score any political point here. Right from our days, it is like that. Even when the Congress was in power, the whole concept of professional management in the banking sector was lacking. They never try to see beyond today or what will happen tomorrow. They never try to articulate the market situation in the country prevailing at that time, be it in tea, cotton, sugar or jute. They never try to evaluate in which way the share market is moving. They never try to understand whether the output monitoring capacity - for the money that is invested or for the loan that is taken - is in-built into that system or not. They simply think that they have to repay it in terms of the loan conditions or whatever it is.

Today, when we ask the big people in the CII as to who are they, they say that they are looking after this or that unit. When we ask some other person in the CII, they say that they are looking after something else. All these persons never say that their own investment, in their own enterprise, is less than 40 per cent or 30 per cent or 20 per cent. It is people's money. So, the public sector banks and the financial institutions manage the entire show, be it the expansion of employment – which they do not do – or whatever it is. They never try to plough back the profit to further expand the industry. They go with a new proposal to the bank with a different name and get the same kind of treatment. They never try to do it with a professional outlook.

I know of a unit, as I said, doing this kind of a thing in Calcutta. He himself told me that he got so much money from the Allahabad Bank in the name of jute industry; when the Allahabad Bank gave a notice, he went with a new proposal in the name of tea industry with his son's name and again got the money. He further said that when he siphoned off that also, then he went there with some transport business and again got it. I am sorry to say that I even found some of the officials after retirement, ultimately functioning as consultants of the same bank. So, it is with their connivance they are doing; it is a total betrayal by a group of people in the bank.

Shri Yashwant Sinha, I sincerely wish that, you being the Finance Minister – as arduous and as a sincere person in the Finance Ministry – you can do it by your own vision and create a situation to find out who are the persons who did it in the respective banks. If you can bring them to book, you will do a great service to the nation and for the future banking management of the country.

Day in and day out, this is happening. What happens in the UCO Bank? I do not like to say much, after the Harshad Mehta's incident. You know better, Mr. Finance Minister, as to what happens to other cases. You are in the knowledge of everything. What is my proposal today for all this?

I support the Ordinance and my proposal is very simple. One cannot ignore and avoid the existing banking industry. They will have to come back and compete with foreign banks, with growing private financial institutions. That is the global situation now. You may technically and theoretically debate it, that is a different thing. But that challenge cannot be met by the existing banking management, who only are on the look out for a day, if somebody becomes the Chairman. From that day, the ED would start lobbying, catch hold of somebody here and he would become the Chairman. His job would be nothing, except this.

This is not professional management; this is not accountability; and this is not helping the institution to grow. I am sorry to say this immediately. Before elections – if I am wrong, the hon. Finance Minister may correct me and I will tender apology – the electronic media company, the JAIN Television got a substantial support for a public financial institution. Everybody knew that the JAIN TV did not have equity at that time. How it was done as a favour and bad investment ?

But they were given. Tomorrow, if JAIN Television is closed, what will you do? Who will be answerable? You take the data of last ten or twenty years of these financial institutions, like IDBI, ICICI, IRBI, IFCI etc., and see which are the bad investments, which are the investments which smell rat and how those were operated. At the end of the day, it is the nation and the entire banking system which suffer. Do not blame the employees. I thank the hon. Minister for having said that he would not de-nationalise the banks. Mr. Chairman, Sir, he did make a commitment. But there is a catchy word which worries me. He has also said that he is thinking of restructuring. This English word 'restructuring' is dangerous. It may hit the management or it may hit the employees. I only wish that his target is not the employees. Of course, the employees should also be professionals in handling the debts because ultimately things come to them. The key is the management sector. These things go to General Manager (Advance) of the respective programmes, General Manager (Recovery), Divisional Manager of separate groups etc.

I can give you an example of the tea industry. In our country, most of the tea is produced in Assam and Duars of Bengal. Forty or fifty years back, the tea industry was flourishing. They were made sick deliberately as they were monitored. The banks are informing the big persons over the phone, 'Look, I am not going to give second crop advance to this unit; it will be further sick; so, you get ready. After two years, I am going to be with you'. One after the other, so many managements have been transferred in the entire Duars of Bengal.

Dr. Nitish Sengupta is a distinguished Member of Parliament with his wide knowledge about the revenue sector. He hails from West Bengal. Can he deny this fact? In the entire Jalpaiguri and Duars, one after the other, managements have been changed to a bigger person. Suppose, I need an advance during the time of the crop, what they would do is, they would make me sick without giving the advance at appropriate time by talking to big people and companies, 'Look, in this crop if he fails, his final interest will go up to more than Rs. 12 crore and he will be compelled to surrender to the bank. So, you come here, settle that with me and I will dispose it of' in your favour.

There are umpteen number of instances. Some instances have drawn the attention of the hon. Ministers in the past. The remedy to this disease is lying in the banks' Board itself. Mr. Minister, only we politicians, whether this side or that side, have become an item or a commodity to be accused and abused everyday that we are dishonest, manipulative, *hawalawallas*, and tax evaders. All the blame will come to us for sitting in this Parliament. But those who quietly retire go back to join their families in the US or those who are still working in the bank, look after their children well by educating their children in London or in the US. They siphon off the public money in connivance with the private operators and they go scot free in this country. They are never exposed before the public for what they have done. Sometimes it happens that if a Member of Parliament goes to a bank to present a genuine case, the moment he leaves the bank, the bank people would say 'â€¦'. This is the kind of thing happening in this country. There are genuine cases. The recovery of money is a must and a Tribunal is a must. The public money which has been invested should not be robbed off and it should be taken back. The Government has to handle it with an iron hand. There, we are one with the Government. There is no question about that and there are no two opinions about that. You should also revitalise the system. For Example, I can say that Chairman, Dena Bank, sitting in some place, without attending to any other business, requests the ED of other bank that since he is retiring, the ED should ensure that he himself comes to his place so that his clients' pending cases, whether it is Ambani, Goenka or Singhanian, all are cleared and that he should not create trouble for them. This is how the system is functioning. Therefore, I personally feel that you kindly motivate them for a new concept of professional management in the banking industry, especially in the public sector and make them accountable for each project and programme.

What Shri Radhakrishnan has said is very correct, whether you may or may not like, that the CII guys are giving us sermons and mandates as to which bank should be closed. ASIF It is you (CII) who can make the entry or close it. You (CII) people took the highest advantage of this country. The Finance Minister after Finance Ministers have been blamed by the people that they have imposed tax or they have done this or that but they (CII) took the highest advantage of this country and did nothing. What is their contribution to the social infrastructure? They took hundred and hundreds of crore to build their own empire and if they gave the guarantee to create 1000 employment

opportunities. But at the end of the day they could create only 200 employment opportunities. They did not contribute anything for the social infrastructure out of their profit.

Only two days back, the Dunlop Company was opened after a great struggle by the workers. What is its management? Do you not know what is its management? They took back money from every industry they could and poured it in different bad transactions. They did not pay the bank. They tortured the workers and at the end of the day, they came and said that they saved us. These people should be brought to book. Therefore, this Tribunal is a must. The Minister has done a right thing. I thank Shri Narasimha Rao Government for having first thought of bringing this legislation in August 1993. At that time it was struck down by the Delhi High Court. The Finance Minister has tried to implement it on Supreme Court's direction. I thank the Minister for this noble job. Time has come to take care of it.

According to this provision, if a small scale industry takes a loan of Rs.10 lakh and fails to pay it, in six months twenty notices go to him. How many notices have you served to the big lords of this country? The Banking Boards dare to even talk to them, forget about giving notices. They are to remind them. This was their own comment. Their empire is the empire of the people and not private. It is the people money, be it Rahul Bajaj, Goenka, Ratan Tata, Dhirubhai Ambani, Mukesh Ambani, Singhania. Whatever their empire is, it is because of the contributions of the public financial institutions and the bank. They are the toiling masses who pay everything. A *rickshaw walla* will not be spared by the United Bank of India if he is not able to pay his second instalment. I know of an *autorickshaw walla in Calcutta*. He was crying to me saying that he could not operate for two months as first his mother was sick and then he was sick. He told me that he would pay the second instalment to the bank by mortgaging his sister's ornaments who was going to marry next week and if he did not do that, his *autorickshaw* will be taken over. I have seen such tears and I have also seen the loveliest guys of CII who dictate their terms to the bank and enjoy life as they like. You have to be tough with them. That is why I would like to support this Ordinance.

Radhakrishnan ji has raised a point as to why did you not bring it on an earlier occasion as this was an urgent thing which was required to be done. Mr. Chairman, Sir, while concluding, through you I would like to know from the Minister the actual dues as on 31st December, 1999 accrued by the public financial institutions....(*Interruptions*)

SHRI PRAKASH PARANJPE (THANE): He should give the details with names.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): I can give the names. They are, Reliance Group, Kirloskars, Birlas, Goenkas, Rahul Bajaj, Tata Group, Modi Group, etc. What is their total accumulated loan to the PFI and the public sector banks. I would also like to know whether the banking industry remind them; if so, in how many cases the reminder has gone and what was their response? The whole nation would like to know. We always see them on television giving sermons to do this or that. Let the nation also know how did they respond and honour their own commitment to the public sector banks and the public financial institutions. Mr. Finance Minister, it is you who can expose them. It is you who can keep them under control, who can send the message.

Finally, Sir, if you could consider it, if not in this Session maybe later on, it is good. The small scale industry have been complaining to me that the time and the period of paying interest by the medium or heavy industries may not be equated with the small scale industry.

If I own a small industry, you do not charge interest till my product comes in the market. At least, you show me this favour. The youngsters of this country have to run from pillar to post – from the corporation to the civic body, to the land owner – for getting a licence. Only then he will be able to start the production. It takes him six months and sometimes even one year. So, you cannot equate him with those who have readymade infrastructure.

With these words, I request the hon. Finance Minister to re-look into the whole system.

DR. B.B. RAMAIAH (ELURU): Mr. Chairman, Sir, the Debt Recovery Act was passed on 27th August, 1993. As Shri Dasmunsi has put it, the banking system is operating in different methods. It is a continuous process and different Governments have looked into it in different phases. He has put it very clearly that the Directors who are operating in the banks, the officers who are appointed on behalf of the Government, and also the officers from the public are equally responsible for the performance of the banking sector. As he said, the High Court had struck it down in 1994, due to which, they have to go to the Supreme Court and the Supreme Court had given proper guidelines under which this present Bill has come to the House for approval. Why are the defaults going on in the banks? If you go back, on some of the items, it is said that the non-performance of these assets is increasing year after year. If you want to know more about non-performance of these banks, you have to go deep into the working of these banks. There are some items on which various stages have been given from 1993 onwards it has happened. Some of the reasons on which we have to see are the slackness of, the release of funds at the appropriate time and the efficiency or the deficiency and the technological changes. We also have to see the pattern of the Government policy which is causing this. You can also say definitely that the policy of the Government is responsible for the non-performance of these banks. Unless you study these things and see how we could improve them, it is not going

to help. It is the joint responsibility of the banking sector and the Government. The Reserve Bank is also making more frequent inspections and is trying to see how non-performance of the banking sector can be stopped. What happens in other countries like Japan? Due to the mounting NPA under long term credit, the Government of Japan was forced to nationalise it. The reason why it happens is that, as I said earlier, there is a lot of fluctuation in these things and frequent decisions have to be taken by the banks and the financial institutions. Today, we have BIFR which is not even handling five per cent of the cases that it requires to look into. We need more and more such institutions so that they could be assessed frequently. The moment a unit starts showing weakness, productwise, market-wise, quality-wise, the concerned officials or the experts who are financing these units should be able to trace it and see that they are immediately rectified. They can go for amalgamation or merger. It is a continuous process and this process requires to be improved. I can tell you a number of cases. The tribunals that we are appointing for debt recovery are going to help you only to some extent. The frequent inspections by the Reserve Bank are very important. As Shri Dasmunsi has said, the Directors also require improvement, performance-wise and efficiency-wise. Unless these things are there, it is not possible to improve their performance.

We have some social obligations in agricultural sector and in small scale sectors. Unless we are able to treat them properly, they will all become sick. I know various sectors where we have not put experts. Simply we start a financial institution or a bank and leave them to be managed without proper expertise, without proper control, and without proper technological evaluation. That is the reason why the hon. Finance Minister has come up with this measure today and we all have to approve it. Somewhere or the other if we do not put a brake, this problem will become more acute.

There is public money in various financial institutions and banks. The Government has given a guarantee that they will not allow any banks to close down. That is one guarantee the Finance Minister has given which is very valuable. We need to study it more carefully and try to assess everything in order to see that the banking sector is able to give a better performance. Unless we do it, we will not be able to make the generation of financial strength, productivity and the progress of this country more advantageous. We need this at all levels today

See, what happens in the case of software? When you look at the software sector, we find that the assets and liabilities do not match. We do not have much assets. That is why banks have to change their whole pattern. It depends on the type of requirement, on the type of restrictions and on the type of progress that it is making. Because they have made some changes in the assets and liabilities and also the advances, they are able to make a substantial amount of progress. The progress that they have made is remarkable. They are able to utilise the talent of these people. In the field of software technology in the world, India will be in a commanding position very soon. In the next five or ten years India will be able to command more than 50 per cent of the software technology in the world. We have the talent. We have to strengthen the sectors in which we have strong abilities and advantages. That is why we should identify various sectors which we should concentrate. We have to try and strengthen the banking sector to give them more assets. I am sure, the hon. Finance Minister stands guarantee for this and the Reserve Bank of India also has to give its own performance. We will definitely see that we will be able to make improvement in this field.

I am quite happy that this Bill has come before the House and we will be able to see that some sort of quality restrictions will be put and we will be able to bring down the NPA as far as possible.

I thank you very much.

SHRI MOINUL HASSAN (MURSHIDABAD): Mr. Chairman Sir, I suppose the Recovery of Debts Due to Banks and Financial Institutions (Amendment) Bill, 2000 is an important legislation that is before this august House. Earlier in the 1993 Act which was enacted by the Parliament, there was a great lacuna in many spheres and in the rules that were framed later. I have seen in the Objects and Reasons this time that to plug those legal anomalies and strengthen the Recovery Tribunal, this new Amendment Bill has come up. I feel that even this Bill is also inadequate for the reasons cited by my esteemed friend Shri Priya Ranjan Dasmunshi a few minutes back.

I will come to the provisions of the Bill a little later. Before that, I would like to take this opportunity to put before this august House through you the entire debt scenario of our country.

Perhaps, you know that according to the RBI report, the gross non-performing assets of the private sector banks is nearly Rs.51,000 crore in 1998-99. If we classify the debt, we may find that 43 per cent of this debt is going to the priority sector, 53 per cent is going to the non-priority sector, and 4 per cent to the Government sector. When 53 per cent of it goes to the non-priority sector, what does it mean? It is mostly the corporate sector. So far as the priority sector is concerned, time and again, it is relaxed or changed. Today, in rural areas, infra-structural

development, export-oriented agriculture come under priority sector. In this way, rural big peasants and kulaks are the big borrowers from the private sector banks also. Why is there a big outstanding in the banks? It is mainly due to two reasons. One reason is partly mentioned by my friend, Shri Dasmunsi. I would like to categorically say that there is connivance of the top people in the banks and the financial institutions with the big borrowers. Secondly, the country's legal system is being more favoured to the big borrowers which is being used up to the hilt by the unscrupulous defaulters. In this perspective, I would again like to discuss about the DRT which is one of the most important tribunals for recovery. According to the *Economic Survey* of 2000-2001 that has been placed in this House, upto 31st March, 1999, the total number of cases transferred to the DRTs is 21,781 and the amount involved was Rs.17,921 crore. The number of cases which is decided so far is only 3774, that is, only 17.3 per cent. Ten per cent of the locked-up money is recovered. What a dismal and gloomy picture throughout the country after the Act of 1993! I firmly believe that the Debt Recovery Tribunal is nothing. It is only a showpiece. DRT was only the protector of the big borrowers. We are talking about the recovery now.

Shri Dasmunsi has told another thing, that is, who destabilised our banking sector? Shri Radhakrishnan, while moving his Statutory Resolution, also told this point. Now, how to recover the money? Big industrialists and businessmen are involved in such a manner that it is a difficult job to recover the nation's wealth, if there is no commitment. I suppose we have only enacted laws without any commitment. I firmly believe that there was no commitment to recover the public money from big houses.

Sir, I have a list of 204 giants which has been supplied by the RBI. I have got a big paper with me which is extracted from the CD supplied by the RBI. Sir, I have told you the source of information. So, please allow me to mention the names of two or three companies. The outstanding dues of the Indian Steamship Company from the SBI come to Rs.51.71 crore.

Who is the main Director? Shri K.K. Birla. M/s. Mangalore Fertilizers and Chemicals Limited has an outstanding of nearly Rs.300 crore to several banks and financial institutions. Who is the main Director? Shri Vijay Mallya. M/s. J.K. Synthetics Limited has an outstanding of Rs.250 crore to SBI and IFCIs. Who is the main Director? Shri Singhania. M/s. B.S.T. Mfg. has an outstanding of Rs.91 crore to PNB. M/s. Mafatlal Engineering has an outstanding of Rs.74.61 crore to PNB. These are the big industrial houses. There are several names. They are looting the nation's wealth, poor people's money, and small depositors who have deposited their money in the private sector banks and other financial institutions in this way.

Before this august House, I would like to quote two-three sentences from the Report of the Estimates Committee (1998-1999) of the 12th Lok Sabha. The Chairman of the Committee was our hon. Friend, Shri Madhukar Sirpotdar. I quote:

"the committee is distressed to find that the dubious role of the chief executives of the banks whether it is of Bank of Maharashtra, Vijaya Bank or Indian Bank in granting advances in utter disregard of laid down systems and procedures has been the major contributing factor for turning these huge advances into bad loans. In the opinion of the committee such things could be possible only with a motive of corruption and complexity in siphoning off of banks' funds. The committee also desired that the cases against the ex-CMD of the Indian Bank and other top executives should be pursued vigorously for meting out severe punishment to the guilty "

In this way, people's money are siphoned off right from our national institutions, that is, public sector banks and other financial institutions.

I would like to mention here another point regarding loan outstanding. In 1998, up to 31st March debt unrecovered in nationalised banks and other financial institutions was Rs.45,653 crore. After one year, it was Rs.51,710 crore. If we include non-governmental financial institutions, it was Rs.58,554 crore. I do not know who will be happy to know that out of this Rs.58,554 crore, Rs.30,000 crore are in the hands of big industrialists. Out of this Rs.30,000 crore, Rs.25,000 crore are with the member of the CII. These CII people are self-appointed guardians of our country. They are looting the national wealth from the public sector banks and other financial institutions. They are now advising the Government and others to close down three banks in which they are the main defaulters.

I would request the hon. Finance Minister to please say something regarding this.

So far as the Bill is concerned, I would like to say as to what do we want. We want stringent recovery measures; we want proper punishment to those who have stolen common people's deposit money. No discrepancy should be allowed.

I would like to complete my speech with a request to incorporate the following sentence at a proper place in the Bill.

I would like to move this oral amendment.

"If a member/unit of a group company defaults in repaying Bank/Financial Institution, the whole group should be debarred from further access to Bank loans. "

This sentence should be incorporated in this Bill. Again, I would request the Finance Minister that he should take stringent measures for the sake of our nation's wealth and take further action to build up our nation through this important piece of legislation.

With these few words, I conclude.

श्री किरीट सोमैया (मुम्बई उत्तर पूर्व) : **àÉcÉänªÉ, ªÉcÉÆ {É® VÉÉä ÉÉªÉäÉ ¢ÉÉªÉÉ MÉªÉÉ cè =ªÉBÉÉÉ ¢ÉÉªÉªÉÉÇxÉ BÉÉªÉÉÉ cÚÆ*** Recovery of Debts Due to Banks and Financial Institutions Act, 1993 इंट्रोड्यूस किया गया था और कहा गया था कि to provide for speedy recovery of debts due to banks and financial institutions and for matters connected therewith. वास्तव में आज जो सुप्रीम कोर्ट के कारण जो बिल आया है और जो टोटल व्यवस्था कायम की गयी है, निर्मित की गयी है उसके ऊपर चर्चा करने का मौका मिला है। सम्माननीय सदस्य प्रिय रंजन दास मुंशी जी ने जब इस विषय पर बहुत अच्छे शब्दों में सिस्टम का वर्णन किया। उनकी भावनाओं का मैं पूर्ण समर्थन करता हूँ। मेरे सम्माननीय सदस्य ने इसके संबंध में कुछ आंकड़े सामने रखे हैं। रिजर्व बैंक के कोर ग्रुप ने एक स्टडी की थी और उन्होंने यह डेट रिक्वरी ट्रिब्यूनल का जो फंक्शन है, उसके बारे में एक पेपर इंट्रोड्यूस किया। उन्होंने जिन 15 बैंकों की स्टडी की उससे पता चला कि एक करोड़ रुपये से ज्यादा जिनहोंने बैंक या फाइनेंशियल इंस्टीट्यूशन का कर्जा लिया है और वापस नहीं दिया है, ऐसे कुल मिलाकर 1993 से लेकर 2000 तक सिर्फ एक ही कंपनी के ऊपर जो अनेक कैसेज हुए, उसमें एक ही कंपनी में निर्णय आया है। वास्तव में मुझे समझ में नहीं आता है कि यह कायदा 1993 में बनाया क्यों गया था? कानून इसलिए बनाया गया था कि सुप्रीम कोर्ट या हाईकोर्ट में जाना पड़ता है, अनेक प्रकार की बैंचेज के सामने जाना पड़ता है, उसके कारण रिक्वरी में बहुत देरी हो रही थी, उसको दूर करने के लिए यह नयी व्यवस्था तैयार की गयी। लेकिन इस नयी व्यवस्था का क्या रूप आया है, मैं माननीय वित्त मंत्री जी से कहूंगा कि सुप्रीम कोर्ट और हाई कोर्ट के कारण आप एक टेम्पेरी मेजर ला रहे हैं। माननीय वित्त मंत्री जी अनेक प्रकार के नये-नये प्रयोग कर रहे हैं, उनसे मैं प्रार्थना करना चाहूंगा कि इस संबंध में उन्हें सोचना चाहिए। हाउस में इस संबंध में अधिक व्यवस्थित ढंग से चर्चा करने की आवश्यकता है। हमने नयी व्यवस्था का निर्माण किया, लेकिन किसके लिए किया - to accommodate a few officers and retired persons. अगर सात साल में यह नयी व्यवस्था एक भी केस का फैसला नहीं कर पाती है तो उस व्यवस्था की आवश्यकता क्या है? उसके बारे में भी यहां पर सोचने की आवश्यकता है। माननीय सदस्य ने अभी बताया और कहा कि 13 जून 1997 में 11400 कैसेज ट्रिब्यूनल के पास थे। The total amount involved was Rs.8,866 crore. Out of 11,700 only 1045 cases were decided and the amount recovered was Rs.178 crore. यह हमने व्यवस्था बनाई है। उसमें भी एक करोड़ से ज्यादा जिनके पास ड्यू था, ऐसा एक ही केस था। मेरी इन्फोर्मेशन थोड़ा आगे-पीछे हो सकती है, तो एक के बदले में 11 हो गयी। क्या माननीय मंत्री महोदय इसमें अमेंडमेंट अभी नहीं तो क्या बाद में लायेंगे? जो मेजर एमाउंट बिग इंडस्ट्री या इंडस्ट्रियल सेक्टर में रहा वह लगभग 29 हजार करोड़ रुपए था जिसमें total Non-Performing Assets were of the order of Rs.51,000 crore. जब इस प्रकार से सेक्टर में दिया गया उनके पास से फास्ट रिक्वरी हो।

इसके थाउजन्ड ऑफ कैसेज एक लाख, दो लाख, पांच लाख, दस लाख हुए, जैसा प्रियरंजन जी ने कहा कि रिक्शा वालों, स्माल स्केल इंडस्ट्री वालों को भी बाजू में रखो, Let us concentrate on big industries, big borrowers and big defaulters. क्या मंत्री महोदय ऐसा बिल लाएंगे? इसमें 10 लाख से ऊपर वालों के लिए प्रावधान है। Let us concentrate on 'one crore' and above. एक करोड़ से ऊपर जिन के ओवर ड्यूज हैं, डाउटफुल डेट्स हैं, बैंक डेट्स हैं, उनके ऊपर यह ट्रिब्यूनल कॉन्सेन्ट्रेट करेगा। मैं ऐसा ऑफिशियल अमेंडमेंट ला नहीं सकता लेकिन माननीय मंत्री महोदय सरकार की तरफ से जरूर ला सकते हैं और यह लाने की आवश्यकता है क्योंकि 10 लाख, 8 लाख, 2 लाख, 15 लाख, 14 लाख के ऊपर के कैसेज में आप कॉन्ट्राडिक्ट करके थाउजन्ड ऑफ कैसेज निर्माण करते हैं। आप इसका एक टाइम टेबल फिक्स कीजिए। एक करोड़ रुपए से ऊपर वालों का एक टाइम टेबल होना चाहिए और कैसेज का फैसला होना चाहिए। Why should there not be a probe or accountability? क्या एकाउंटबिलिटी दूसरों के लिए ही है, ट्रिब्यूनल के लिए नहीं है। ट्रिब्यूनल की रचना इसलिए की गई ताकि जल्दी से रिक्वरी हो। हमारे यहां जैसी परिस्थिति निर्माण हुई, क्या आप इस प्रकार का अमेंडमेंट ला सकते हैं? 31 मार्च 1997 में एन.पी.ए. 43 थाउजन्ड करोड़ था, 1998 में 40 थाउजन्ड करोड़ हो गया और 1999 में 51 थाउजन्ड 790 करोड़ हुआ। उसमें बिग इंडस्ट्री के 29 थाउजन्ड 193 करोड़ हुए।

रिजर्व बैंक से बातचीत हुई। उनको कुछ लोगों ने कहा कि जो बड़े-बड़े डिफाल्टर्स हैं, उनके नाम पब्लिश क्यों नहीं किए जाते? They said, "There is a provision in the Act about secrecy." सिक्रेसी की बात किस लिए की जाती है? ए.बी.सी.एल. कम्पनी लोन ले लेकिन डिफाल्टर हो then also, it becomes a star. बड़े-बड़े इंडस्ट्रियल हाउसेज और कम्पनियां डिफाल्टर हो जाते हैं लेकिन उनकी सिस्टर कम्पनियों को फाइनेंशियल इंस्टीट्यूशंस और बैंक कैसे लोन देते हैं? Can we move an amendment? अगर कोई इस प्रकार से डिफाल्टर हों तो कोई उसकी सिस्टर कनसर्न में डायरेक्टर न बन सकें और न ही उनकी फैमिली का कोई मैम्बर डायरेक्टर बन सके। ऐसी कम्पनियों को फाइनेंशियल इंस्टीट्यूशन और बैंक जब्त कर सकता है। क्या हम इस प्रकार के रैडिकल चेंजेस लाए जा सकते हैं? मामूली अमेंडमेंट हम पास कर देंगे। 2-4 साल के बाद कोई फिर कहेगा तो once again the Minister or the Government would come. इसमें बी.जे.पी. या कांग्रेस का कोई सवाल नहीं है। यह चीज दस साल से चल रही है और एन.पी.ए. बढ़ता जा रहा है। Now, we have entered into liberalisation and privatisation. क्या परिस्थिति बन रही है? नए-नए प्राइवेट और फॉरेन बैंक आ रहे हैं। वे अच्छा क्रिमी बिजनेस लेकर जा रहे हैं। घाटा नेशनलाइज्ड बैंक के सिर पर पड़ रहा है। इसके कारण लॉसेज बढ़ते जा रहे हैं। मैं इसके लिए एक और अमेंडमेंट का सुझाव देना चाहता हूँ। इस प्रकार का अगर कोई डिफॉल्टर हो, उनके डायरेक्टर्स के नाम घोषित करने के साथ क्या क्रिमिनल प्रावीजन किए जा सकते हैं? इस पर विचार करने की आवश्यकता है। यहां अलग-अलग फीगर्स दिए जाते हैं। मेरे पास स्टैंडर्ड एंड पुअर जो कि बहुत बड़ी रेटिंग एजेंसी है, उसकी रिपोर्ट आई। They said that if we go into the depth, the gross NPA of certain institutions may amount to 70 per cent. जिस का ग्राँस एन.पी.ए. 70 परसेंट होगा, उसका आगे क्या होगा?

सिक्वोरिटी स्कैम हुआ। कितने हजार करोड़ रुपए का हुआ पता नहीं है? एन.बी.एफ.सी.स्कैम हुआ। सी.आर. भंशाली पैसा लेकर चला गया। इसके बाद अनेक केस एक के बाद एक चालू हैं। कितने पैसे रिक्वरी हुए? कैपिटल मार्किट में इतनी मार खाने के बाद फाइनेंशियल इंस्टीट्यूशन और बैंकों ने इतने बड़े पैमाने में शेयर ब्रोकर्स, ऑपरेटर्स और कम्पनी प्रमोटर्स को पैसा दिया है। मैं एक छोटा उदाहरण देना चाहूंगा। 6 महीने पहले जिन शेयरों की कीमत 200 रुपए थी, चार महीने में उनका रिगिंग करके 1200 रुपए किया गया। बैंक 1200 रुपए के शेयर प्राइस के सामने 80-90 परसेंट लोन दे रहा है। इसका क्या होगा?

मेरे पास डिपॉजिटरी एजेंसी के आंकड़े हैं जो उसने निकाले हैं कि जून, 1999 में जब सिक्यूरिटीज प्लेज किये गये थे, जिस पर 3 हजार करोड़ का लोन दिया गया था, 28 फरवरी में डिपॉजिटरी के सामने जो लोन अमाउंट प्लेज किया गया, वह 3 हजार करोड़ से बढ़कर 15 हजार करोड़ हो गया। नये नये पब्लिक ईश्यूज़ पर 90 परसेंट लोन दिया जा रहा है और बाद में ऐसा होगा कि वह कम्पनी बैठ जायेगी और फिर वही हार्द मेहता, सी.आर. भंसाली और फिर नये स्कैम होंगे। इसलिये मैं आपसे प्रार्थना करना चाहता हूँ कि जब ऐसे विाय पर विचार करते हैं तो पूरी तरह से विचार करने की आवश्यकता है। अभी मैंने इसमें राष्ट्रीयकृत बैंकों के म्युचुअल फंड का पैसा नहीं जोड़ा है। अगर वह पैसा जोड़ा जाये तो केनरा बैंक, एल.आई.सी. और इंडियन बैंक में 16 हजार करोड़ रुपया म्युचुअल फंड में लॉसेस किये हुये हैं। इसलिये मैं इतना ही प्रार्थना करूंगा कि जो आपने यह विाय लिया है, उस पर विचार-मंथन करके एम.पी.ए. के बारे में व्यवस्थित ढंग से सोचा जाये। इसी प्रार्थना के साथ मैं इस बिल का समर्थन करते हुये अपनी बात समाप्त करता हूँ।

SHRI P.H. PANDIYAN (TIRUNELVELI): Mr. Chairman Sir, I rise to make a few submissions on the recovery of debts due to the banks through this legislation. The heavy borrowers are going to be at an advantageous position. Till date the DRT, the Debt Recovery Tribunal, directly attaches the properties of the loanees. They impound the property, they take custody of all the properties and they give time to the heavy borrowers to repay the loan till date; till this legislation is passed. But from tomorrow, after it is passed, they will protract the proceedings for years. The heavy borrowers, the parasites, the leeches, the octopuses of the society are going to take advantage of this legislation and they will not repay. We are now going to see that date.

I was actually appearing for some banks in the DRT. I will cite one case as I appeared on behalf of the Indian Bank. A businessman obtained a loan of Rs.230 crore from the Indian Bank and has not paid a single pie till date. It is pending in the DRT. Taking advantage of the Delhi High Court's Judgement, he obtained a Stay in the Madras High Court saying that the Presiding Officer was not duly qualified.

It was actually handled by a friend of mine first. The Chairman of the Bank told me to go and approach the Chief Justice of the Court before the elections. I appeared before the Chief Justice of the High Court on behalf of the Bank. I told him that he was getting salary and I was getting a little fee. He must write the judgement with aggression as I was arguing this case with aggression. There is a fellow who has obtained a loan of Rs.230 crore and is yet to pay a single pie either towards principal or interest.

I have said this to show it as an example. Then, there are industrial houses. Even at the time of taking the loan, they obtain the loan with an intention to cheat, and not to repay the loan. My friend, Shri Dasmunsi said about the heavy borrowers and the loanees. They are not loanees. They are not heavy borrowers. They are cheats. They are criminals. If they had the intention to repay the loans, then they are loanees. If they had the honest intention to pay back the money, if they had the source at the time of taking the loan, then they are borrowers. They cannot be classified as borrowers or loanees. They are criminals. That is why, I said they are leeches, octopuses and parasites on public. So, this piece of legislation is based on the Supreme Court's direction and not judgement. It is based on the commitment given by the Government to the Supreme Court's direction.

I have perused a number of legislations just like CVC and also this piece of legislation. I would say if Parliament, at all times, is being dictated by the Supreme Court, you are not exercising your wisdom. Where is the intention of Parliament? Where is the Parliament's wisdom? The wisdom of Parliament, if at all, should be to recover the money from the heavy borrowers. Why do you submit yourself to the jurisdiction of the High Court and the Supreme Court on all these matters? This is the legislative domain. There are a number of judgements of the Supreme Court where they have said that the Supreme Court or the High Courts cannot dictate Parliament as to how they should legislate. But your Law Department does not peruse those judgements because they may be afraid of the Supreme Court or they may be opting for some other future employment. There are wheels within wheels in all these matters. We have the Legislature, the Executive and the Judiciary. That is separate. But in the Telecom Authority Bill, you have said and the Bill says that only a Judge can be appointed. Is there anywhere, any Minister or any parliamentarian in any other law? Nobody is accepted in any forum. So, it is just like that. There, you wanted to rehabilitate a retired Judge of the Supreme Court or a Chief Justice of the High Court. Here, till date, the DRT was functioning well. From tomorrow, it cannot function. It would not be allowed to function because of paragraph 4 of the Objects and Reasons clause 1 'set off and counter-claims'. Till date, there is no set off petition. Till date, there is no counter-claim. Shri Baalu knows it. Till date, you cannot file counter-claim. The borrower has to submit himself to the jurisdiction of DRT. He has to produce all the documents. He has to give his property. He cannot challenge. From today, they are going to challenge. They will ask for four weeks' time for counter-claim. Then they will ask for further four weeks' time, then further time, and after one year, it will be said, 'finally', then the case will be taken up. So, this legislation, though it is legally, constitutionally correct, it is under the diktat of the Supreme Court. I would say the supremacy of Parliament is mortgaged. The supremacy of Parliament has been given a go-by. The sovereignty of Parliament has been given up. If you want to follow the Supreme Court and the High Court, why should there be Parliament? They can legislate. They are not our advisors. They can pass a judgement. They will say this is unconstitutional. That is all. If we are not following it, they cannot haul us up for any contempt. It is not an order. The Supreme Court Bench has said last week that the Government is not aiding them for disclosing the names of heavy loanees, the criminals. They are not borrowers. The Supreme Court has said in the open court that

the Government is not helping them. We are not able to disclose the names of heavy borrowers of the nationalised banks. I appeal to the Finance Minister to disclose the names of heavy borrowers in this House.

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Just like Shri Dasmunsi said, let those persons' name be known to public. They go in Benz car, they live in palatial houses and they talk on T.V....(*Interruptions*)

DR. NITISH SENGUPTA (CONTAI): None of these are owned by any of the individuals. ...(*Interruptions*)

SHRI P.H. PANDIYAN : They live like big people. They should be brought to book. NSA should be invoked in those cases. TADA should be invoked in those cases. They should be detained under TADA. They are economic offenders.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): They are economic terrorists....(*Interruptions*)

SHRI P.H. PANDIYAN (TIRUNELVELI): They are economic terrorists. They are cheats. They are spoiling the whole economy. In some cases of loans, they select candidates. In fact, I want those fellows to be hanged in public.

As Shri Dasmunsi said, we, Members of Parliament, are in a different angle. A person who is in arrears in a cooperative society cannot stand for an election to the cooperative society. But there is no bar for any other constitutional office. Let all the constitutional functionaries, whether it is the High Court Judge or the Supreme Court Judge or any Union Minister, should declare that he is not in arrears in respect of loan to any nationalised bank. If he is in arrears of the nationalised banks and he is holding a high constitutional office, it is incorrect. I know a judge who borrowed a heavy sum from a nationalised bank. He has not repaid it.

I know of two Ministers of your Cabinet who are in arrears. They have admitted also. You talked about Jain TV....(*Interruptions*) I know some T.V.channel. What was their equity share capital about seven years back? Sun TV is in arrears. ...(*Expunged as ordered by the Chair*) . (*Interruptions*) They are in arrears. ...(*Interruptions*)

SHRI S.S. PALANIMANICKAM (THANJAVUR): This is not relevant to the main speech.(*Interruptions*)

SHRI P.H. PANDIYAN : It is not my grandfather's money. If you want, you take it. ...(*Interruptions*) It is not my grandfather's money....(*Interruptions*)

MR. CHAIRMAN : Please sit down. I am allowing one person. Please sit down. Your leader is on his legs.

...(*Interruptions*)

SHRI P.H. PANDIYAN : Now, he has admitted. ...(*Interruptions*)

MR. CHAIRMAN: Shri Pandiyan, please sit down. I will allow you later.

SHRI P.H. PANDIYAN : It is whether A or Bâ€¦...(*Interruptions*)

SHRI S.S. PALANIMANICKAM : He is mentioning about a person who is not present in this House. ...(*Interruptions*) They are capable. ...(*Interruptions*)

MR. CHAIRMAN: I will expunge it from the records.

SHRI P.H. PANDIYAN : In that case, we can talk about 544 Members, not the 60 million people. We can talk about only among ourselves, not the 60 million people. I want to put an analogy.

I saw yesterday, a former Chief Minister, I think, Shri Laloo Prasad Yadav, was charged for having accumulated

wealth to the tune of Rs. 45 lakh. He would have obtained a loan. He would have escaped the clutches of the provisions of the Anti-Corruption Act. It is very easy. He would have obtained a loan and said that it was his loan. If you accumulate property to the tune of Rs. 45 lakh, is it corruption? So, in that way, I analyse these batch of people, A.B.C, of this party or that party, I am not bothered whoever is a Member, whoever is the Minister, they should not be in arrears, if they want to continue in Parliament. In Pakistan, only MPs were arrested who are in arrears. Their properties were confiscated on that day itself and just like that the DRT was doing till yesterday. From tomorrow, Mr. Minister, when this Bill becomes an Act, it will be advantageous to the leeches, parasites and the octopuses in this poor man's society.

You talk about *rickshaw-wala*. *Rickshaw-wala* is an honest payer. He will repay. A fellow who obtained a loan of Rs.1,000 will repay. If it is Rs.10,000, he may repay. If it is Rs.1 lakh, he will not repay. If it is Rs.1 crore, he will not repay. I have been handling thousands of crores of rupees worth of cases in banks till date. That is why I know. So, I appeal to the Finance Minister to tell the Prime Minister that the matter has become public. It is the property of the House. Please tell him that in future your name...(Interruptions) I am not charging Mr. Baalu. He had admitted on that day...(Interruptions)

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI T.R. BAALU): You cannot charge me...(Interruptions)

MR. CHAIRMAN : Shri Baalu is here. He can reply. Why are you standing unnecessarily?

...(Interruptions)

SHRI T.R. BAALU: You cannot charge me. You have got no *locus standi* at all...(Interruptions)

SHRI P.H. PANDIYAN : Now I am charging you.

(Interruptions)*

MR. CHAIRMAN: Mr. Pandiyan, please address the Chair.

(Interruptions) *

*Not Recorded.

MR. CHAIRMAN: This will not go into the record. Please cooperate with the Chair.

...(Interruptions)

SHRI P.H. PANDIYAN : Now I am charging the Minister. The Finance Minister should recover the money from him...(Interruptions)

MR. CHAIRMAN: Shri Pandiyan, you should come to the subject.

...(Interruptions)

SHRI P.H. PANDIYAN (TIRUNELVELI): (Interruptions)*

19.37 hours

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

MR. CHAIRMAN: Please go to your seats first.

...(Interruptions)

*Not Recorded.

MR. CHAIRMAN: This is not proper.

...(Interruptions)

19.37 1/2 hours

(At this stage, Shri S.S. Palanimanickam and some other hon. Members went back to their seats.)

MR. CHAIRMAN: Shri Pandiyan, please confine to the subject.

...(Interruptions)

SHRI P.H. PANDIYAN : This is not the way, Sir. I have freedom of speech. Under article 105, I have freedom of speech...(Interruptions)

MR. CHAIRMAN: Please take your seats.

...(Interruptions)

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): I am on a point of order, Sir....(Interruptions)

MR. CHAIRMAN: The hon. Finance Minister is on his legs. Please take your seats.

SHRI YASHWANT SINHA: Sir, there are well-established rules of the House regarding an hon. Member of the House making an allegation against another Member of the House.

SHRI P.H. PANDIYAN : He is not a Member, he is a Minister.

MR. CHAIRMAN: Please hear him first.

...(Interruptions)

SHRI YASHWANT SINHA: I am sorry to be saying this. The hon. Member, Shri Pandiyan is a former Speaker. More than anybody else, he knows the rules of the game. It is extremely unfortunate that he has chosen this forum to level an allegation which is entirely uncalled for. I would, therefore, suggest that this should be completely expunged from the record of this House. I do not want this debate to degenerate to this level....(Interruptions)

SHRI T.R. BAALU: Sir, I must be allowed to answer....(Interruptions)

19.38 hours

(At this stage, Shri P.H. Pandiyan came and stood on the floor near the Table.)

MR. CHAIRMAN: This is not the proper way. Please go to your seats first.

...(Interruptions)

MR. CHAIRMAN: This is not the way to level allegations. If you want to make any allegation, first you give notice to the concerned Minister.

...(Interruptions)

MR. CHAIRMAN: Shri Pandiyan, please go to your seat first.

19.38 1/2 hours

(At this stage, Shri P.H. Pandiyan went back to his seat.)

SHRI P.H. PANDIYAN : Sir, this is not an allegation, this is a fact....(Interruptions)

SHRI T.R. BAALU: I challenge him , Sir. Let it go on record.â€ (Interruptions)

MR. CHAIRMAN: Why are you worried? I am not allowing anything. Shri Pandiyan, if you want to make any allegation, you should give notice to the hon. Member or the Minister concerned with proper documents.

...(Interruptions)

SHRI T.R. BAALU: No, I will answer, Sir....(Interruptions)

SHRI P.H. PANDIYAN : Sir, I will answer to the point. ...(Interruptions) The case is pending in the Debt Recovery Tribunal. If it is heard, let him come and say tomorrow. ...(Interruptions)

MR. CHAIRMAN : Shri Pandiyan, please take your seat.

...(Interruptions)

SHRI P.H. PANDIYAN : It is not an allegation. It is a fact. ...(Interruptions)

MR. CHAIRMAN : I will look into it.

...(Interruptions)

Mr. CHAIRMAN : He was the Speaker of the Tamil Nadu Legislative Assembly.

...(Interruptions)

SHRI T.R. BAALU: Sir, I challenge what he has said. â€ (Interruptions)

SHRI ADHI SANKAR (CUDDALORE): Sir, they are COFEPOSA accused people. ...(Interruptions)

MR. CHAIRMAN : Why are you worried? I am not allowing anything.

...(Interruptions)

MR. CHAIRMAN : Shri Pandiyan, if you are making any allegation you should give notice to the hon. Member.

SHRI P.H. PANDIYAN : Yes sir. I will do it. ...(Interruptions) If it is false, let him come out. The case is pending in the D.R.T. ...(Interruptions)

MR. CHAIRMAN : He was the Speaker of the Tamil Nadu Assembly.

...(Interruptions)

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Mr. Chairman, in the Eighth Lok Sabha during the course of a debate, there were challenges and counter challenges. ...(Interruptions)

SHRI P.H. PANDIYAN : We should talk among ourselves. Why should we not? ...(Interruptions)

SHRI S.S. PALANIMANICKAM : Sir, he is not on the main subject. ...(Interruptions)

MR. CHAIRMAN : Shri Palanimanickam, you first go to your seat.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, the hon. Minister of Finance should look into this. ...(Interruptions)

(Interruptions)*

MR. CHAIRMAN :Nothing will go on record.

...(Interruptions)

MR. CHAIRMAN : Please sit down. I allowed Shri Dasmunsi. I am requesting all the hon. Members to please sit down.

...(Interruptions)

SHRI PRIYA RANJAN DASMUNSI : Mr. Chairman, Sir ...(Interruptions)

SHRI T.M. SELVAGANPATHI (SALEM): You ask Justice Sarkaria. He would know who was corrupt.

...(Interruptions)

MR. CHAIRMAN : Shri Radhakrishnan, why are you standing? Please sit down.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): Mr. Chairman, Sir, I am on a point of order.

MR. CHAIRMAN : Shri Dhananjaya Kumar, I will allow you later.

...(Interruptions)

MR. CHAIRMAN : Shri Pandiyan, please conclude now.

...(Interruptions)

MR. CHAIRMAN : Shri Palanimanickam, you please go to your seat.

...(Interruptions)

SHRI T.R. BAALU : You have been convicted by the Special Court. How can you talk here? ...(Interruptions) Sir, I challenge what they are saying. You permit me to reply. ...(Interruptions)

MR. CHAIRMAN : Shri Pandiyan, please address the Chair.

*Not Recorded.

SHRI V. DHANANJAYA KUMAR : Sir, I am on a point of order. I must be heard. ...(Interruptions)

MR. CHAIRMAN : I will allow you.

SHRI P.H. PANDIYAN : Do you want to protect the borrowers? What is this? ...(Interruptions)

MR. CHAIRMAN : You please sit down.

SHRI V. DHANANJAYA KUMAR : Sir, you please see rule 352 of the Rules of Procedure. ...(Interruptions)

MR. CHAIRMAN : You please sit down. I have given a chance to him.

SHRI P.H. PANDIYAN (TIRUNELVELI): It is a controversial thing.

SHRI T.R. BAALU : I will challenge the order.

SHRI V. DHANANJAYA KUMAR : Sir, Shri Pandiyan who has been a former Speaker of the Tamil Nadu Assembly must at least respect the Chair. ...(Interruptions)

MR. CHAIRMAN : Shri Baalu, he has raised a point of order. I have given a chance to him. Let us listen him.

...(Interruptions)

SHRI V. DHANANJAYA KUMAR : Shri Pandiyan, you will have to respect the rule of the House. Sir, Rule 352 says :

"A member while speaking shall not –

- i. refer to any matter of fact on which a judicial decision is pending;
- ii. make personal reference by way of making an allegation imputing a motive to " " " " " "

The second one is important. ...(Interruptions)

SHRI P.H. PANDIYAN : It is corruption. ...(Interruptions)

MR. CHAIRMAN : Shri Selvaganapahy, please sit down.

...(Interruptions)

MR. CHAIRMAN : Shri Pandiyan, you are a former Speaker. I have allowed Shri Dhananjaya Kumar to raise a point of order. Let us give a chance to him to raise a point of order.

...(Interruptions)

MR. CHAIRMAN : Shri Pandiyan, is this your behaviour? Shri Dhananjaya Kumar, you please address the Chair. Why do you create unnecessary issue?

...(Interruptions)

MR. CHAIRMAN : Why are you shouting?

...(Interruptions)

SHRI V. DHANANJAYA KUMAR: Rule 352(2) says:

"make personal reference by way of making an allegation imputing a motive to or questioning the *bona fides* of any other member of the House unless it be imperatively necessary for the purpose of the debate being itself a matter in issue or relevant thereto: "

Sir, a Member cannot make any such allegations imputing motives unless the matter itself is an issue. The rule is very clear. ...(Interruptions)

SHRI P.H. PANDIYAN : This matter itself is an issue. The Debts Recovery Tribunalâ€¦ ...(Interruptions)

MR. CHAIRMAN: Shri Pandiyan, please sit down.

...(Interruptions)

SHRI V. DHANANJAYA KUMAR: Sir, for the momentâ€¦...(Interruptions)

SHRI P.H. PANDIYAN : He need not teach me. I know he is a Minister and not a Member. I cannot accuse a Member. I cannot accuse Shri Dasmunsi, but I can accuse a Minister. I am charging the Government. ...(Interruptions)

SHRI V. DHANANJAYA KUMAR: For the moment, we are not discussing ...(Interruptions)

SHRI P.H. PANDIYAN : I am charging the Government. ...(Interruptions)

SHRI ADHI SANKAR : The verdict of the court is there. ...(Interruptions)

SHRI P.H. PANDIYAN : They have inducted heavy borrowers in the Cabinet who have not repaid the money. The proceedings are pending in the DRT ...(Interruptions)

SHRI V. DHANANJAYA KUMAR: For the moment, the House is not discussing about who is owing how much to which financial institution or bank. We are discussing about the amendment to the Bill. ...(Interruptions)

MR. CHAIRMAN: Shri Selvaganpathi, why are you unnecessarily interrupting the House. ...(Interruptions)

SHRI V. DHANANJAYA KUMAR: We are not discussing the list of defaulters. ...(Interruptions). No name can come in this discussion because that is not the matter at issue. The matter at issue is how banks can be strengthened
...(Interruptions)

SHRI T.M. SELVAGANPATHI : How will they recover the debt..â€¦â€¦.

(Interruptions)*

SHRI V. DHANANJAYA KUMAR: Sir, under the circumstances, the allegations made by the Member must be expunged. ...(Interruptions) That does not lie in his mouth. He cannot make an allegation. ...(Interruptions)

(Interruptions)*

He is coming to the House and answering the questions. â€¦ (Interruptions)

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI T.R. BAALU): Sir, I will explain. Please allow me.

...(Interruptions)

*Not Recorded.

MR. CHAIRMAN: Shri Baalu, I will give you a chance.

...(Interruptions)

SHRI T.R. BAALU: The member himself has been convicted by the Special Court and he is talking now. It does not suit him to talk like this. ...(Interruptions)

SHRI T.M. SELVAGANPATHI : We all know about your leader ...(Interruptions)

MR. CHAIRMAN: Nothing will go on record.

Shri P.R. Dasmunsi.

(Interruptions)*

MR. CHAIRMAN: Nothing will go on record. No allegation against any Minister or any Member, without any substantial evidence, will go on record.

(Interruptions)*

SHRI P.H. PANDIYAN : I will substantiate now. ...(Interruptions)

SHRI PRIYA RANJAN DASMUNSI : Sir, in this important matter of debate, the hon. Finance Minister has every right to intervene and he has intervened also. With all respect to him, I will only remind you of an incident, which happened in this House during 8th Lok Sabha, of a similar nature. When I was in the Treasury Benches as a Minister of State for Commerce, Shri K.P. Unnikrishnan was in the Opposition benches. There occurred a similar kind of controversy on the matter relating to Bachan Brothers in the Free Trade Zone in Kandla. When the charges were made, the matter was referred to the Privileges Committee as it was a matter of serious nature, as ruled by the Chair. I only remind you – I am not talking of allegations – that if any responsible Member, with all his authority, make any complaint, you simply cannot rule it out; you should send it to the Privileges Committee so that it becomes a property of the Privileges Committee and the Committee looks into the matter. That was the decision.

*Not Recorded.

MR. CHAIRMAN: For this, there is a procedure and it has to be done according to the rules. So, without giving notice to the Member or to the Minister and even to the Speaker â€

...(Interruptions)

SHRI PRIYA RANJAN DASMUNSI : During the course of the debate, it was ruled that if the Member requests so and the Minister says so, let them take the responsibility of proving it in the Privileges Committee. ...(Interruptions)

(z4/1950/sh-jr)

SHRI V. DHANANJAYA KUMAR: Sir, I have referred to rules 352 and 353, and I want your ruling on it.

MR. CHAIRMAN : I heard your point of order. I will give my ruling later. Shri Pandiyan, please do not make provocative speeches, and please confine yourself to the subject.

SHRI P.H. PANDIYAN : We are 544 Members here. We cannot talk about any outsiders here. Then, how did you allow the names of Bajaj and Goenka? I can talk about him, he can talk about me...(Interruptions)

SHRI T.M. SELVAGANPATHI : Let the Minister refer the matter to the Privileges Committee.

SHRI T.R. BAALU: Sir, he has been convicted by the Special Court. Is it true or not?...(*Interruptions*)

SHRI T.M. SELVAGANPATHI : Yes, they dubbed you as a scientifically corrupted person.

SHRI T.R. BAALU: You have got no *locus standi*.â€¦ (*Interruptions*)

MR. CHAIRMAN: Shri Pandiyan, please do not provoke, and please confine yourself to the subject.

SHRI P.H. PANDIYAN : Sir, I have been elected by the people of Tirunelveli Constituency. There are one hundred branches of the Indian Bank....(*Interruptions*)

SHRI ADHI SANKAR : *

SHRI P.H. PANDIYAN (TIRUNELVELI): I am not bothered about this side or that side.

SHRI T.R. BAALU: Sir, if he is not speaking the truth, then I can catch him only in Parliament. He is talking something irrelevant ... (*Expunged as ordered by the Chair*)

SHRI P.H. PANDIYAN : I should make my submission. I am not making an allegation. It is a fact. The case is pending in the Debt Recovery Tribunal, Madras, involving an amount of Rs. 11 crore. He has admitted it in his statement to the Press....(*Interruptions*)

MR. CHAIRMAN: When one Member is speaking, this is not the proper way to behave. Please sit down.

SHRI P.H. PANDIYAN : On the last occasion, when I raised the point, it was accepted....(*Interruptions*)

SHRI V. DHANANJAYA KUMAR: How can he go on speaking as he likes?...(*Interruptions*)

SHRI P.H. PANDIYAN : Yesterday, I saw a newspaper in which it was stated that Shri Laloo acquired wealth to the tune of Rs. 45 lakh. This is what has provoked me inside here. Shri Laloo was charged with only Rs. 45 lakh, whereas here, the amount involved is Rs. 1,000 crore. It is claimed that it is even more....(*Interruptions*)

SHRI V. DHANANJAYA KUMAR: He cannot be allowed to speak as he likes.

SHRI ADHI SANKAR : He is not talking ...(*Interruptions*)

SHRI P.H. PANIDYAN : It is a fact....(*Interruptions*)

MR. CHAIRMAN: Shri Sankar, you are exceeding your limits in your behaviour. Please go to your seat first. Unnecessarily, you are coming to the Well of the House every time. Shri Pandiyan, please hear me first. Your Party has been allotted two minutes" time on this Bill. There is no more time left, please conclude by confining yourself to the subject.

SHRI P.H. PANDIYAN : When I was in the Chair, I gave 15 minutes to each Member....(*Interruptions*) It has come to this level because ...(*Interruptions*)

SHRI T.R. BAALU: Which level?

SHRI P.H. PANDIYAN : Since you are a borrower, you are talking like that. You are a public man . *

SHRI T.R. BAALU: I thought, you will take it jovially.

SHRI P.H. PANDIYAN : Mr. Finance Minister, if I am wrong on these two issues, you can hang me in front of Parliament....(*Interruptions*)

SHRI ADHI SANKAR *

SHRI P.H. PANDIYAN : I am not bothered about that. If I am wrong on these two issues, I may be hanged in front of Parliament.â€¦ (*Interruptions*)

SHRI T.R. BAALU: Shri Selvaganpathi, you have no *locus standi*. Please sit down. You have got no face at all. ...(*Interruptions*)

MR. CHAIRMAN: Let there be no cross-talk please. Please do not provoke Shri Pandiyan.

SHRI P.H. PANDIYAN : Mr. Finance Minister, he talked of Jain TV, and that provoked me.

Sir, I raised this question of Sun TV. Sun TV is getting Government advertisement worth Rs. one crore everyday. They are getting advertisements from the State Government, the Central Government and also from the private companies worth rupees one crore. He is your Minister. He is earning one crore and I am earning only Rs. 400/- per day ...*(Interruptions)* Daily allowance ...*(Interruptions)*

*Expunged as ordered by the Chair.

MR. CHAIRMAN : Please address to the Chair. Do not provoke him.

SHRI P.H. PANDIYAN : I do not bother. If they are really public men, then they should be ready to face charges...*(Interruptions)* I told the hon. Finance Minister on that day that two of your Ministers are not honest ...*(Interruptions)* They have arrears in banks ...*(Interruptions)* The next day, Shri T.R. Baalu, had held a Press Conference in Chennai â€¦ *(Interruptions)* not in the Parliament ...*(Interruptions)* He said ...*(Interruptions)*

SHRI T.R. BAALU: Sir, he has given me a chance to speak ...*(Interruptions)** Please be seated. ...*(Interruptions)*

MR. CHAIRMAN: Mr. Minister, I would give you chance to speak later.

...*(Interruptions)*

SHRI P.H. PANDIYAN : Sir, my view is this much ...*(Interruptions)* I would like to tell you frankly that Indian Bank's property is not my grandfather's property. I am not going to get anything even if I am able to recover some Rs. 230 crore for that Bank ...*(Interruptions)*

SHRI ADHI SANKAR : We are getting loans and*

SHRI P.H. PANDIYAN : *

MR CHAIRMAN: This is not the way.

...*(Interruptions)*

*Expunged as ordered by the Chair

19.57 hours

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

MR. CHAIRMAN: Hon. Members, please go to your seats.

...*(Interruptions)*

MR. CHAIRMAN: I am requesting all the hon. Members to please go back to their seats.

...*(Interruptions)*

MR. CHAIRMAN: I will go through the records and if there is any unparliamentary word, I will expunge those words from the records. Please take your seats.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, I will finish my submissions in one minute ...(Interruptions)

MR. CHAIRMAN: Hon. Members, I am repeating, I will go through the records and if there is anything unparliamentary, I would expunge those words.

...(Interruptions)

MR. CHAIRMAN: Please cooperate with the Chair.

...(Interruptions)

19.58 hours

(At this stage, Shri Adhi Shankar and some other hon. Members went back to their seats.)

SHRI P.H. PANDIYAN : Sir I support this Bill ...(Interruptions) It is because it is ...(Interruptions)

MR. CHAIRMAN: Hon. Members, if there is anything unparliamentary, I would expunge it from the records.

...(Interruptions)

MR. CHAIRMAN: Shri Pandiyan, I am suggesting you to please withdraw those words.

...(Interruptions)

SHRI S.S. PALANIMANICKAM (THANJAVUR): No, Sir. There should be an apology ...(Interruptions) Otherwise, you please refer it to the Privileges Committee ...(Interruptions)

MR. CHAIRMAN: Shri Pandiyan, you have used some unparliamentary word, please withdraw that word.

...(Interruptions)

SHRI P.H. PANDIYAN : What did I say? I do not know ...(Interruptions)

19.59 hours (Mr. Speaker *in the Chair*)

MR. SPEAKER: Hon. Members, please resume your seats.

SHRI P.H. PANDIYAN : Sir, I would conclude my speech in just one minute ...(Interruptions)

MR. SPEAKER: Shri Pandiyan, I had been watching your speech while sitting in my Chamber.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, if I am wrong, let me be hanged in Parliament ...(Interruptions) That is all I can say ...(Interruptions)

MR. SPEAKER: What is this?

...(Interruptions)

SHRI P.H. PANDIYAN : I have not committed any wrong â€¦ (Interruptions) I have apprised the House of the facts ...(Interruptions)

MR. SPEAKER: What are you saying? You had been yourself a Speaker of a Legislative Assembly; you are one of the members in the panel of Chairmen in Lok Sabha. Please take your seat now.

SHRI S.S. PALANIMANICKAM : That is a grave mistake.

MR. SPEAKER: Please resume your seat.

...(Interruptions)

MR. SPEAKER: Shri Pandiyan, I have been watching your speech. This is too much.

...(Interruptions)

SHRI P.H. PANDIYAN : How is it, Sir? Have I said anything wrong?...(Interruptions)

MR. SPEAKER: I have been watching your speech. This is too much. Please conclude within one minute.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, I have not done anything....(Interruptions)

MR. SPEAKER: This House does not belong to only two political parties. Please understand.

...(Interruptions)

MR. SPEAKER: If this is the attitude of the Members, I will take action against the particular individual Members also.

...(Interruptions)

SHRI P.H. PANDIYAN : They cannot prevent the Members from speaking.

MR. SPEAKER: Please take your seat.

SHRI P.H. PANDIYAN : If I have no privilege to speak, if I have no freedom of speech, I do not need to attend the House. ...(Interruptions) Why should I come here, if I have no privilege to speak ...(Interruptions) It is my privilege to speak....(Interruptions)

SHRI ANANT GANGARAM GEETE (RATNAGIRI): Mr. Speaker, Sir, what is going on here?...(Interruptions)

SHRI P.H. PANDIYAN : Sir, I am concluding within one minute.

MR. SPEAKER: Shri Pandiyan, I am telling you once again that your behaviour in the House is not proper.

SHRI P.H. PANDIYAN : What behaviour, Sir?

MR. SPEAKER: Please conclude your speech.

SHRI P.H. PANDIYAN : I have not obtained loans from the Indian Bank....(Interruptions)

MR. SPEAKER: Shri Pandian, if this is your attitude, I will take action against you.

...(Interruptions)

SHRI P.H. PANDIYAN *: I have not received loans.â€¦ (Interruptions)

MR. SPEAKER: Please conclude your speech.

...(Interruptions)

SHRI P.H. PANDIYAN : Mr. Speaker, Sir, this Bill is advantageous to the heavy borrowers.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): Sir, the Member should apologise for the words he used....(Interruptions)

MR. SPEAKER: Shri Pandian, please take your seat.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, I am concluding.

MR. SPEAKER: Shri Pandian, please take your seat.

SHRI PRAMOD MAHAJAN: Sir, it is not a question of concluding the speech or continuing the speech for the next half an hour. The words which are used, if you go through the record you will find, are not just unparliamentary. That is a very small expression for this type of words. Sir, unless the hon. Member who has made such remarks apologises to the House for those remarks, what is the use of sitting here?...(Interruptions)

SHRI P.H. PANDIYAN : What is the remark I used? Please say that....(*Interruptions*)

MR. SPEAKER: Shri Pandian, please take your seat. What is this?

SHRI PRAMOD MAHAJAN: Sir, we from the Government side are very keen that unless he apologises, we cannot run the House in this way. There is a limit to saying things....(*Interruptions*)

SHRI P.H. PANDIYAN : What apology? ...(*Interruptions*)

They have obtained Rs.11 crore as loans....(*Interruptions*)

SHRI PRAMOD MAHAJAN: The hon. Member can make allegations. But nobody uses the words he has used, even in the streets. ...(*Interruptions*)

SHRI T.M. SELVAGANPATHI (SALEM): Sir, I strongly object to the words the Minister is using....(*Interruptions*)

MR. SPEAKER: All the derogatory and unparliamentary words used will be removed from the record.

...(*Interruptions*)

MR. SPEAKER: Shri Pandian, please conclude your speech.

...(*Interruptions*)

SHRI P.H. PANDIYAN : Am I not entitled to one minute?

MR. SPEAKER: Shri Pandian, I advise you not to use such kind of words.

SHRI P.H. PANDIYAN : What words did I use? I do not know. Let them say what are the words that I used. ...(*Interruptions*) They are not able to say what those words are....(*Interruptions*)

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI T.R. BAALU): Sir, he must apologise for the words he has used. ...(*Interruptions*) He is a lawyer. ...(*Interruptions*) He should know how to behave in the House. ...(*Interruptions*)

MR. SPEAKER: Shri Pandian, you should not use such kind of words in future also.

...(*Interruptions*)

SHRI P.H. PANDIYAN : I have not uttered any word. ...(*Interruptions*) Let them say, what is the word....(*Interruptions*)

SHRI T.R. BAALU: We cannot repeat those words like him. ...(*Interruptions*)

MR. SPEAKER: Please take your seats.

SHRI P.H. PANDIYAN : I will finish in one minute, Sir.â€¦! (*Interruptions*)

SHRI T.R. BAALU: Sir, he should not be allowed to speak.

MR. SPEAKER: We have already removed those remarks.

...(*Interruptions*)

SHRI T.R. BAALU: If he is a true parliamentarian, he has to withdraw his remarks....(*Interruptions*)

MR. SPEAKER: We have already removed them from the record. Please take your seats. Advise your Members also to take their seats.

SHRI T.R. BAALU: He spoke in an indecent way. He used filthy language....(*Interruptions*)

MR. SPEAKER: Hon. Minister, please take your seat and advise your Members also to do the same.

...(*Interruptions*)

MR. SPEAKER: Please resume your seats.

...(*Interruptions*)

SHRI S.S. PALANIMANICKAM : Sir, we should get an apology for the words he has used....(*Interruptions*)

SHRI T.R. BAALU: Sir, he has used a very filthy language.â€¦ (*Interruptions*)..

MR. SPEKAER: Hon. Minister, they have already been removed from the proceedings.

...(*Interruptions*)

SHRI T.R. BAALU: What is your ruling, Sir? He should apologize.â€¦ (*Interruptions*)

SHRI PRAMOD MAHAJAN: Sir, with due respect, we will obey all your orders. But 'removing from the records' is not enough for using such words. The Member must express regret. What is the problem there? If I make a mistake, I will express regret for that....(*Interruptions*)

SHRI P.H. PANDIYAN : Sir, I will finish now. On set off and counter claims, appointment of receivers, commissioner by the Tribunal is advantageous to the heavy borrowers....(*Interruptions*)

20.06 hours

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

MR. SPEAKER: Hon. Members, please go back to your seats.

...(*Interruptions*)

SHRI P.H. PANDIYAN : Sir, I am not able to support the Finance Minister fully though it is constitutionally correct...(*Interruptions*)

MR. SPEAKER: Hon. Members, please go to your seats.

...(*Interruptions*)

SHRI P.H. PANDIYAN : Sir, it was drafted on the mandate of the Supreme Court. The Supreme Court on a number of occasions have saidâ€¦ (*Interruptions*)

MR. SPEAKER: Shri S.S. Palanimanickam, and other hon. Members please go to your seats.

...(*Interruptions*)

MR. SPEAKER: Hon. Members, I am requesting you to please go to your seats.

...(*Interruptions*)

SHRI P.H. PANDIYAN : Sir, this Bill was aimed at protecting the interests of heavy borrowers. That is why I am opposing it. In 1969, Banks nationalisation case was heard by a Bench of 9 judges of the Supreme Court and the Supreme Court upheld that it was in the national interest. What was the national interest in 1969?...(*Interruptions*)

MR. SPEAKER: Hon. Members, please go to your seats.

...(*Interruptions*)

MR. SPEAKER: Hon. Members, please resume your seats first and then submit your point.

...(*Interruptions*)

SHRI P.H. PANDIYAN : Sir, what was 'national interest' in 1969 by the Supreme Court cannot be 'anti-national' in 2000. That 9-judge Bench judgment of the Supreme Court has to be upheld by the Government.â€¦ (*Interruptions*)â€¦They are not following the Supreme Court judgmentâ€¦ (*Interruptions*)

SHRI T.R. BAALU: Sir, he has made a wild allegation. He should apologise...(*Interruptions*)â€¦He has used unparliamentary language.â€¦ (*Interruptions*)

MR. SPEAKER: Nothing should go on record except what Shri P.H. Pandian says.

*(Interruptions) **

MR. SPEAKER: Hon. Members, please go to your seats.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, I will conclude by saying that without offending anybody I made my speech thoughtfully. I am speaking from my conscience. If there is anything wrong, show it to me; I am ready to withdraw....(Interruptions)

MR. SPEAKER: Hon. Members, first of all, please go to your seats. Whatever you want to submit, you may submit but after going to your seats.

...(Interruptions)

SHRI P.H. PANDIYAN : Sir, if there is anything wrong, I am ready to withdraw. But it is not an allegation, it is a fact....(Interruptions)

MR. SPEAKER: Hon. Members, please go to your seats.

*Not Recorded.

20.08 hours

(At this stage, Shri S.S. Palanimanickam and some other hon. Members went back to their seats.)

SHRI P.H. PANDIYAN : Sir, this Bill is aimed at protecting the interests of the heavy loanees. I cited two instances. Shri P.R. Das Munsi has mentioned that the Jain TV is in arrears. I also reiterated that.

I support this Bill because it is constitutionally correct. The Minister has said that it is constitutionally correct while introducing the Bill but I am not able to support it fully because it is going to support the heavy borrowers. They are not going to repay from tomorrow....(Interruptions) It will be published in papers also....(Interruptions)

SHRI T.M. SELVAGANPATHI : The Government is also protecting them....(Interruptions)

SHRI P.H. PANDIYAN : Yes, the Government is also protecting the heavy borrowers. So, the heavy borrowers will protract the proceedings taking adjournment after adjournment, taking time for counter and reply. (Interruptions)

With these words, I am thankful to you, Sir, for giving me the opportunity. By heart, I talked. But if there is anything wrong, even now I say...(Interruptions)

SHRI T.R. BAALU: Everything is wrong....(Interruptions)

SHRI P.H. PANDIYAN : If there is anything wrong, even now I say that I may be hanged in Parliament. That is what I can say. Thank you....(Interruptions)

2010 hours

SHRI PRAKASH PARANJPE (THANE): Mr. Speaker, Sir, I am standing in support of this Bill. ...(Interruptions)

A number of hon. Members have expressed their views about this Bill. When I was speaking with the high officers of the banks, one officer said, 'Shri Paranjpe, when you take a loan of Rs.1 lakh, you are afraid of the bank but if you take a loan of Rs.1 crore, the bank is afraid of you.' This is the situation which is also reflected by the figures. Loans are outstanding to the tune of Rs.59 crore. People are asking for declaring their names and making some changes in the rules for recovery.

I am a very small person. I would like to narrate a simple example. A Corporation, for the recovery of water charges, can cut the water connection. The MTNL, for the recovery of arrears of their bills, can disconnect your telephone. The MSEB, for not paying your bills, can cut the power supply. But for the recovery of loans of thousands of crores of rupees we are discussing making some changes of ifs, buts and ors and so on. Can the officers concerned and the intellectuals of this august House make a single amendment giving powers to the banks? It is an agreement between the borrower and the bank. For breach of agreement, can we cut the power, water or telephone connection, where they stay? Is it not possible for the Government to bring in a simple amendment for the recovery of the loans? But we are only discussing and criticising and asking the big names to be declared.

In this amendment, there is not a single clause where the officer concerned, the Director or the Board of Directors will be punished for not recovering the loans, rather for not doing their job. When they sanction the loan, the officer concerned enters into an agreement. He retires after three years and the responsibility goes to the next person. I would request the hon. Minister of Finance to come up with some rules in this legislation about who will be responsible for the loans sanctioned. Even if they retire, they should not be given their pension and provident fund unless and until the loans that were sanctioned in their tenure are recovered.

I am very much thankful to Shri Priya Ranjan Dasmunsi. He gave a very nice suggestion that the small-scale industries should not be charged any interest till they start production. I will now give a very simple example. The son of one of my friends wanted to open a factory. He wanted to import the machinery which was under OGL in 1998. He was about to complete the formalities. But in 1999, the item was removed from OGL and so he applied for the licence. It took nine months for him to get it. The licensing process for that machinery took nine months and he opened an LC on the 28th or 29th of February. But in this Budget, again, that machinery has been brought under OGL. Is there any consistency in this policy? As and when somebody wants a change, we are changing it.

Last year, in the Budget debate, I had said that our country needs a long-term industrial policy and a long-term taxation policy.

You declare it now itself in what phases you are going to increase the interest rates and in what phases you are going to reduce the customs duty. You are changing it every year and ultimately, it is the people who suffer. In 1998, the machine was under OGL; in 1999, it came under Licencing Committee; again in 2000, it has been brought under OGL. Ultimately, that person had to spend Rs.2,70,000 for surrendering his licence. Whose loss is that? Since you are changing the policy, the poor industrialist had to incur a loss of Rs. 2,70,000. There are a number of suggestions that we can make. The officers themselves have suggested that there should be an amendment in the Banking Regulation Act for recovering the money. Unless we give the power to the banks to sell the mortgaged properties, no recovery is possible. We have to give them clear-cut powers to the banks. The moment we send the notice, people go to the arbiters. I am not able to understand that. The banks give the loan, but for recovering the loan, the banks have to go to the Tribunal. I am not able to understand this logic. Immediate action should be taken for breach of contract. So many intellectuals are there in the banking and financial sector. It is a very simple thing. When there is a breach of contract, how can we allow them to go to court? They should not be permitted to go to the courts. Small people are penalised. If the rickshaw puller does not repay the amount, immediately his rickshaw is impounded. Big people are taking loans worth crores of rupees, but they are not penalised. They openly say that this bank is in my left packet and that bank is in my back packet. The Government do not take any action for years together. The banks should be given powers to cut off their electricity connection, water connection and telephone connection. They should make these people's lives miserable. It is because they are not only cheating the bankers but also the common men who deposit small amounts like Rs. 100 or Rs. 150. The money which belongs to the common men is given to the big people as loan. I would request the hon. Minister of Finance to accept the suggestion made by Shri Dasmunsi that no interest should be charged for the small scale industries till they start manufacturing. Please make a suitable amendment to make the officers concerned responsible for sanctioning the loan and for not recovering the loan. It is because the officers themselves suggest ways and means to these people as to how to delay the payment.

डा. रघुवंश प्रसाद सिंह (वैशाली) : अध्यक्ष महोदय, माननीय वित्त मंत्री बैंकों और वित्तीय संस्थाओं को शोध्य ऋण वसूली संशोधन विधेयक 2000 लाए हैं। इसमें शोध्य क्या है, यह हमें समझ में नहीं आता। केवल अंग्रेजी शब्द की हिन्दी करके शोध्य को जोड़ा गया है। यशवंत जी जानते हैं कि इसमें शोध्य किस लिए लिखा है? इसे लिख कर इस बिल को भयानक बना दिया है। वित्त मंत्री ने दावा किया है कि ऋण वसूली के लिए कानून बना था लेकिन हाई कोर्ट ने उसे खारिज कर दिया। फिर सुप्रीम कोर्ट ने इसके लिए दिशा निर्देश दिए। उसके अनुपालन के लिए यह विधेयक लाया गया है। अगर कोई बैंक ऋण देता है तो उसकी वसूली कड़ाई से हो। उसकी वसूली न होने से बैंक चौपट हो जाएगा। माननीय सदस्य दासमुंशी जी और हसन जी जब इस विषय पर बोल रहे थे तब मेरी भी इस विषय पर बोलने की रूचि हो गई। मेरा इस विषय पर पहले बोलने का मन नहीं था। कहा गया है कि 58 हजार करोड़ रुपया बैंकों का बकाया है। उसमें 25 हजार करोड़ रुपया

सी.आई.आई. का बकाया है। हम पहले यह मानते थे कि सी.आई.आई. देश के गरीब लोगों की तरफ देखता है। माननीय वित्त मंत्री सी.आई.आई. में बराबर घूम-फिर कर जाते थे लेकिन हम आज भेद समझ पाए हैं। गरीब आदमी को बैंक से ऋण लेने में बड़ी परेशानी होती है। ऋण लेने में ही उसकी तबाही हो जाती है। वह इसकी पैसी करते मर जाता है। उसे बिना घूस के ऋण नहीं मिलता है।

फिर उसकी वसूली में उसको जेल या तुरंत कार्यवाही। बड़े बड़े लोग धन्ना सेठ सरकार को सुझाव देने वाले वही अर्थशास्त्री हैं जो बैंक का ज्यादा पैसा डुबोये हुये हैं। हमारे लिये तो यह भयावह स्थिति है कि किसलिये यह कानून लाये हैं। आपने कह दिया कि हाई कोर्ट ने खारिज कर दिया तो सुप्रीम कोर्ट के कहने से लाये। यह बात असत्य है जिसे आप लागू नहीं कर रहे हैं बल्कि हमें दिखाने के लिये यह ला रहे हैं कि हम लोग ऋण वसूली को कड़ाई से लागू करने के लिये यह कानून बना रहे हैं। जैसा श्री दासमुंशी जी ने कहा और श्री मोउइनल हसन ने जॉटा बताया कि 58 हजार करोड़ के ऋण में से 25 हजार करोड़ रुपया सी.आई.आई. के पास है, से कैसे वसूल करेंगे? लोग कहते हैं कि वित्त मंत्री जी सी.आई.आई. के नज़दीक हैं लेकिन इन्होंने कानून कैसा बनाया है और उस पर कैसे कड़ाई से काम करेंगे? बैंक तो डूब जायेगा क्योंकि हम चाहते हैं कि जो भी कानून बने समान रूप से सब के लिये बने, जैसे गरीब के लिये वैसे ही धन्ना सेठ के लिये। ऐसे कानून बनने का क्या फायदा जिससे धन्ना सेठों के पास बैंकों का हजारों करोड़ रुपया डूबा रहे। गरीब आदमी तो जंगल में भागता रहे लेकिन पुलिस उसके पीछ पड़ी रहती है और उसके लिये उसकी कुर्की कर दी जाती है। तो हम चाहते हैं कि कानून समान रूप से लागू हो और ऐसा नहीं कि गरीब के साथ कड़ाई और अमीर के साथ ढिलाई। इन बड़े बड़े लोगों या अर्थशास्त्रियों की सलाह पर चलेंगे तो इस देश का क्या होगा, यह इस बात से समझा जा सकता है कि गरीब कंगाल हो जायेगा लेकिन अमीर आदमी के कारण यह भयावह स्थिति पैदा हो जायेगी। मंत्री जी को एक स्पेसिफिक जवाब देना चाहिये बड़े लोग कर्जा लेकर बैंकों का रुपया डुबोये दे रहे हैं जबकि इस देश के करोड़ों लोगों पर तबाही आ जाती है। कैसे उन लोगो का भला होगा? जैसा श्री दासमुंशी ने बताया कि इस देश के 204 इंडस्ट्रियल हाउसेज़ पर 25 हजार करोड़ रुपये का लोन बाकी है। इससे हम चिन्ता में हैं और परेशान हैं कि इस देश का क्या होगा जबकि इस देश के मुट्ठीभर लोग बैंक का पैसा डुबो देंगे।

*m10

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): I am grateful to the hon. Members for having lent support to this legislation that I have brought before the House today. Cutting across party lines, while they have raised issues of general concern, they have all felt that this is a piece of legislation which should have been brought before the House. Sir, I have already explained the reasons as to why we had to get it enacted through an Ordinance. I will not take the time of the House in describing it further.

Sir, the financial sector is a very critical sector of the economy. Those of us who have studied the East-Asian crisis, are aware of the fact that the origin of the crisis was in the weakness of the financial sector. Therefore, the financial sector of the country has not only to be strengthened but has to be brought at par with the most stringent international prudential norms. This is exactly what we are seeking to attempt.

Let me remind, Sir, the House, through you, that prior to 1992 we were not even maintaining the account of the NPAs. There was no account in the banks. It was only when the process of liberalisation started in 1992 and that for the first time norms were laid down for asset classification and income recognition. It was after that that banks started preparing the accounts of the Non-Performing Assets. I would like to point out here, Sir, that ever since 1993, and especially after the DRT Act was promulgated, the gross NPA as well as the net NPAs have been consistently coming down as a percentage.

When we look at the absolute number, it might appear as if they are going up. But in terms of the percentage of the total advances of the banks, it has come down. I have figures here. In 1993, the gross NPA of the banks and financial institutions was 24.8 per cent; and on 31 March, 1999 it had come down to 15.89 per cent. The net NPA is down to 8.7 per cent on 31 March, 1999. So, as a percentage it has been coming down. I can mention here that during this six-year period, the growth in bank advances (gross) has been to the extent of 92 per cent whereas growth in (gross) NPA has been restricted to only 31.7 per cent. Why am I quoting this figure? I am quoting this figure to make the point that while we have to be concerned at the NPA and we have to do everything that is necessary to bring down the level of NPA to a level which is sustainable, – around 4 four cent or 3 per cent – and which is not something which should lead to alarm. There is no reason for us to panic at the level of NPA. We are talking of non-performing assets. But the figures that I have given you, the way we maintain these figures are actually non-performing loans. If you judge them against the assets, then the figures are much lower. But as I said, we want to maintain the highest prudential norms which are internationally acceptable. That is why, we are not happy with this level of NPA that is there in our system.

Now, it has been pointed out here that the DRTs have not functioned as well as they should have functioned which is a fact in the sense that the Act which was passed in 1993 and which was struck down in 1995 had certain infirmities. Between 1995 and today, the DRTs have been functioning on the basis of a stay order that we succeeded in securing from the Supreme Court. Once this Bill is passed by Parliament and becomes a law, then the DRTs are actually going to be strengthened. There are many ways in which we are strengthening the DRTs as a result of these amendments.

Sir, let me assure you that there are two things. Firstly, there is a healthy tradition in the Ministry of Finance that we do not interfere in the day-to-day functioning of the banks. I have all the determination at my command to continue with that healthy tradition. Whatever may be the provocation, I cannot sit in my chair in the North Block and decide what the banks should do, - who they should advance to and who they should not advance to. This is not the function of the Government. At the same time, let me state it without any ambiguity on my part that we shall come down heavily on those who are wilful defaulters and this piece of legislation is going to help us to do that. It is also

not our intention to spare those who had colluded with any of their clients to cheat the bank, defraud the banks to deprive them of any sums of money which are held in trust by them because these are the moneys of the people of India. So, about these two aspects, let there be absolutely no doubt. My intention in bringing this legislation before the House is to ensure exactly that. We should be able to bring the culprits and the wilful defaulters to book.

SHRI RUPCHAND PAL (HOOGLY): If you could yield, I want to say that of late, the Central Vigilance Commissioner has been putting the names of corrupt officials in the website. He has requested that the banking secrecy clause should be changed. It is the persistent demand. It is because of the secrecy clause, the names of the wilful defaulters cannot be published.

This is the request not from the Opposition, but from Shri N. Vittal, the Central Vigilance Commissioner, and the Reserve Bank of India has partially agreed to it. May I know one point just for clarification? I had asked in a different capacity from high officials whether the secrecy clause on wilful defaulter is applicable in the case of depositors or borrowers. What is the international standard?

SHRI YASHWANT SINHA: I was coming to this point if Shri Rupchand Pal had held his patience. I would have certainly touched this point in the course of my reply. We do not have the definition for wilful defaulter. This is a fact.

Let me also make it clear that let not an impression go that all these Rs.51,710 crore or which are NPAs today, have accumulated during the last 24 months. It is not so. They have been coming from earlier times. It is a problem which has afflicted our banking system unfortunately for a long time. We have become aware of it, we have become conscious of it and we are trying to reduce the NPA.

What is the definition in the banking industry? The banking industry proceeds on the basis of non-performing assets. The non-performing assets are; substandard assets, doubtful assets and loss assets. I have looked at the figures. I can tell you as to why I am saying not to be alarmed and not to be panicky. It is because a substandard asset is a default of less than two years after a loan becomes past due, which is another one month. If somebody has defaulted in the payment of a certain instalment or of interest for a period of less than 24 months, then it becomes a substandard asset. A majority of the NPA falls in that category. A small minority of small quantum is the loss asset which is the real loss of the bank against which we have the provisioning norms. Let me assure that almost 50 per cent of the total NPA are covered by the provisioning made by the banks. Therefore, the situation is not alarming.

As I said, our standard norms of NPA compare very favourably with the best in the world. Now the point is there are two impressions. One is that we are really clawing the small man, we are going after him, and we are taking him to jail; whereas the big fellows – as Dr. Raghuvansh Prasad Singh would say that because I am in league with them – are escaping. I have been the Finance Minister for the last 24 months. What were the previous Finance Ministers doing? They were also in league with them; otherwise these NPA would not have been there and I would not have landed with Rs.51,710 crore NPAs. Let me tell Dr. Raghuvansh Prasad Singh that the first meeting of the CII that I attended as a Member of Parliament was in the company of his leader Shri Laloo Prasad Yadav. Therefore, let us not go into that. Everyone who is occupying an office has to deal with all kinds of people, including the kind of people that we have in the CII or in the FICCI or in the ASSOCHAM or anywhere else.

The point I am making is about wilful default. First of all, let me be clear that this Act which was passed in 1993 is still valid. It precludes outstanding loans which are less than Rs.10 lakhs. Nobody can be taken to the DRT if the outstanding loan against that person is less than Rs.10 lakhs. So, one thing is that one has to have an outstanding loan of more than Rs.10 lakhs if one is to be dragged before the DRT. The small borrower is not really covered by this process. This process is meant only for the bigger fellows, the bigger loanees.

In reply to what Shri Rupchand Pal has said just now, he is aware of the fact that whenever a wilful default takes place, whenever an asset becomes substandard, or a bank comes to the conclusion that they should initiate measures to recover their dues and they do so, then every year by the 31st March for that year the RBI prepares a list of such defaulters who have been dragged to a court of law through the DRT. A list of people who have an outstanding loan of Rs.1 crore and above is placed in the Library of Parliament.

So, there is no secrecy. Where is the secrecy? The secrecy is only in regard to the accounts which have not yet been proceeded against and let me take the House into confidence on one point. While it is not our intention to protect anyone, it should also not be our intention that anyone who has borrowed money from the banks should be exposed. That is not the norm. The international norm is one of confidentiality. It is a contract between the bank as a lender and the person or the firm who is borrowing as a borrower. This is a contract between the two of them. Unless the contract goes back, there is no reason why every transaction should be made public. And I stand by this that we should make every attempt to realise our dues, especially those dues which have become overdue and where there is evidence that the money is being siphoned off, that the money is diverted and that he is not

deliberately paying it. The Reserve Bank of India has come out with the definition of wilful defaulter recently. The RBI has also issued instructions in the month of October, 1999 saying that now the bank should enter into an agreement and prescribe a condition that the borrower will not hold the loans against the bank in case the loan amount and the account goes into default. Now, we have taken the power to be able to do this but at the same time, it will serve no purpose, certainly not the purpose of the economy of this country, if we were to say that no advances will be made by the banks and that every advance that will be made by the banks will be made public. It is upto the Parliament to decide but if you ask my opinion, I would say that this is not a practical system and it will not work. So, let us be reasonable, let us be practicable, let us catch hold of those who must be caught hold of, let us bring them to book, let us punish them but at the same time, let us also not start punishing those who are not guilty of any default. Eighty-two per cent of the total advances by the banks today are standard advances. They are not in default. And that is what gives me hope that the way we are proceeding, it will be possible for us to bring these defaults to the level of assets which is internationally recognised, which is sustainable and therefore, we have come out with this Bill, Sir.

Unfortunately, I do not and I am not in a position to agree with the hon. Member, Shri Pandiyan when he says that we are acting at the behest of the Supreme Court. The division of constitutional responsibility is very clearly defined in our Constitution. It was under that division of responsibility, under the powers given to the judiciary, that the Delhi High Court struck down this piece of legislation. And we went to the Supreme Court, it is still pending with the Supreme Court and I am sure that we would adopt these improvements which we are not doing necessarily at the behest of the Supreme Court. We have studied it in the Reserve Bank of India. Two Committees have gone into this and I mentioned right in the beginning that the Committee of Subordinate Legislation of the Rajya Sabha has also gone into it. It is the expertise available with the Reserve Bank of India, it is the wisdom available in the other House on the basis of which we have brought this legislation. So, let there be no doubt in the mind of any hon. Member that we are acting under pressure or that we are surrendering the sovereignty of the Parliament. Parliament is supreme and Parliament has got the legislative power and we are acting under that legislative power.

So, I would say that there are some very important amendments in this Bill. This debate is only about the DRTs which are strengthening the recovery procedure. It is not about all the other points which have been raised in the course of this debate. These points will be taken care of when we discuss the Budget of this year in this House. There are a number of issues which have been raised but I would not like to take the time of the House at this late hour in trying to meet those points. I would only suggest that this is a well thought-out and well-considered piece of legislation brought after a great deal of deliberation. I would suggest that this House should not only consider it but also pass it.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): What about your concern about the professional management in the banking from our own experience and from the experience in the international norms that are there?

SHRI YASHWANT SINHA: I am grateful that Shri Priya Ranjan Dasmunsi has not only raised that issue but has also once again reminded us of this. It is one of the steps that we are taking to professionalise the management so that the credit appraisal norms are applied more fruitfully in a much better fashion. One of the weaknesses that we have noticed is the absence of proper credit appraisal norms. You would agree to give a loan of Rs.230 crore or whatever that amount may be on the basis of inadequate appraisal then it becomes a bad debt. Now, it is our continuous effort to upgrade the professional level of the bank employees, of the bank management and make sure that they continuously go through training programmes. Banking has become extremely complex and new financial instruments are coming into the market. Therefore, there is no escape from the professionalism of this particular sector. It will be our definite endeavour in the years to come to impart greater professionalism to the bank managers.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): My purpose was to focus the attention of the House in regard to the inherent defects in the recovery of loans due to banks and financial institutions. I am satisfied that there was a due discussion. In that context, I do not press further my Resolution.

MR. SPEAKER: Is it the pleasure of the House that the Resolution moved by Shri Varkala Radhakrishnan be withdrawn?

The Resolution was, by leave, withdrawn.

MR. SPEAKER: I shall now put the motion for consideration of the Bill to the vote of the House.

The question is:

"That this Bill further to amend the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, be taken into consideration. "

The motion was adopted.

MR. SPEAKER: The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 to 8 stand part of the Bill."

The motion was adopted.

Clauses 2 to 8 were added to the Bill.

Clause 9-(Substitution of new section for section 19)

MR. SPEAKER: There is an amendment to clause 9 moved by Shri A.F. Golam Osmani.

Shri A.F. Golam Osmani, are you moving the amendment to clause 9?

SHRI A.F. GOLAM OSMANI (BARPETA): My intention was to bring to the notice of the hon. Finance Minister that aspect which was discussed by some hon. Members, especially Shri Priya Ranjan Dasmunsi about those people who have taken loan to run small scale industry. They are to be treated apart from other loanees.

MR. SPEAKER: Are you moving or withdrawing the amendment?

SHRI A.F. GOLAM OSMANI : I am moving my amendment.

I beg to move:

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after line 31, *insert-*

"20 (A) The Tribunal may, after giving the applicant and the defendant an opportunity of being heard, pass such final order exempting full interest for payment by the defendant for realization of the principal amount by the applicant in case of the defendant established his business in the North Eastern States.

20(B) North Eastern States means the States of Assam, Meghalaya, Manipur, Mizoram, Nagaland, Arunachal Pradesh and Tripura." (1)

MR. SPEAKER: I shall now put the amendment No.1, moved by Shri A.F. Golam Osmani to the vote of the House.

The amendment No 1, was put and negatived.

MR. SPEAKER: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clauses 10 to 18 were added to the Bill.

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

MR. SPEAKER: The Minister may now move the motion to pass the Bill.

SHRI YASHWANT SINHA: I beg to move:

"That the Bill be passed."

MR. SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

20.45 hours

*The Lok Sabha then adjourned till Eleven of the Clock
on Tuesday, March 14, 2000/Phalguna 24, 1921 (Saka).*
