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12.05 hrs.

Title: Introduction of the Industrial Development Bank (Transfer of Undertaking and Repeal) Bill, 2002.

...(Interruptions)

MR. SPEAKER: Please sit down. I have not yet taken up 'Zero Hour'. The Minister is introducing the Bill.

...(Interruptions)

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): Sir, I beg to move for leave to introduce a Bill to provide for the transfer and vesting of the undertaking of the Industrial Development Bank of India to, and in, the Company to be formed and registered as a Company under the Companies Act, 1956 to carry on banking business and for matter connected therewith or incidental thereto and also to repeal the Industrial Development Bank of India Act, 1964.

MR. SPEAKER: Motion moved:

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

...(Interruptions)

MR. SPEAKER: Dr. Raghuvansh Prasad Singh is opposing the introduction of the Bill. Now, he will speak.

...(Interruptions)

SHRI SHIVRAJ V. PATIL (LATUR): Sir, I have a submission to make at the introduction stage itself...(Interruptions)

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अध्यक्ष महोदय : आप बैठ जाइये। अभी शून्यकाल शुरू नहीं हुआ है। शून्यकाल में आप अपना प्रश्न उठा सकते हैं। अभी इंट्रोडक्शन ऑफ बिल चल रहा है। श्री रघुवंश प्रसाद जी, आप बोलिये।

डॉ. रघुवंश प्रसाद सिंह (वैशाली) : अध्यक्ष जी, नियम 72 के अधीन हमने सूचना दी है कि माननीय वित्त मंत्री जी आईडीबीआई को खत्म करके, नयी कंपनी बनाकर, अपने दायित्व से मुक्त होना चाहते हैं और उससे संबंधित विधेयक को पुरःस्थापित करना चाहते हैं, जिसका हम घनघोर विरोध करते हैं। इंडस्ट्रीज को बढ़ाने के लिए और रीज़नल असंतुलन को दुरस्त करने के लिए आईडीबीआई काम कर रहा था लेकिन सरकार की गलत नीतियों के चलते उसके हालत खराब हो गयी। जब उसमें प्रावधान है कि एग्जीक्युटिव आर्डर से सरकार उसमें सुधार कर सकती है, तो आईडीबीआई को खत्म करने के लिए आप यह विधेयक क्यों लाना चाहते हैं। यह अनुचित है, अनियमित है। सरकार अपने दायित्व नयी कंपनी बनाकर शिफ्त करना चाहती है जबकि उसमें सुधार करने का प्रावधान है। सरकार सुधार न करके नयी कंपनी बनाकर आईडीबीआई को खत्म करना चाहती है। अगर आईडीबीआई खत्म हो जाएगा तो इंडस्ट्रियल डेवलपमेंट की जो परिकल्पना थी और प्रारम्भ में आईडीबीआई जो अच्छा काम कर रहा था तो आईडीबीआई को समाप्त क्यों किया जा रहा है। एनपीए बढ़ रहा है, सरकार उस पर काम नहीं कर रही है। अभी जो अर्ध-वार्षिक प्रतिवेदन आया है, उसमें देश की आर्थिक हालत चौपट हो रही है। ये जो आईडीबीआई को खत्म करने का विधेयक प्रस्तुत करना चाहते हैं उसको इंट्रोड्यूस करने की अनुमति न दी जाए। हम उसका घनघोर विरोध करने के लिए खड़े हुए हैं।

SHRI BASU DEB ACHARIA (BANKURA): Sir, I rise to oppose the introduction of the Industrial Development Bank (Transfer of Undertaking and Repeal) Bill, 2002.

The IDBI was set up with a view to provide long term fund at a cheaper rate to enable the public sector, joint sector and big industrial houses to undertake long term projects which have long gestation period to develop the infrastructure, as also the basic and heavy engineering industries in the core sector. It was also set up with a view to generate employment and to circumvent acute recessionary conditions prevailing in the country.

The IDBI was established in 1964 under the IDBI Act with a declared objective of achieving planned and balanced growth of industrialisation and for removing regional imbalances, and backwardness. The role of IDBI in fulfilling the assigned objectives had been lauded commendably in high offices of the Government and Parliament also.

There is no valid reason to repeal the Industrial Development Bank of India Act. Since its inception, it has been discharging its responsibilities for industrialisation in our country. I do not know why the Government is trying to introduce a Bill to repeal the IDBI Act, 1964. What is the purpose behind converting it into a commercial bank? The IDBI has different functions as compared to commercial banks.

If IDBI is corporatised and converted into a commercial bank, then the objects for which it was set up will not be fulfilled.

MR. SPEAKER: You have to be very brief.

SHRI BASU DEB ACHARIA : There is no valid reason for bringing such a proposal. We have a number of development financial institutions.

MR. SPEAKER: You know the rules very well. You have to be very brief.

SHRI BASU DEB ACHARIA : What is the necessity to repeal the IDBI Act? I feel that the existing IDBI Act should not be repealed. IDBI should continue as a development financial institution. I oppose the move of the Government and demand that the Finance Minister, who wants to introduce the Bill today, should withdraw his intention.

SHRI SHIVRAJ V. PATIL : I am not objecting to the legislative competence of this House to introduce this Bill. Financial institutions in India were created to see that the industry, agriculture, trade and other activities develop. The banks were created to help the people in many other respects. But, now we see that these financial institutions are taking the shape of banks. So, the funds which are available in these financial institutions will not be available for the development of industry and development of such other activities.

In this case, the Government is seeking to repeal the IDBI Act to create a company to which they want to hand over this financial institution. When the Government was having this institution with itself, it was not in a position to control the NPAs. Now that it is going to a private company, NPAs are likely to increase. So, my submission is that this Bill, as it has come before the House, should not be presented to the House for consideration and passing.

As the rules provide, it should be referred to the Standing Committee to be examined very carefully and after the report of the Standing Committee comes here, the Bill should be considered. As per the rules relating to the Standing Committees, every Bill which is presented to the House has to go to the Standing Committee, if it is not of technical nature. That is what was intended at the time of framing the rules. That is the kind of decision given by the Presiding Officers also. Therefore, my submission to you is that this Bill should be referred to the Standing Committee for careful examination and after its report is given, this Bill may come before the House.

...(Interruptions)

SHRI SHIVRAJ V. PATIL : My submission is that this Bill does not provide any remedy to do away with the ills with which the IDBI is suffering. It is handing over of IDBI to a company thinking that the company, a corporate body, would be in a position to do away with those ills. We do not accept this kind of a stand taken by the Government on remedying the ills with which the IDBI is suffering.

As far as referring this matter to the Standing Committee is concerned, I am one with the Minister that as soon as possible, the Bill should come back for consideration to the House with the Report of the Committee. The rules provide for it. At the time of framing the rules, it was the intention that not only the Bills which are of technical nature will go to the Standing Committee but Every Bill should go to the Standing Committee.

Rulings were also given from the Chair that all Bills will go to the Standing Committees. My submission is that it should be submitted to the Standing Committee. The hon. Minister has also accepted it. I agree with him that the Report should come back as soon as possible.

MR. SPEAKER: Please sit down. Let the Minister reply.

...(Interruptions)

MR. SPEAKER: Shri Ramdas Athawale, please sit down.

...(Interruptions)

SHRI BASU DEB ACHARIA : What is the need and necessity of introducing the Bill today? ...(Interruptions)

MR. SPEAKER: Shri Basu Deb Acharia, please sit down. You have a right to vote.

...(Interruptions)

अध्यक्ष महोदय: मैंने आपको यहां बोलने का मौका दिया और आपने अपने विचार सदन के सामने रख दिए, अभी मंत्री जी उत्तर देंगे। शायद आपकी समस्या का समाधान हो जाए और आप भी इसका समर्थन करें।

SHRI JASWANT SINGH : There are broadly three issues involved here. The first objection raised by the hon. Members is to the introduction of a piece of legislation. In this case it happens to be seeking leave of the House to introduce the IDBI (Transfer of Undertaking and Repeal) Bill, 2002. The second objection raised by both Shri Shivraj V. Patil and also Shri Basu Deb Acharia relates to development financial institution. The third relates to a proposal about referring the Bill to the Standing Committee. Very briefly, I will deal with each of these three issues.

It is an established practice, and I know that Shri Shivraj Patil knows it very well that at the stage of seeking permission to introduce a Bill, the only ground on which permission can be denied is the legislative competence of the House. This is a well-established rule and we are all aware of this. No legislative competence of the Lok Sabha is being challenged in regard to this Bill.

I believe that the other aspects of the objections raised are issues of merits and subject concerned. They can and should be discussed. Indeed, the views of all the hon. Members are taken into account. But the question of legislative competence does not simply arise. Therefore, it would be my request to the Chair to set aside that issue.

On the question of the larger issue of development finance and the need for development finance, we had an occasion to discuss this briefly. I am ready to discuss it at some length. The ills of IDBI are not of today's making. They have not occurred suddenly. I do not wish to go into a detailed analysis on why and how the Non-Performing Assets have come up, and with whom and on whom the initiative of the NPAs of IDBI have come into existence. But if this issue is not addressed, if the ills of IDBI are not corrected, then I have to share with the House that in fact, we would be causing grievous injury to an institution and any hope of its further retrieval will be set aside. That is why, we have brought about the proposal that we have.

The third issue is regarding referring it to the Standing Committee. I am guided by the will of the House. If you wish to refer it to the Standing Committee, do refer it. But I have a request to make here regarding reference to a Standing Committee in a matter like the IDBI. I would urge the House that everyday's delay in the reorganisation of the IDBI will cause very serious harm to the future prospects of the restoration of lasting health to the IDBI. By all means, refer it to the Standing Committee with a request to you that the Standing Committee be directed to submit its recommendations and report to the Parliament on the first day of the next Session. If that is done, there is no difficulty because it is our experience that Standing Committees have sometimes – I am sure for very good reasons – taken upto two years to consider matters dealing with finances of the country. That is the only request that I make to the House. I urge the House to grant its permission for admitting this Bill. Certainly, you may refer it to the Standing Committee. The Government would be guided by the wisdom of the Standing Committee. But it may be referred with the request that the Standing Committee returns the Bill with its recommendations on the very first day of the next Session. In this period, I will somehow manage.

The next aspect is about development finance. This is an aspect which we can discuss when the Bill would be taken up for consideration.

डॉ. रघुवंश प्रसाद सिंह : अध्यक्ष महोदय, इसके इंट्रोडक्शन पर ही हम इसके विरोध में खड़े हैं, यह स्टैंडिंग कमेटी में बाद में जायेगा। आप इस पर वोटिंग कराइये, तभी तय हो पायेगा। (व्यवधान)

SHRI JASWANT SINGH: I must correct this misimpression. ...(*Interruptions*) IDBI is not being handed over to a private company. It is being converted into a corporate body. ...(*Interruptions*)

SHRI BASU DEB ACHARIA : This is the first step towards privatisation. We are not convinced as to why IDBI is now being handed over to a company. What is the need and necessity? ...(*Interruptions*)

MR. SPEAKER: No questions and answers please.

...(*Interruptions*)

SHRI JASWANT SINGH: Please permit me to have my say. (Interruptions)

SHRI BASU DEB ACHARIA : Why is it being corporatised? What is the need and necessity? ...(*Interruptions*)

MR. SPEAKER: Shri Basu Deb Acharia, let the hon. Minister make his submission. How can you stop him?

...(*Interruptions*)

SHRI JASWANT SINGH: IDBI is not being privatised. It is being corporatised. We are converting it into a Corporation. ...(*Interruptions*)

SHRI BASU DEB ACHARIA : Why?

SHRI JASWANT SINGH: It can be explained when the Bill is taken up for consideration. So far, it is being corporatised. The method for revival of IDBI has been prepared after detailed discussion, including with the RBI, and whatever we have come forward with is a fully flushed out scheme. If we do not take corrective action ...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : What is the corrective action provided in this Bill? There is no corrective action. ...*(Interruptions)*

SHRI JASWANT SINGH: I will share the corrective action with the hon. Members. If the Bill is not taken up for consideration at the stage of introduction, you cannot say that there is no corrective action. This is a Bill to be introduced. Certainly at the stage of consideration, you can say that this is not sufficiently corrective and this is what needs to be done. At the stage of introduction, to say what is the corrective action, is, in fact, is not correct to say. You cannot say that. I urge the House to please recognise one thing that it is still possible for us to restore IDBI to full health. Delays will cause damage. That is the only appeal I am making to the House. By all means refer it to the Standing Committee. But for reference to the Standing Committee, again you have to have the permission to admit it in the House. ...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : No, it is not required.

SHRI JASWANT SINGH: Sir, I request that you grant permission for admitting it in the House. Thereafter, certainly refer it to the Standing Committee. But I request you that for any reference to the Standing Committee, please require that it will be returned on the first day of the next Session. ...*(Interruptions)*

श्री रामजीलाल सुमन : अध्यक्ष महोदय, मैं बोलना चाहता हूँ।

अध्यक्ष महोदय : क्या आप इसी विषय पर बोलना चाहते हैं। यदि नहीं, तो अभी नहीं बोल सकते।

SHRI BASU DEB ACHARIA : I have gone through the Bill. There is nothing in the Bill which suggests corrective action. ...*(Interruptions)*

MR. SPEAKER: Shri Basu Deb Acharia, I cannot permit you to speak three times in the House on the same subject.

...*(Interruptions)*

SHRI BASU DEB ACHARIA : Why is IDBI Act being repealed? ...*(Interruptions)*

MR. SPEAKER: Valid points have been made by hon. Members. The hon. Minister has also tried to satisfy the Members. I agree with Shri Shivraj Patil that normally all such Bills are sent to the Standing Committee. Fortunately, the Minister has also agreed that the Bill will go to the Standing Committee. The hon. Minister wants that the Report should be submitted on a particular day. I personally feel that such condition cannot be put. As Shri Shivraj Patil stated, we can say that it should be submitted as early as possible to the House. So, the purpose will be served.

Therefore, now, the introduction of the Bill can be done. Then, it can be sent to the Standing Committee. I cannot go away from my predecessors in giving this ruling. Now, I have to proceed with the voting on introduction of the Bill.

The question is:

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

I think the 'Ayes' have it.

...(Interruptions)

SHRI BASU DEB ACHARIA : 'Noes' have it. We want division. ...(Interruptions)

MR. SPEAKER: Hon. Members, please sit down.

...(Interruptions)

SHRI BASU DEB ACHARIA : Sir, tomorrow, all the employees of the IDBI will go on strike against the introduction of this Bill....(Interruptions)

MR. SPEAKER: Hon. Members, are you asking for a Division?

SEVERAL HON. MEMBERS: Yes.

MR. SPEAKER: Let the Lobbies be cleared--

MR. SPEAKER: Now the Lobbies have been cleared.

Hon. Members, please occupy your seats. I would request the Secretary-General to read out the instructions for the convenience of Members.

SECRETARY-GENERAL: Kind attention of the hon. Members is invited to the following points in the operation of the Automatic Vote Recording system:

1. Before a division starts, every hon. Member should occupy his or her own seat and operate the system from that seat only.
2. As may kindly be seen, the "red bulbs above display boards" on either side of the hon. Speaker's Chair are already glowing. This means the voting system has been activated.
3. For voting, please press the following two buttons simultaneously immediately after sounding of first gong, viz,
 - i. One "red" button in front of the hon. Member on the head phone plate and

also

- ii. Any one of the following buttons fixed on the top of the desk of seats:

Ayes - Green colour

Noes - Red colour

Abstain - Yellow colour

1. It is essential to keep both the buttons pressed till the second gong sound is heard and the red bulbs are "off".

Important: The hon. Members may please note that the vote will not be registered if both the buttons are not kept pressed simultaneously till the sounding of the second gong.

2. Please do not press the amber button (P) during division.
3. Hon. Members can actually "see" their vote on display boards and on their desk unit. In case vote is not registered, they may call for voting through slips.

MR. SPEAKER: The question is:

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

The Lok Sabha divided:

DIVISION NO. 4 12.35 hrs.

AYES

A. Narendra, Shri

Acharya, Shri Prasanna

Alvi, Shri Rashid

Argal, Shri Ashok

Azad, Shri Kirti Jha

Bandyopadhyay, Shri Sudip

Bose, Shrimati Krishna

Brahmanaiyah, Shri A.

C. Suguna Kumari, Dr. (Shrimati)

Chandra Shekhar, Shri

Chaubey, Shri Lal Muni

*Chaudhary, Shri Ram Tahal

Choudhry, Shri Padam Sen

Chouhan, Shri Shivraj Singh

Daggubati, Shri Ramanaidu

Deo, Shri Bikram Keshari

*Diler, Shri Kishan Lal

Diwathe, Shri Namdeo Harbaji

Gadde, Shri Ram Mohan

Gautam, Shrimati Sheela

*Recorded through Slip

Geete, Shri Anant Gangaram

Gehlot, Shri Thawar Chand

Giluwa, Shri Laxman
Gudhe, Shri Anant
Jagannath, Dr. Manda
Jayaseelan, Dr.A.D.K.
Jigajinagi, Shri Ramesh C.
Kamble, Shri Shivaji Vithalrao
Kaswan, Shri Ram Singh
Khaire, Shri Chandrakant
Khan, Shri Mansoor Ali
Khandelwal, Shri Vijay Kumar
Khandoker, Shri Akbor Ali
Krishnan, Dr. C.
Krishnaswamy, Shri A.
Kumar, Shri V. Dhananjaya
Kuppusami, Shri C.
M.Master Mathan, Shri
Mahajan, Shri Y.G.
Mahtab, Shri Bhartruhari
Majhi, Shri Parsuram
Malhotra, Dr. Vijay Kumar
Mallikarjunappa, Shri G.
*Mane, Shri Shivaji
Manjhi, Shri Ramjee
Murmu, Shri Salkhan
*Naik, Shri Ali Mohd.
Nayak, Shri Ananta
Palanimanickam, Shri S.S.
Pandeya, Dr. Laxminarayan
Panja, Dr. Ranjit Kumar
Panja, Shri Ajit Kumar
Parste, Shri Dalpat Singh
Pasi, Shri Suresh
Passi, Shri Raj Narain
Paswan, Dr. Sanjay
Patel, Shri Prahlad Singh
Patil (Yatnal), Shri Basangouda R.
Patil, Shri Jaysingrao Gaikwad
Pawaiya, Shri Jaibhan Singh
Ponnuswamy, Shri E.

Radhakrishnan, Shri C.P.

Ramaiah, Dr. B.B.

Rao, Shri S.B.P.B.K. Satyanarayana

Reddy, Shri B.V.N.

*Recorded through Slip

*Reddy , Shri Chada Suresh

Sahu, Shri Anadi

Sahu, Shri Tarachand

Samantray, Shri Prabhat

Sengupta, Dr.Nitish

Sethi, Shri Arjun Charan

Singh, Shri Brij Bhushan Sharan

Singh, Shri Ramanand

Singh, Shri Rampal

Somaiya, Shri Kirit

Srikantappa, Shri D.C.

Swami, Shri Chinmayanand

Thomas, Shri P.C.

Tomar, Dr. Ramesh Chand

Venkataswamy, Dr. N.

Venkateshwarlu, Shri B.

Venugopal, Shri D.

Verma, Shri Rajesh

Vetriselvan, Shri V.

Vijaya Kumari, Shrimati D.M.

Vijayan, Shri A.K.S.

* Recorded through slip

Virendra Kumar, Shri

Vukkala, Dr. Rajeswaramma

Yadav, Dr.(Shrimati) Sudha

Yadav, Shri Dinesh Chandra

Yerrannaidu, Shri K.

NOES

Abdullakutty, Shri A.P.

Acharia, Shri Basu Deb

Ajaya Kumar, Shri S.

Athawale, Shri Ramdas

Banatwalla, Shri G.M

Bangarappa, Shri S.

Bansal, Shri Pawan Kumar

Basavaraj, Shri G.S.

Baxla, Shri Joachim

Bhatia, Shri R.L.

Bhaura, Shri Bhan Singh

Bind, Shri Ram Rati

Botcha, Shri Satyanarayana

Brar, Shri J.S.

Chakraborty, Shri Ajoy

Chakraborty, Shri Swadesh

Chatterjee, Shri Somnath

Chennithala, Shri Ramesh

Chowdhary, Shrimati Santosh

Chowdhury, Shrimati Renuka

Deepak Kumar, Shri

Dome, Dr. Ram Chandra

Dullo, Shri Shamsher Singh

Galib, Shri G.S.

George, Shri K. Francis

Ghatowar, Shri Paban Singh

Gowda, Shri G.Putta Swamy

Hamid, Shri Abdul

Handique, Shri Bijoy

Hassan, Shri Moinul

Jos, Shri A.C.

Kaur, Shrimati Preneet

Khan, Shri Sunil

Krishnadas, Shri N.N.

Kurup, Shri Suresh

Lahiri, Shri Samik

Lepcha, Shri S.P.
Mandal, Shri Sanat Kumar
Mane, Shrimati Nivedita
Meena, Shri Bherulal
Mohan, Shri P.
Mollah, Shri Hannan
Muniyappa, Shri K.H.
Muraleedharan, Shri K.
Muttemwar, Shri Vilas
Pal, Shri Rupchand
Panda, Shri Prabodh
Paswan, Shri Ram Vilas
Patil, Shri R.S.
Patil, Shri Shivraj V.
Pramanik, Prof. R.R.
Puglia, Shri Naresh
Radhakrishnan, Shri Varkala
Rajendran, Shri P.
Rau, Shrimati Prabha
Reddy, Shri S. Jaipal
Roy Pradhan, Shri Amar
Sanadi, Prof. I.G.
*Sangtam, Shri K.A.
Sar, Shri Nikhilananda
Saradgi, Shri Iqbal Ahmed
Sayeed, Shri P.M.
Sen, Shrimati Minati
Shukla, Shri Shyamacharan
Singh, Dr. Raghuvansh Prasad
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Singh, Kunwar Akhilesh
Singh, Shri Balbir
Singh, Shri Chandra Bhushan
Singh, Shri Charanjit
Singh, Shri Rajo
Singh, Shrimati Kanti
*Singh, Shrimati Shyama
Sivakumar, Shri V.S.

Sorake, Shri Vinay Kumar

Sudarsana Natchiappan, Shri E.M.

Suman, Shri Ramji Lal

*Suresh, Shri Kodikunnil

Tiwari, Shri Sunder Lal

Topdar, Shri Tarit Baran

Verma, Shri Ram Murti Singh

Wangcha, Shri Rajkumar

Yadav, Shri Devendra Singh

Zahedi, Shri Mahboob

*Recorded through Slip

MR. SPEAKER: Now, the result. All your anxieties will be over within a minute. The result is like this. Shall I go ahead?

SEVERAL HON. MEMBERS: Yes.

MR. SPEAKER: The result of the division is :

Ayes : 91

Noes : 84*

MR. SPEAKER: The Minister may now introduce the Bill.

SHRI JASWANT SINGH: Sir, I introduce** the Bill.

*Noes :84 – Shri Jyotiraditya M. Scindia = 83

** Introduced with the recommendation of the President.

...(Interruptions)

MR. SPEAKER: Please sit down. There is a very short time for the 'Zero Hour' now. I would request all of you to co-operate so that we can take up maximum number of matters in the 'Zero Hour'. Let us take up the matters one by one.

I allow Shri Jaipal Reddy to raise his matter first because I have already promised him.

...(Interruptions)

SHRIMATI RENUKA CHOWDHURY (KHAMMAM): Sir, I have also given a notice on the same issue.
...(Interruptions)

MR. SPEAKER: You will be associating with him.