

Title: Need to amend Finance Act 23/97 to strengthen rural and urban economy.

DR. SAROJA V. (RASIPURAM): Mr. Chairman, Sir, I request the Government of India and the Finance Minister to reconsider the Finance Act 23/97.

People who are engaged in petty trades, middle class businessmen, farmers, small transport operators like to take advances as their needs are not met by either nationalised or scheduled banks. Their need is being fulfilled by the financial companies and these companies take deposits from those people who have faith in these companies.

Suddenly, as a bolt from the blue, Ordinance 2/97 was promulgated and Act 23/97 has now replaced it. The very existence of the financiers has been struck at the bottom and both the depositors as well as the borrowers have been hit. In fact, the whole economy of these people has been hit and we can see a number of people having become insolvents or have even committed suicide. Many people have lost their employment.

Even from the legal aspect, the Act may not stand the scrutiny by the court as the Act violates the provisions of the Indian Constitution.