

(viii) Need to provide more financial assistance to the Government of Bihar for repairs and construction of Roads in Bhojpur and Buxar districts.

SHRI TEJ NARAYAN SINGH
(Buxar): Mr. Speaker, Sir, all the roads of Buxar and Bhojpur districts are in a deplorable condition. These roads are sure to get blocked in the monsoon season. The roads likely to get blocked are: Vidiyon Chaurasta to Jagdishpur Peero, Brahmpur to Baghen, Shahpur to Kamamepur Buxar, Iradi-Dinara, Buxar Sesurendha Dumraon, Basdeva to Kesath, Nava Nagar to Sikrail Lakh, Silraul Lakh to Unmas, Sonpa to Khiri, Devariya to Itawa. The people of Buxar and Bhojpur districts will have to face great hardships due to blockage of these roads. It is difficult to reach a place like Patna to get proper treatment in the event of falling sick. The Bihar Government lacks funds to repair these roads.

I, therefore, urge upon the Union Government to provide an amount of Rs. 10 crore to the Bihar Government to get the said roads repaired.

(ix) Need to remove anomalies existing in one time increase in pension.

PROF. PREM DHUMAL (Hamirpur): Mr. Speaker, Sir, the Union Government has announced a one time increase in pension as a result of a protracted struggle by ex-servicemen, though they were demanding one-rank, one-pension.

But many anomalies exist even in this increase in pension. About 12 categories have not benefited from it. In addition, the Ministry of Defence had constituted a Committee which was required to submit its report to the Government by December, 1992. The report is yet to be submitted and this is causing resentment among ex-

servicemen.

The Central Government is, therefore, requested to provide justice to ex-servicemen by removing the anomalies existing in one-time increase in pension.

13.06 hrs

*The Lok Sabha Tehn Adjourned for Lunch
Till ten Minutes past Fourteen of the
Clock*

[*English*]

*The Lok Sabha Re Assembled After Lunch
at Seventeen Minutes past fourteen of the
clock*

(MR. DEPUTY-SPEAKER in the Chair)

STATUTORY RESOLUTION RE:
DISAPPROVAL OF RECOVERY OF
DEBTS DUE TO BANKS AND FINANCIAL
INSTITUTIONS ORDINANCE.

AND

RECOVERY OF DEBTS DUE TO BANKS
AND FINANCIAL INSTITUTIONS BILL
CONTD.

MR. DEPUTY-SPEAKER: Shri Sudhir Giri can continue his speech.

SHRI SUDHIR GIRI (Contai): Mr. Deputy-Speaker, Sir, I have already made my introductory remarks and I shall not take much time because there is one Member of my Party, who will also participate in the debate.

What I want to say is.....(*Interruptions*)

SHRI GEORGE FERNANDES
(Muzaffarpur): Mr. Deputy-Speaker, Sir, under Rule 109, I seek your permission to have an

adjournment of this debate.

[Translation]

Mr. Deputy Speaker, Sir, my objection is that Ministry wise standing Committees consisting of Members of parliament were constituted in the last session. Although all these Committees are important Committees, the Standing Finance Committee is more imkportant in the sense that all the financial matters of the country are expected to be decided by it.

Mr. Deputy Speaker, Sir, I want to draw your attention to rule 331E, of those rules which had been amended at that time:

[English]

I quote 331E:

"(1) The functions of each of the Standing Committees shall be—

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- (a) to consider the Demands for Grants.....
- (b) to examine such Bills pertaining to the concerned Ministries/ Departments as are referred to the Committee by the Chairman, Rajya Sabha or the Speaker, as the case may be, and make reports thereon;"

[Translation]

I believe that whatever is to be done by the Committee specially regarding Bills should be introduced before the Committee by the Chairman of the Rajya Sabha or the Speaker of this House. Three Bills have been listed on today's agenda for discussion. One Bill is under discussion and the discussion on the rest of the Bills is yet to start. One, Recovery of Debts Due to Banks and Financial Institutions, 1993 of 24th June, 1993 was introduced as a Bill on behalf of the Finance Minister. Second, Conservation of

Foreign Exchange and prevention of Smuggling Activities (Amendment) Ordinance, 1993 was promulgated as ordinance on 25 June, 1993 and third, Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Ordinance, 1993 was promulgated by the President on 2nd July, 1993. Two Bills out of these belong directly to the Ministry of Finance and the Third belongs to the Ministry of petroleum and Natural Gas.

My request to you is that the debate, which has just been initiated here, be postponed under Rule 109 and both these Bills, relating to the Ministry of Finance, be sent to the Standing Finance Committee for its consideration. And the Bill relating to Oil and Natural Gas Commission may be referred to the Minister of Petroleum and Natural Gas because many basic and important issues are involved with these two Bills. Firstly, loans are to be paid back to the Banks and financial institutions; the question is how to recover it. It is difficult to discuss the names of those persons who have yet to pay back their loans. You will be surprised to know that the maximum amount of loans in India is outstanding against the capitalists. When the loans outstanding against the farmers were waived, the capitalists and newspapers and raised a storm and others too did it to gain political ends but everyone forgot that maximum amount is due from the capitalists. If it is necessary to mention all such things during the debate on the Bill, and I think it is necessary, then it becomes imperative to refer the Bill to the Finance Committee so that it may submit a small report befofe the House after knowing the views of the concerned officials and getting all information. We want to have a proper discussion on it to get to the root of all problems and be able to take a decision. Same is the case with Conservation of Foreign Exchange and prevention of Smuggling Activities Ordinance. I am of the view that our Government has become an official launderer of black money

[Sh. George Fernandes]

for the last two years and smuggling and other such activities are being encouraged by it. Today we are bringing a Bill in the House to save foreign exchange, to check smuggling whereas the Government is offering incentives to and everybody is given full freedom to bring gold from other countries. It amounts to open smuggling. All these matters are not only related to the economic matters of the country but are related to security of the nation as well. So, it becomes imperative that both the Bills be referred to the Standing Finance Committee which should be asked to sumit its report within three days i.e. by next Monday. The Committee should be directed to immediately provide all information. In the meantime, this debate should be postponed under Rule 109. Otherwise the very purpose of the formation of these standing Committees will be lost. In such a situation, they will while away their time by reading last year's reports and by making frequent visits to Delhi on Government expenses. They will just remain as advisory Committees and that will be a joke with this House and the country. I request once again that the discussion may be postponed under Rule 109.

[English])

AN HON. MEMBER: Every Bill need not be referred to Committees. (*Interruptions*).

PROF. SUSANTA CHAKRABORTY (HOWRAH): I am also a Member of the Standing Committee on Finance. In the Committee meeting itself we raised this point. The Committee System which has been introduced, has been introduced with a view to just discuss the problems in a greater detail and to come out with a conclusion based on in depth reading and to come out with a conclusion which may or may not suit others, but surely this is a constructive view on the problem including the Bill. Now, Sir,

the points have been expressed very clearly by Mr. George Fernandes. These two Bills, one on debt recovery and formation of the tribunals and the other on the conservation of foreign exchange, should have been sent to the Standing Committee on Finance and should have been discussed there, but because that has not been done, I would request you to see that the importance that has been attached to the Standing Committee is honoured and we are not deprived of the rights that have been given to us by this august body.

SHRI CHETAN P.S. CHAUHAN (Amroha): Mr. Deputy-Speaker, Sir, the matter which has been raised by my colleague Shri George Fernandes is very pertinent.

Sir, I am also one of the Members of the Standing Committee on Finance and when these Standing Committees were formed, the basic idea was that the time of the House could be saved, Bills and other matters could be discussed in the Standing Committee because the Standing Committee is not a Committee of the Opposition, the Standing Committee has Members from the Ruling party and all other parties and if these matters are not presented to the Standing Committee, I think the entire purpose of forming these Standing Committees will be defeated. I suggest and I agree with Shri George Fernandes and other colleagues that this Bill should be referred to the Standing Committee, we can meet at very short notice and within one or two Meetings, we will be able to discuss it, come to a consensus and then the Bill may be presented in the House.

SHRI UMRAO SINGH (Jalandhar): Well, Sir, I would like to say that when a Bill is introduced in the House, there are procedures laid down in the Rules of procedure and Conduct of Business. After the Bill is introduced, either this can be taken into consideration at once or it can be referred to the Select Committee or a joint Select

117 *Re. Disapproval
of Recovery*

SRAVANA 14, 1915 (SAKA)

of Debts to Banks 418
Financial Institutions

Committee or it can be referred for eliciting public opinion. There is no other way than what is given in the Rules of procedure, and referring this Bill after introduction in the House to the Standing Committee is against the rules.....(*Interruptions*). This point can be raised before introduction. But once it is introduced in the House, I do not think it can be referred to a Standing Committee. (*Interruptions*).

SHRI ANIL BASU (Arambagh): Sir, there is a clear direction from the Chair that the Bill before it is considered in the House can be sent to the Select Committee. (*Interruptions*).

SHRI GEORGE FERNANDES: Sir, I draw your attention to Rule 109 because the hon. Member has made a point that there is no rule which enable a Bill to be referred to a Committee other than the Select Committee or whatever other things that are listed. Rule 109 is precisely to take care of that problem and it says:

"At any stage of a Bill which is under discussion in the House, a motion that the debate on the Bill be adjourned may be moved with the consent of the Speaker."

You should have gone through this. I cited it three or four times. It is for the adjournment of the debate so that the Bill can go to the Committee and then come back to the House. (*Interruptions*) The Bill only goes to the Standing Committee and then it will come back to the House (*Interruptions*).

SHRI SUDHIR SAWANT (Rajpur): Mr. Deputy Speaker, Sir, the hon. Member's point is that the Bill requires detailed discussion and it has to go to the Standing Committee. But, this is not the case with every Bill that is presented to the House. This Bill has been a law for so many years and it is only asking for an extension of the

law for two years. In this case, the importance of the law has been clearly identified. So, I do not think that such a Bill should have the requirement of being referred to the Standing Committee. I would request that, at least for this purpose, the Bill on the Conservation of Foreign Exchange may not be referred to the Standing Committee and may be taken up immediately for discussion in the House, because its ratification and extension of time is of immense importance for the national security of the country.

SHRI GEORGE FERNANDES: For that purpose the Ordinance is there already and it will take care of it. You do not have to worry about it. But there are various aspects of it which the Standing Committee on Finance must examine.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Deputy Speaker, Sir, of course, our parliamentary system has entered a new phase with the introduction of the Standing Committee system. It is very clear in the rules as to which are the Bills that could be referred to the Select Committee. Under his discretion, the Speaker has to refer the Bills as he thinks proper to the Standing Committee for a detailed examination and the Committee would submit its report to the House. But, I would suggest that in the Business Advisory Committee it could be discussed as to which are the Bills that have to be referred to the Standing Committee. The time allocation is done by the Business Advisory Committee. At that stage, it could be discussed as to which of the bills could be referred to the Standing Committee and after that, the presentation should be made so that there is no controversy over this on the floor of the House about reference of such Bills to the Standing Committee. Since it has already been introduced and the discussion had started and also because of the urgent nature of the Bill, it could be transacted on the floor of the House. And for further reference of the bills, this procedure could be adopted.

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY (DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT) AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Deputy Speaker, Sir, firstly, I think, it is my duty to bring to the notice of the House that this issue of referring the Bills to the Standing Committees was discussed in depth even in the Rules Committee and was also discussed in this House when the rules were being adopted. Specifically, the rule that deals with the reference for the purpose is, Rule 331 (E) where under 311(E)(b) the Standing Committee will examine such Bills pertaining to the concerned Ministries/Departments which are referred to the Committee by the Chairman, Rajya Sabha or the Speaker, as the case may be.

Now, on this issue of reference of bills, the hon. Speaker has been pleased to refer 13 Bills, namely, The Constitution (Seventy-seventh Amendment) Bill, 1992, The Public Debt (Amendment) Bill, 1991, The National Commission for Safai Karamcharis Bill, 1993, the Human Rights Commissions Bill, 1993, The Governors (Emoluments, Allowances and Privileges) Amendment Bill, 1992, The Inland Waterways Authority of India (Amendment) Bill, 1992, The Supreme Cout Judges (Conditions of Service) Amendment Bill, 1991, The Rubber (Amendment) Bill, 1992, The Air Corporations (Transfer of Undertakings and Repeal) Bill, 1992, The National Environment Tribunal Bill, 1992, The High Court and Supreme Court Judges (Conditions of Service) Amendment Bill, 1992, The Census (Amendment) bill, 1992 and The Trade Marks Bill, 1993.

Sir, the most important point, to point out, is that in the business Advisory Committee this matter had come up.

Normally what takes place in the B.A.C., in detail we do not go. But to this extent, I think, it is permissible, considering the matter that has been raised.

The issue of reference of Bills has come up in the BAC and the Speaker had discussed with the members of the BAC as well as leaders of the Parties present. It was consciously felt, in the case of ordinances, since ordinances lapse according to the Constitution, if they are not adopted by both the Houses, after both the Houses sit, within a particular period, which hon. Shri George Fernandes, my trade-union colleague is aware of; the Bills replacing the ordinances need not be referred to the standing committees. (*Interruptions.*) The most important point is, these Bills are on the list of business for quite some time. If the hon. Member has really felt so strongly that these Bills need to be referred to the standing committees, he could have either approached the Speaker or his party leader or at least if he wanted to move a motion under rule 109, he could have approached the Speaker for the consent of the Speaker. Having done none of the three options, and suddenly deciding to raise it abruptly at this point of time and then to request that this motion should be moved, I think, is little unfair.

SHRI GEORGE FERNANDES: I am exercising the third option. I do not have to go to the Speaker. At any stage, when the Bills under discussion.....

SHRI RANGARAJAN KUMARA-MANGALAM: It is with the consent of the Speaker.

SHRI GEORGE FERNANDES: The Speaker means, at this time, Mr. Deputy Speaker.

SHRI RANGARAJAN KUMARA-MANGALAM: The Chair can never be the Speaker. the Chair is different; the Speaker

is different under the rules. I do not think, we have to go into this exercise.

SHRI GEORGE FERNANDES: That means, whenever the Bill is under consideration and the motion is to be moved, the Speaker should always be present! This rule allows me at any stage of the bill which is under discussion in the House to move the motion that the debate on the Bill be adjourned. I am exercising my right under this rule.

SHRI RANGARAJAN KUMARAMANGALAM: I do not think, it is me whom you should ask this question. You know the situation. The Speaker is always approachable. You can always go to the hon. Speaker.

SHRI GEORE FERNANDES: I can understand your sentiments, But I cannot understand your interpretation.

SHRI RANGARAJAN KUMARAMANGALAM: But you cannot do it without the consent of the Speaker nor have you moved the motion. nor have you moved the motion.

SHRI GEORGE FERNANDES: Then this rule has to be amended because it says even while the Bill is under discussion, the motion can be moved. Otherwise, this does not make any sense.

SHRI RANGARAJAN KUMARAMANGALAM: Even while the Bill is under discussion, you can go and get the consent of the Speaker and move the motion. You have not done that.

SHRI GEORGE FERNANDES: The Bill is now under discussion. I can get it. I am exercising my right and not option under this rule.

SHRI RANGARAJAN KUMARAMANGALAM: I am sorry, Sir. I think, the

misfortune is, the rule is still not understood. I totally agree with my friend about, "at any stage of the Bill which is under discussion", which is correct. But the motion that the debate on the Bill be adjourned may be moved only with the consent of the Speaker. It is a motion, a proper motion, not just standing up and voicing a view. There is a clause "with the consent of the Speaker". He can always obtain the consent of the Speaker. I am sure, the Speaker will be pleased to meet him at any time. He does meet Mr. George Fernandes whenever he comes.

But the issue now is, there is no motion within the meaning of rule 109 before this House. That is the first question.

The second question is, as a matter of issue, this was paid attention to, that is, the issue of ordinance being referred to standing committees and it was felt, there is enough work before the standing committees, at the moment. These ordinances will lapse after a particular period of time, if the House is not able to address those ordinances. Therefore, it may be taken up directly in the Hosue, instead of going to the standing committee, coming back with the report and then, being moved in the House. There is a clear situation.

Therefore, I request the House to continue with the discussion on the Bill.

SHRI GEORGE FERNANDES: Now the Committee can given its report within three days.

SHRI RANGARAJAN KUMARAMANGALAM: The Bill is under discussion. There is no motion in the House. Sir, the discussion can continue.

MR. DEPUTY-SPEAKER: The objection raised by Shri George Fernandes is, under rule 109, at any stage of the Bill which is under discussion in the House, a motion that the debate on the Bill be adjourned may be

moved with the consent of the Speaker.

Here, in this case, the motion for adjournment of debate can be moved only with the consent of the Speaker.

The motion for adjournment of the debate can be only with the consent of the Hon. Speaker. the Hon. Speaker has not given his consent.

(*Interruptions*)

MR. DEPUTY SPEAKER: The Hon. Speaker or the Deputy Speaker has not given his consent. This is number one.

SHRIGEORGE FERNANDES: But now the Deputy Speaker is exercising his authority.

MR. DEPUTY SPEAKER: Number two the bill shall have to replace the Ordinance (5 which expires on 5.-9-93.

Number three is the matter has come up for discussion in the Business Advisory Committee and there the opportunity is being harnessed.

Further, I rule out the relevant objection raised by Shri George Fernandes in Rule 109.

Now can proceed with the discussion.

Anyhow, such things are very very important. It makes the whole House alert and compel everyone to go through the rules.

SHRI SRIBALLAV PANIGRAHI: Shri George Fernandes knows how to pull the chain and stop the train from moving. He has done it for half-an-hour with regard to the House.

MR. DEPUTY SPEAKER: But anyhow

it is highly educative one.

SHRI SUDHIR GIRI: It is a fact that the good performance of banks depends upon some factors. The factors are the rate of deposit growth, the rate of recovery, profitability, customer service, implementation of the priority sector and internal control.

One of these factors is the recovery of loan. For this purpose, Narasimham Committee and Tiwari Committee have made recommendations. Narasimham Committee held that:

"For efficient running of the banks and banking institutions, competitive efficiency must be there. Profitability and operational securities should be availed of."

While making such recommendations, the Narasimham committee forgot the socialistic role of the banks. The bank has to play a great role in so far as the maximum number of the people in the society are involved. Without going into the details of that aspect, they have made certain recommendations.

It is a fact that recovery faces a great difficulty. But we have to note that 1.5 lakh cases are there. Those cases relate to recovery of bad debts. These are pending and when the tribunals will be constituted, those 1.5 lakh cases could be transferred to the tribunal. The tribunal will be of two types, Debt Recovery Tribunal and Debt Recovery Appellate Tribunal. The functioning of the tribunal has been mentioned in the bill itself. I am not going into detail into that. But debt has been defined as:

"Any liability owed by any party to the banks of financial institution for any business activity."

This is very right. The definition covers wide spectrum. I think the tribunal should make an attempt to specify the definition of debt.

However, because of the fact that a good number of cases will be transferred to the tribunal, there should be a number of tribunals among which this load of work should be distributed equally.

In the Bill, there is no mention about the claims and counter-claims objections. When counter-claims are made in the civil court, the civil court has the authority to take back the cases from the tribunal and adjudicate itself. So, there should be a provision. I think, in the course of the functioning of the tribunals, such procedures would be evolved.

Mention has not been made as regards the Receiver. There may be requirements of the Receiver when the case is pending. In such cases, the provision for a Receiver pending litigation should be there. Mention has also not been made about other interests. Suppose one debtor has successfully defeated the counter-claims. So, in such cases, if, on the property mortgaged, there remains interests of other persons, then those interests would be overlooked. But the Bill and the tribunal should also see to it that such interests are not disregarded.

It has also not been mentioned in the Bill whether the interest should be awarded for the interim period. That should also be mentioned.

Before concluding, I would like to say that there are people who are living below the poverty line. They have taken loans under IRDP, DRDA, SESRU etc. Through our practical experience, we have seen that some banks have misappropriated amounts of the money which were

due to be given to such people and only a part of the actual loan sanctioned has been given to the loanee. So, I emphatically impress upon the Government that in future when the tribunal would be formed and its activities would start, people who are going to man the tribunal should bear in mind that such loans are given to the people who are living below the poverty line and in such cases, the realisation procedures should not be devoid of humanitarian approach; it should not be divorced from the prevailing socio-economic perspective.

I will conclude within one minute. Bad and doubtful debts have been given to the people by the banks. Care should be taken with the help of the Panchayat bodies to see whether those people are actually entitled to get the debt relief. If not, that should not be sanctioned at all. I think where there are Panchayat bodies in the States and where the loans have been given to the people through the Panchayat bodies in the form of DRDP, DRDA, SESRU etc. that has proved good. But in other cases where there are no Panchayat bodies in States, the loans given to the people have remained unrealised. I think the Government would take all the proper steps necessary in this regard. I also think that the Government would consider my suggestions in this regard.

PROF.K.UENKATAGIRI GOWDA (Bangalore South): Mr. Deputy-Speaker, Sir, I rise to speak on the Bill to establish tribunals and appellate tribunals for recovery of loans due to banks from the borrowers of all categories. Borrowers may be either in the primary sector or agriculture or the secondary sector or manufacturing or service sectors. These borrowers are not able to repay loans or they do not want to repay loans. In all these cases, banks suffer from low profitability.

The Bill was tabled in the House on 13th May, 1993. This Bill is in pursuance of

[Prof. K. Venkatagiri Gowda]

the recommendations of the Narasimhan Committee which said that there should be tribunals to order recovery of loans by the banks to various kinds of borrowers. On all counts, banking system is in doldrums. It is because of low profitability which is due to several causes. Firstly, it is directed that the banks should devote forty per cent of the resources to priority lending at low interest rates. There was the Loan Mela scheme organised by Shri Poojary all over the country. Then there was Loan Waiver scheme adopted by Shri V.P. Singh when he was the Prime Minister of the country. All these factors cause reduction of profit of the commercial bank. Therefore, they are in the red. The Narasimhan Committee made recommendations for establishment of tribunals to ensure recovery of loans made to these kinds of borrowers.

I stand here to support the Bill. We welcome it and support it with a few modifications. Banks in every country whether it is developed or developing, are the purveyors of finance. They collect deposits from millions and millions of depositors, pool them together and lend them to borrowers who need money at an interest rate prescribed by the Central Bank of the country. These loan portfolios of the banks should be solvent.

There are two kinds of banking systems, mixed banking system of Germans and the pure banking system of the Britishers. Under mixed banking system, banks are to make long-term lendings to enable the borrowers to modernise and technologically upgrade their industries. After loans are made, they are repayable within a period stretching from five to twenty years. But under the British system, making of long-term loans is forbidden. They make only short-term loans. The reason is that the depositors may withdraw the deposits at any

time. And if the banks have locked up their funds under long-term finance, they will not be able to honour the demands of the depositors. In that case, there will be run of the banking system. For this reason, the British banking system is averse to long-term lending. British banking experts say that banks should not play ducks and drakes with the depositors' fund. Therefore, they are for short-term finance.

In India, industries require large amount of finance for development and extension operations. Therefore, banks are leaning towards the mixed banking system which involves long-term lending. This money is not recoverable very easily. Therefore, many banks are in the red. They have avoided recourse to lending to the borrowers who are not able to repay. In India, industries of all kinds borrow from the badnking system—large, medium and small-money for development and moderisation. But they are not able to get the money from other sources. Banks are the only source of finance. They resort to borrow money for the purpose of expansion. Even then, the risk of loss cannot be avoided.

Even if there is no risk of loss, the industrial units may be unwilling to repay the loan on time and instead use the money for further expansion of their scale of operations. In this way, the banks' dabts increase further more. The small scale industries which borrow money are not able to repay; they are sick. It is estimated that nearly two lakhs of small sector units are sick; they are not able to repay the loans, with the result, the banking system suffers from sickness. The industrial sickness is transferred to the banking sector.

At present, as on September 30, 1990, more than 15 lakhs of cases filed by the public sector banks and 304 cases filed by the financial institutions were pending in various courts. The recovery of debts involved was more than Rs. 5,622 crore in dues to the

public sector banks and Rs. 391 crore in dues to the financial institutions. The legal procedures adopted by the banks to make recovery of these loans is cumbersome and ponderous and, therefore, it takes a long time.

The Narasimhan Committee, as said already, recommended the institution of Tribunals to deal with cases of debts not repaid by the industries. It is in pursuance of this recommendation that the present Bill has been introduced. Indian banks are labouring under debt dues that are not recoverable. Their continued health is *sine qua non* of a progressive and prosperous financial system. This is the primary task of the Government. The progress of economic development depends vitally on the health of the financial system. The recovery of the debts by the banks is necessary to ensure the continued health. But, the operations of this Tribunal have to be streamlined so as to ensure quick recovery of loans without causing hardship to the industrial units. Long hand of law operates slowly and ponderously. But, the Tribunals have to make their policy to dispose of the cases coming before them expeditiously. For this reason, I offer the following suggestions.

1. The debtor industrial units should not seek adjournment of cases which come before the Tribunals. The cases must be heard and disposed of quickly.

2. If the units prefer an appeal before the Appellate Tribunal, even this appeal should be disposed of quickly and expeditiously.

If may not be possible for all the industrial units, the borrowers, to repay the debt at one go; depending upon the solvency of these units, the number of installments for repayment should be determined. The Appellate Tribunal should not unnecessarily reverse or dilute the decisions of the

Tribunals. Otherwise, this will render the Tribunals ineffective. The debtor units should, in their own interest and in the interest of the banking system, abide by the decisions of the Tribunal.

I would make another suggestion. In U.K., there is what is called the banking Ombudsman. The Ombudsman supervises the loan operations of the banks, use of funds and repayment of loans also and, if there is any deviation from the norms, if there is a delay in the disbursal of loans, if the loans are misused, if there is delay in the repayment of loans, the Ombudsman takes the action. Therefore, I recommend the adoption of Ombudsman to the Indian banking system. The Ombudsman has been adopted in countries like Australia, New Zealand and Ireland. So, I strongly suggest that this should be adopted in India also.

With these modifications in the Bill, I support the Bill and I welcome it.

SHRI VIJAY NAVAL PATIL (Erandol):
Mr. Deputy Speaker. Sir, the formation of Tribunals for recovery of debts due to banks and other financial institutions was long over due. I think, it is the only recommendation of the Narasimhan Committee that is being accepted without any controversy. But, we may also have to think about the rot that has crept into the banking system. We see that for a share broker, on the production of a *Kutcha* receipt, the General Manager or the Managing Director of a bank advances Rs. 5 to Rs. 10 crore within a short time.

14.59 hrs.

[**SHRI SHARAD DIGHE in the Chair]**

But, when an ordinary man or an unemployed graduate asks for a loan of Rs. 5,000 or Rs. 10,000, for establishing a cycle shop, an interview is taken by the Branch Manager.

interview is taken by the Branch Manager asking him as to how many spokes are there in the wheel of a cycle.

MR. CHAIRMAN (Sharad Dige): Now it is 3 O' clock. The discussion under Rule 193 begins. You may continue next time.

[Translation]

SHRI ANNA JOSHI (Puna): When will you take up this Bill?

MR. CHAIRMAN: Discussion on the Bill will proceed on the next occasion-I do not know when. After the discussion is over under Rule 193, discussion on the Bill will proceed.

15.02 hrs.

DISCUSSION UNDER RULE 193

Socio Economic Criteria for Exclusion of creamy Layer from Mother backward classes"

[Translation]

SHRI RAM VILAS PASWAN (Rossera): Mr. Chairman, Sir, today again we are discussing an important matter which not only relates to the majority section of the society but to that section of the society which has been deliberately suppressed for centuries. I fear that if justice is not given to them without further delay, the unity and integrity of our country will be in danger. Therefore through you, I want to urge upon that if Shri Kesri ji is giving a reply today, it means that the Government might have reached at some conclusion and would make a categorical reply in this regard.

Mr. Chairman, Sir, I will not go into details that what Mandal Commission is, when it was set up and when did it give its report but I would certainly like to state that it is repeatedly said in this country that a commission may be set up, a committee may be set up, but unless the Government has a clear conscience, it is not going to solve any problem. There is a conflict between mind and heart in this country. I am of the view that politicians have feelings but they lack intelligence and the one who is intelligent, lacks feelings. If mind and heart take same direction, then it leads to a revolution but here it is just the reverse. One cannot get rid of the clutches of bureaucracy. Even Pt. Jawahar Lal Nehru could not get rid of it, then how far Shri Kesri will be able to bear it? How Kesriji can comment on it? It is a matter of regret that this Government finds itself incapable of providing justice to this majority section of the society. Mr. Chairman, Sir, it is a question of political will. Our Government remained in power for 11 months and therefore we could also have said that as the report of Mandal Commission was submitted in 1980, what was the need of implementing it in 1990. We could have even denied it and could have opted for the formation of a third commission on Backward Classes like the second commission of backward classes, which was set up in 1977.

Mr. Chairman, Sir, we could have taken such a cover but our Government did not do so. Our Government had this apprehension that if it raised the issue of the weaker sections of the society then the system would have replaced it because casteism is in the root of this system which remains there till one dies. You may change your religion or Government or convert rich in to a poor man and poor in to rich man but you cannot change caste. Whosoever makes efforts to do so, the social system is sure to bite him like a serpent. Be it Buddha, Dayanand Saraswati, Vivekanand, Gandhi