

"That the long title stand part of the Bill"

MR. SPEAKER : We will decide.

*The motion was adopted*

17.48hrs.

*The Title was added to the Bill*

[English]

SHRI P.K. THOUNGON : I beg to move:

"That the Bill, as amended be passed"

STATUTORY RESOLUTION RE: DIS-  
APPROVAL OF THE RECOVERY OF  
DEBTS TO BANKS AND FINANCIAL IN-  
STITUTIONS ORDINANCE, NO.25 OF  
1993) PROMULGATED BY THE PRESI-  
DENT ON THE 24TH JUNE, 1993;

MR. SPEAKER : The question is:

"That the Bill, as amended, be passed."

AND

RECOVERY OF DEBTS DUE TO  
BANKS AND FINANCIAL INSTITUTIONS  
BILL

*The motion was adopted*

*The Bill, as amended, was added to the  
Bill.*

MR. SPEAKER: The Statutory Resolu-  
tion is given by:

[Translation]

Shri Indrajit Gupta - He is not here.

SHRI NITISH KUMAR (Barh) : Mr. Speaker, Sir, one sentence in the statement of the Chief Election Commissioner that has appeared in the newspapers today is noteworthy. He has stated that he admits the authority of the Parliament and the Judiciary. I want to know only this much whether any decision passed by parliament through a resolution will be binding on him or not? Why does the Parliament not take any decision to resolve the issue?

Shri Lokanath Choudhury - He is not here.

Shri Girdhari Lal Bhargava - He is not here.

Shri Santosh Kumar Gangwar- He is not here

Shri Madan Lal Khurana - He is not here.

Shri Laxminarain Pandeya \_ He is not here

Shri Surendra Pal Pathak - He is not here.

Shri Ram Naik - He is not here.

Shri Rajendra Agnihotri - He is not here.

Shrimati Geeta Mukherjee \_ She is not here.

Shri Sobhanadreeswara Rao Vadde - He is not here.

[English]

MR. SPEAKER : We have discussed this matter in the meeting of the leaders and procedure will be followed. In expressing our views as to how this problem should be solved, I am not saying anything on the point which you have raised now.

Prof. Rasa Singh Rawat - He is present.

SHRI SOMNATH CHATTERJEE  
(Bolpur)Is the discussion over?

[Translation]

PROF. RASA SINGH RAWAT (Ajmer):  
Mr. Speaker, Sir, I beg to move:

" that this House disapproves the Recovery of Debts Due to Banks and financial Institutions ordinance, 1993 (Ordinance No. 25 (1993) promulgated by the President on the 24th June, 1993".

Mr. Speaker, Sir, I oppose the tendency of the Government to issue Ordinances and also oppose the introduction of the Statutory Resolution regarding the Recovery of Debts Due to Banks and Financial Institutions. Bill in the House. The Monsoon Session was just going to start and the Budget Session was also quite lengthy and in that Budget Session, a lot of discussion on Banks and recovery of debts due to Banks and financial institutions and also taken place but the Government probably did not pay any attention. Bank scams etc. have been going on for years together. but the attention of the entire nation was drawn to the banks only when these scams etc. were unearthed. There are large scale financial irregularities in Banks where the funds of the people are deposited, and business among the banks themselves is transacted.

Though Reserve Bank of India has been drawing attention of Banks and Financial Institutions to check irregularities or to recover debts due to them in time but no attention has been paid. It has also been instructing that all these details should be included in annual balance sheets and Inspecting Officers' and Directors' reports. But the Government did not pay any attention towards this. However "better late than never".

Ultimately, the Government has paid attention to it. In any case, a Bill could have been introduced in the coming Monsoon Session. It would not have made any differ-

ence if a Bill would have been brought after 15 days or a month, it has become that habit of the Government to promulgate ordinance first and implement it and then introduce a Bill in the House during the session merely to observe a formality and replace the Ordinance. Before introducing the Bill and at the time of promulgation of Ordinance, the opinion of hon. Members of parliament is not elicited as to whether the ordinance is good or not, how the debt should be recovered and how it can be recovered in time, how much interest is charged or paid, whether its account is kept or not, what kinds of debts along with interest are to be waived off or recovered. The opinion of various parties is not elicited in this regard. The problem being faced by the people's representatives are not highlighted and the Government enforces all these things through ordinance.

I, therefore, request through you that this Bill may be disapproved as this amounts to neglect of parliament and not bothering to elicit the opinion of all hon. Members resulting in promulgation of ordinances in haste. It seems that the Government is observing silence like a 'silent monk'. Sir, you are the watchdog of democracy and protector of the dignity of the House... (Interruptions)

[English]

MR. SPEAKER: Please stop advising me. It is more than enough.

[Translation]

PROF. RASA SINGH RAWAT: Through you I would like to suggest that the Government should be warned against its dangerous habit of promulgating ordinances. The objects of this Bill are.

[English]

Recovery of debts due to banks and financial institution.

[Prof. Rasa Singh Rawat]

[Translation]

I would not like to reveal the names but there are various banks and financial institutions in which scandals are going on. Many of their officers have been removed and the institutions are running in losses. The condition of the Nationalised Banks also has become pitiable. Who is responsible for such degradation? Today, the Bank Staff and Officers are worried about the possible future merger of Nationalised Banks and apprehension of handing over these Banks to private sector. Through you, I would therefore, like to convey my feelings to deaf ears of the Government to bring about improvement in the functioning of Banks and also dispel the fears of the people of the whole country over the Bank irregularities and scandals unearthed by the Janakiraman Committee and, the J.P.C. which were set up for this purpose.

Well considered attempts should be made to strengthen the position of Banks and financial institutions so that they do not become bankrupt and are able to pay off their loans in time.

The Government is going to set up one more tribunal. Various tribunals have been set up earlier also. The Government must furnish detailed information as to how it will be constituted, what will be the number of members, what will be the terms and conditions of their services? I think the hon. Minister will shed light on it. I also request this august House to disapprove this Resolution.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. APRAR AHMED): Sir, at present many difficulties

are arising in the recovery of debts due to banks and financial institutions and enforcing the securities charged the reupon. The funds of Banks and financial institutions under the Public Sector <sup>have</sup> <sup>in</sup> been blocked in un productive assets in the present legal process and procedure. Their value also is coming down with, the passage of time. The Committee on Financial procedure headed by Shri Narasimhan has realised the urgency of setting up of a suitable machinery that can enable the recovery of debts due to lending institutions without further delay. The Committee, therefore, recommended to set up such special tribunal for expeditious adjudication and recovery of debts as they can implement amendments in financial sector.

In 1981, the Committee headed by Shri P. Tewari had probed into the legal and other hurdles before the financial institutions and had suggested remedial measures as well as amendment in laws. The Tewari Committee had also suggested to set up such tribunals as may follow the review process and recover the debts due to Banks and financial institutions in particular so that the disputes be disposed of expeditiously and the Banks and financial institutions might recover their loans without losing any time. With the setting up of a special tribunal, the long standing requirement will be met.

On September 30, 1990, more than 15 lakh cases filed by the banks under public sector and 304 cases filed by financial institutions were lying pending in various courts which involved an amount of more than Rs. 5,822 crores due to Banks and nearly Rs. 319 cores due to financial institutions. On account of the blockaiage of such a huge amount of the people in litigation the funds are not properly utilised and re-utilised for the development of the country.

Taking into account all these things, the

Recovery of Debts Due to Banks and Financial Institution Bill, 1993 was introduced in Lok Sabha on May 13, 1993. But the said Bill could not be passed during the last session. Since the improvement in the profitability of Banks and making of adequate provision, as per the norms fixed by the Reserve Bank of India, to make them competent was necessary to expedite the process of recovery and also, as the Balance Sheet of Public Sector Banks for the year 1992-93 was to be published soon, chief executives requested the Government to expedite the setting up of said tribunal on the debt recovery announced during the Budget speech. Under the said legislation, the setting up of special recovery tribunal was essential so that recovery process can be expedite and the profitability of Banks and financial institutions may also be improved. Therefore, the President promulgated the Recovery of debts due to Banks and Financial Institutions Ordinance Bill, 1993 (Ordinance No. 25 of 1993) on the 24th June, 1993. Now the ordinance is proposed to be substituted by a parliament Act.

I, therefore, beg to move that the Bill to provide for the establishment of Tribunal for expeditious adjudication and recovery of debts due to banks and financial institutions and for matters concerned there with or incidental thereto, be taken into consideration.

[English]

MR. SPEAKER : Motions moved:

"That this House disapproves of the Recovery of Debts due to Banks and Financial Institutions Ordinance, 1993 (Ordinance No. 25 of 1993) promulgated by the President on the 24th June, 1993."

"That the Bill to provide for the establishment of Tribunal for ex-

peditions adjudication and recovery of debts due to banks and financial institutions and for matters connected therewith or incidental thereto, be taken into consideration."

MR. SPEAKER : Shri Sudhir Giri, would you like to speak now? You can start the discussion now and you can continue tomorrow if you like.

SHRI SUDHIR GIRI (Contai) : Mr. Speaker, Sir, the Bill which has been brought forth by the Government is to expedite the process of the recovery of the dues to the banks and financial. It is a fact that huge amounts of money have remained unrealised from the customers. And, in the Courts, different procedures are followed for the realisation of the funds, for the realisation of the due more. But, the procedures are such that it takes much more time than expected or desired. So, the constitution of the Tribunal will pave the way for adopting procedures which would be helpful to the financial institutions and the banks. But, it is a fact, that suitable steps should be taken to assess whether the people or the customers are ready and capable of making payments of their dues. Hence, it is better to go into the details like the amounts which are due to the banks and financial institutions. For this purpose, certain rules should be framed. I am sure that the Government would take some steps which would lay down the procedure for the realisation of the dues. But, those procedures should be simplified because of the fact that the Tribunals are being appointed only to expedite the realisation of the money. So, the realisation process should be simplified and the customers should be given an opportunity to defend themselves as to why they are not a position to pay or why they want to delay the payment of the dues. An opportunity should be given to them for clarification before the Tribunal and the

Tribunal should also hold a view that would pave the way for easing the matter and enabling the customer to refund the dues, to repay the dues.

Sir, in this connection, I would point out that in our country, certain banks have provided money to the people who are below the poverty line.

This is done in order to bring them up to a certain level in the society and also in order to alleviate poverty.

MR. SPEAKER : I think, you can continue tomorrow.

The House stands adjourned to reassemble again tomorrow, the 5th August, 1993 at 11 a.m.

**18.00 hrs.**

*The Lok Sabha then adjourned till Eleven of the Clock on Thursday, August 5, 1993/  
Sravana 14, 1915 (Saka)*

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