

"That the Bill to provide for the acquisition and transfer, to the public interest, of the undertakings of Messrs Bengal Immunity Company Limited, and for matters connected therewith or incidental thereto, be taken into consideration"

The motion was adopted.

MR. DEPUTY-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.

MR. DEPUTY-SPEAKER : Mr. Sudhir Kumar Giri is not present.

The question is :

"That Clauses 9 to 32 and the Schedule stand part of the Bill."

The motion was adopted.

Clauses 9 to 32 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula the preamble and the Title were added to the Bill.

SHRI VASANT SATHE : Sir, I move :

"That the Bill be passed."

MR. DEPUTY-SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

17.58 hrs.

INDUSTRIAL RECONSTRUCTION BANK OF INDIA BILL

The Minister of Finance (SHRI PRANAB MUKHERJEE) : Sir, I beg to move:

"That the Bill to provide for the establishment of the Industrial Reconstruction Bank of India, and for the transfer to, and vesting in, the said Reconstruction Bank, of the undertaking of the Corporation known as the Industrial Reconstruction Corporation of India Limited, with a view to enabling the said Reconstruction Bank to function as the principal credit and reconstruction agency for industrial revival and to coordinate similar work of the other institutions engaged therein and to assist and promote industrial development and to rehabilitate industrial concerns, and for matters connected therewith or incidental thereto, be taken into consideration."

I think I can finish the introductory part.

MR. DEPUTY SPEAKER : I am going to request the hon. Members because this being such a non-controversial Bill.

18 hrs.

SHRI PRANAB MUKHERJEE : I will be too glad.

Sir, as the hon. Members are aware, the Industrial Reconstruction Corporation of India was incorporated as a company under the Companies Act in April 1971. The Corporation

*Moved with the recommendation of the President.

(Shri Parnab Mukherjee)

was set up with the specific objective of rehabilitating and assisting in the reconstruction of the sick and closed industrial units in the country. Even when the Corporation was established, it was envisaged that the question of converting it into a statutory corporation would be considered after some experience was gained of its actual operation. In the 13 years of operation of IRCI, the Corporation was facing various problems in dealing with the revival of the sick industrial units. Being a company under the Companies Act, the IRCI has not had the flexibility and powers that appear to be necessary to effectively deal with the various problems of rehabilitation of sick industrial units. It has been the experience that in matters relating to financial reconstruction, change of management, etc. which are very often the essential ingredients of a revival programme, the IRCI has lacked effective power and has, therefore, not been able to fully achieve the objectives with which it was set up. As a company, the IRCI has faced several hurdles and handicaps inhibiting its functioning and the objectives for which the IRCI has been set up have not been adequately served. In order to overcome the difficulties faced by the IRCI in its present set up, it is proposed to reconstitute IRCI by converting it into a statutory body invested with adequate powers for tackling the problems of sickness and to make it an effective instrument for achieving the manifest social objectives associated with the rehabilitation of the sick industrial units.

In order to strengthen the financial base of the proposed Reconstruction Bank, the authorised capital is being fixed at Rs. 200 crores and the initial paid up capital will be Rs. 50 crores. In order to further strengthen the financial position of the proposed statutory body, certain exemptions from payment of taxes like income tax, interest tax, etc. are being extended to it. The Reconstruction Bank will also have similar borrowing powers as the

Industrial Development Bank of India. It is hoped that the Reconstruction Bank so financially strengthened and vested with adequate statutory powers shall be in a position to discharge its functions effectively as the principal reconstruction agency in the country.

The objects of bringing this legislation before this House are explained in greater detail in the Statement of Objects and Reasons appended to the Bill. The magnitude and further growth of industrial sickness in the country is a matter of concern to all and particularly, to entrepreneur, banks, financial institutions, labour, Governments in the Centre and the States and the society at large. The country can ill-afford loss of production or employment. It will be accepted that efforts by the Government towards rehabilitation of potentially viable sick units are steps in the right direction. I would, therefore, expect that this House would lend its support to this progressive piece of legislation. With these words, I commend the Bill for the consideration of the House.

MR. DEPUTY SPEAKER : Motion moved :

“That the Bill to provide for the establishment of the Industrial Reconstruction Bank of India, and for the transfer to, and vesting in, the said Reconstruction Bank, of the undertaking of the Corporation of India Limited, with a view to enabling the said Reconstruction Bank to function as the principal credit and reconstruction agency for industrial revival and to coordinate similar work of the other institutions engaged therein and to assist and promote industrial development, and to rehabilitate industrial concerns, and for matters connected therewith or incidental thereto, be taken into consideration.”

PROF. RUP CHAND PAL
(Hooghly) : Although this has come at the fag end of the day, this is a very important move on the part of the Government and this subject we have been trying to raise so often regarding the functioning of the IRCI and on many occasions we have ourselves suggested that a comprehensive Bill bringing out changes and providing some authority for the IRCI is urgently called....

MR. DEPUTY-SPEAKER : You can continue tomorrow.

18.05 hrs.

ARREST AND LODGEMENT OF MEMBER

MR. DEPUTY-SPEAKER : I have to inform the House that the following wireless messages dated 4 August, 1984, addressed to the Speaker, Lok Sabha, have been received today :

(i)

Wireless Message from the District Magistrate Kota, Rajasthan

"This is for your kind information that during *Rail Roko* Agitation launched by BJP, Kota, Shri Krishna Kumar Goyal, M.P., was arrested for committing the offences under sections 100B/120/126 of Indian Railway Act and under Sections 147/148/149/332/188/353 IPC by the Station House Officer, Police Station, GRP, Kota on 4.8.1984 at 11.35 hours at Railway Junction, Kota."

(ii)

Wireless Message from the Superintendent Jail, Kota

"Shri Krishna Kumar Goyal, M.P., was admitted in jail under Sections 147/332/188/149/333/353 IPC and sections 100B/120/126 of the Indian Railway Act."

SHRI SATYASADHAN CHAKRABORTY (Calcutta South) : Sir, under the Rules of Procedures the arrest of a member has to be informed within 24 hours. He was arrested on 4th August and Speaker's office has received the message only today. We would like to know from you whether you will write to the administration about this delay. I would request you to take appropriate action in this matter because it concerns the privilege of an hon. Member of Parliament.

MR. DEPUTY-SPEAKER : Yesterday was Sunday but even then we will look into it.

18.06 hrs.

BUSINESS ADVISORY COMMITTEE

Sixty-fifth Report

The Deputy Minister in the Department of Sports, in the Ministry of Works and Housing and in the Department of Parliamentary Affairs (SARI MALLIKARJUN) : Sir, I beg to present the Sixty-fifth Report of the Business Advisory Committee.

18.07 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, August 7, 1984 (Sravana 16, 1906 (Saka))