

[श्री अशोक गहलोत]

विमान चीनी भाषा में लिखे पर्चे, बिस्कुट के पैकेट व बस्त्र आदि बिखेर कर चला गया।

वह सारी सामग्री जोधपुर जिले के गांव खारी खुर्द, खारी कलना और गोलियां गांव के कोई तीन किलोमीटर क्षेत्र में चीनी भाषा में लिखे पर्चे, पैट, बुशर्ट, टा. शर्ट, अंडर स्केल व बिस्कुटों के रूप में गिराई गई। एक डिब्बा ऐसा भी डाला जो सीलबन्द था। उस में कोई तरल पदार्थ था जो त्रिक्कुल ठंडा था।

विमान तेज आवाज़ के साथ जिस में ट. भं. था। उपरोक्त गांवों में पहुंचा एवं ने के बाद उसकी आवाज़ धीमी हो गई। श्री डालने के बाद जिस दिशा से वह आया था उसी दिशा में पुनः चला गया।

ग्रामीणों ने—उपरोक्त मिली सामग्रियों को जोधपुर जिलाधीश को ला कर सौंप दिया है।

मेरा विदेश मंत्री व रक्षा मंत्री से निवेदन है कि वे अविलम्ब इस गम्भीर घटना की जांच करवाएं एवं इस प्रकार की हरकत के पीछे क्या मंशा हो सकती है इसका पता लगा कर आवश्यक कार्यवाही करें।

15.15 hrs.

CHIT FUNDS BILL—Contd.

MR. CHAIRMAN Now we take up further consideration of the following motion moved by Shri Janardhana Poojary on the 15th July, 1982, namely:

"That the Bill to provide for the regulation of chit funds and for matters connected therewith, as reported by the Select Committee, be taken into consideration."

Mr. Bhiku Ram Jain may please continue his speech. He had already taken one minute.

SHRI BHIKU RAM JAIN (Chandni Chowk): No, Sir, I had just started, and had taken only one second.

I had said that I stood up to welcome the Bill. This Chit Fund business was banned in 1978, because it was alleged then that there used to be a lot of cheating of the ordinary people; and those people who have been termed here as Foremen.... (Interruptions)

SHRI KRISHNA KUMAR GOYAL (Kota): The chit business which was banned in 1978 was the Prize Chit Fund.

SHRI BHIKU RAM JAIN: I am sorry; I thought this was part of the same thing. Nevertheless, this Bill which has come today ... (Interruptions)

SHRI SOMNATH CHATTERJEE (Jadavpur): This also is connected with capital 'C'—cheat.

SHRI BHIKU RAM JAIN: It is only about chit.

MR. CHAIRMAN: The spelling is: chit. Not a different spelling.

SHRI BHIKU RAM JAIN: Some such transactions were taking place earlier which would not be beneficial to the ordinary subscribers and as such it was thought and it has now been translated to this Bill that such cheating may not take place when this chit business takes place. I understand that this indigenous system has been in vogue in this country for the last almost 150 years; and if I am not incorrect, it was started in the South by the agriculturists friends who would pool their grain stock and in times of need would take advantage of that; and then everybody would be benefited that way.

Unfortunately as Mr. Somnath Chatterjee that day said and it was also said by Mr. Jagpal that it may not channalise black-money to become white; and that is how my two friends had termed it to be something which would help those people who have black money and would be able to convert it into white. I tried to go through the Bill and I have found that sufficient safeguard has been made under which subscribers may not fall victims of some such persons who may cheat them and at the same time it has not been permitted that such persons who wanted to convert their black money into white may have a chance to do so. Why? Because all the money received by the proposed companies, whether they are firms or incorporated companies, would be properly accounted for. receipts would be issued; money would be deposited in the banks; the accounts would be properly audited so that the income tax authorities would also have a say in the matter. Like any other company, if somebody has to deposit black money the so-called black-money—I am using the word 'so-called', because unfortunately, what has happened in this country is that everything that relates to finance is sometimes linked with black-money, it may be a parallel economy or black-money. But I feel that all this is happening because of some stringent measures, to such an extent that sometimes the transactions are not possible, and we are not taking care of it, we are not taking account of it that this money which is a parallel economy would be converted into regular white money, if the legal systems are not as stringent. I will quote an example. In the Income-tax there are about 40 lakh persons who are taxed and I would say that one family has 4-5 such assesseees on an average. Therefore, only ten lakh families are taxed. Over and above that, hardly about 2 lakh families are taxed for Wealth Tax. The money that is, earned by all the rest is not taxed and may be termed as black money. We have not tried to tape that, we are talking of

those people who are paying income tax and wealth tax, and we are not taking care as to how the black-money generates and, therefore, we call it black-money, although I would like to call it—rather more conveniently for all of us to be called—as parallel economy. We have got to think in terms of how the parallel economy generates or whether it is because of the certain legislations that we have passed and whether by calling it a parallel economy we are happy, because the learned Finance Minister has said that the parallel economy is almost as much as the regular economy of the country i.e., the Exchequer's money in circulation. But we only talk of it; we do not take any interest in it. Therefore, I wish to take this advantage by saying that the parallel economy or the black-money probably will have nothing to do with this Bill, because the restriction is that the maximum period that has been allowed is 5 years in this Bill—unless and until some extra reasons are there by which it may go upto 10 years; and in five years, that is 60 months, you could have 60 members if you calculate it correctly.

There is another safeguard. Any individual who wants to have a company or a firm having this chit business or if he is an individual he could not have any business or any investment of not more than Rs. 25,000. Likewise a company cannot go beyond Rs. 1 lakh and the transaction could not go beyond ten times. Unless we encourage some such things and unless we are able to plug all the loopholes that can arise,—after all, the Bills or the Acts are passed to find out as to how we can see that the transactions are absolutely in the regular way and the people are not cheated. But if we take everything lightly particularly in which people are likely to be cheated and we do nothing, then the cheating would be more as has been done by these chit fund companies hithertofore.

My respectful submission would be that this Bill which has been brought

[Shri Bhiku Ram Jain]

forward would probably satisfy the needs of the poor people, particularly the rural people.

I wish my friend Shri Jagpal Singh would have been present here. This Bill is for the artisan, it is for the craftsman, it is for the unemployed, it is for the poor people who can contribute a small amount of Rs. 100, or Rs. 1,000 or a maximum of Rs. 10,000 and recover easily some money, for the starting of a small business, cottage industry or business or some small industry. To cite an example, suppose there are 60 members. They contribute Rs. 1,000 each. Out of that Rs. 60,000 anybody can get Rs. 60,000 in the first bid. An embargo has been made on auctions that not more than 30 per cent discount will be allowed in these cases. So, the maximum of Rs. 18,000 can be reduced out of that amount and the man can get the rest of the money and he can utilise the amount of Rs. 60,000. To utilise that Rs. 60,000, suppose he was to get that money from a bank the bank rate will be on the average 15 per cent for a small industry and for large scale industry it is 21 per cent. That means for five years he would be paying 30 per cent, i.e. 6 per cent per year, and he would be getting that benefit and the last man also will also get that benefit. Therefore, this is a cooperative type of working and the cooperative type of working would help a poor artisan, a poor craftsman. They are doing the work done by a bank. Some friend has suggested that this business should be done by the banks. I would only like to submit to him, through you, Mr. Chairman, that the advantage then goes to the bank. It has been said that Rs. 5,000 can be easily got by anybody from a bank against a personal guarantee bond but it is not so and hence poor people do not get loans. *Interruptions*)

SHRI SOMNATH CHATTERJEE: Then let the banks go; let everybody go to the chit funds.

SHRI BHIKU RAM JAIN: I do not know; because what is happening is, people are going in for chits.

SHRI SOMNATH CHATTERJEE: Mr. Chairman, the chit funds are carrying on the business in a manner which requires strict regulation and restrictions. That has been accepted. Otherwise this Bill would not have come. The Banking Commission has said that, the Raj Committee has said it. The question is, in our country, as we have seen, unfortunately regulations do not help. Therefore, I say, cut at the root. If this propensity is still there in the people of saving money let it be done through a bank. They will have their propensity satisfied by investing the money in this.

SHRI BHIKU RAM JAIN: Mr. Chatterjee is very right when he said that in this country unfortunately the implementation of the laws is not as good as we expect them to be. Agreed. But is this is the way we implement the laws? And should we leave it at that... *(Interruptions)* And why should then we penalise the people for it? This is happening for the last 150 years.

Therefore, my request in this connection would be, if there is any lacuna anywhere in the Bill, let us plug it here. But let us not put it off because we are not able to plug it. If we do away with the Bill let us not *(Interruptions)* As I was submitting, in my calculation, a small man can by paying Rs. 1,000 get Rs. 50,000 to start a business. A small man can get 45,000 or 40,000 or 30,000 to start a business. The intention of the bill is that the bank need not be approached; the man running the company can earn Rs. 5,000. Even if he has to keep all the money in the bank, he can spend not more than five per cent. He cannot run away because he deposits 100 per cent security. Then I am sorry to say, we will have to disband all the Acts where there are lacunae. There are lacunae in the Income-tax Act. As you rightly said,

there is a lot of black money, parallel economy to the extent of real economy. If there is a parallel economy should we do away with the Income-Tax Act? Do we do away with the Sales Tax Act which is the mother of all black money in the country? Ninety to 80 per cent of the tax is going into the pockets of the industry. A trader in Bengal or Punjab, earn one per cent or 2 per cent, but he has to pay 10 per cent as sales tax. This is absolutely unreal and the Government is happy to recover it only from the honest traders, the others not paying. Businessmen do not pay even one per cent or two per cent of the income because of Sales Tax. (*Interruptions*).

SHRI SOMNATH CHATTERJEE: They are passing it on to consumers.

SHRI BHIKU RAM JAIN: They are not passing it on to the consumers. (*Interruptions*)

MR. CHAIRMAN: If I have been able to understand correctly the hon. Member wants to say that people with black-money, because of certain precautions taken in the Bill, will not have any scope to convert their black-money into white money. That is what he is deriving at.

SHRI SOMNATH CHATTERJEE: He does not recognise existence of black-money. He says, parallel economy.

SHRI BHIKU RAM JAIN: This is a question of terminology. This is a related term.

SHRI SOMNATH CHATTERJEE: We can say grey money.

SHRI BHIKU RAM JAIN: You can call it by whatever name you like. But I have used this word because day in and day out we have been talking about black-money but we have never suggested as to what we want to do

with that black-money and how we can solve the problem. The problem lies at those places where the black-money is generated and we are not tapping it. If we know that black-money is there, somebody must suggest remedy. My two learned friends have not suggested anything.

DR. SUBRAMANIAM SWAMY (Bombay-North East): You would not implement it because in that case, you will lose all your black-money.

SHRI BHIKU RAM JAIN: We will include you also.

MR. CHAIRMAN: Whom do you want to include? ... Dr. Swamy?

SHRI SOMNATH CHATTERJEE: Please appoint a committee which shall go into Dr. Swamy's and Mr. Bhiku Ram Jain's black money.

DR. SUBRAMANIAM SWAMY: What about money coming from Russia?

SHRI BHIKU RAM JAIN: That is your money. But you can call it black money if it is coming unauthorisedly. We are not talking of that money, his money or my money. I am talking of such money which is not tapped by the Government into tax.

MR. CHAIRMAN: Why do you take the remarks so seriously?

SHRI BHIKU RAM JAIN: I have taken the remarks with the same seriousness in which they have been made.

SHRI SOMNATH CHATTERJEE: That is why I said: kill these chit fund concerns.

MR. CHAIRMAN: He means something else.

SHRI BHIKU RAM JAIN: He wants to kill this goose because he is feeling that it may not lay the golden eggs.

[Shri Bhiku Ram Jain]

After going through the various clauses of this Bill, I submit that there is no possibility of converting black-money into white money. If it is done, it will be in connivance with political people like me or them or officers. Unless there is a collaboration among the trio, it may not be possible to do it. If we decide tomorrow that there should not be any black-money in the country, I am sure we can solve the problem provided the political people share a will ...

MR. CHAIRMAN: You mean the Members of this House?

SHRI BHIKU RAM JAIN: Maybe they are included but others also.

SHRI SOMNATH CHATTERJEE: They solve the problem by saying that there is no black-money.

SHRI BHIKU RAM JAIN: Therefore, this is a Bill which would be helpful to the poorer people, the peasants, the artisans, the craftsmen and generally those who contribute to the chit funds. I feel that this is a good legislation and I welcome it.

I have suggested a few amendments. You want the chit fund company to deposit the money before it is born. You will not allow them to collect money, but still you want them to pay the money. Where will the money come from? Are you not creating another black-money here? Therefore, be reasonable and say that they will not be allowed to function unless they deposit the money but that will be only after they have been licenced to do that.

For instance, take clause 20(1). I would request the hon. Finance Minister to see that there is some reasonableness in it. Suppose a company comes up with a capital of, say, Rs. 1 lakh. You want it to pay Rs. 1 lakh at the time of application, when he has not collected money from anywhere else. When he has not collect-

ed money from the subscribers, when he cannot collect it from the subscribers, where is it to come from? That means underhand dealing. Therefore, I am requesting him to examine whether it is reasonable to ask him to deposit that money before granting him a licence and before he commences his business.

Then, the penalties are some times too harsh. Let not an honest man be made to suffer or penalised for trivial or technical reasons. Of course, a person who has committed a serious offence should not be allowed to go scotfree. But, let not this power remain in the hands of the inspector. In that case, he would go to the foreman and threaten him "I will get you under this or that section, unless you pay me money". And when he does give the money to the inspector, he recovers it from somewhere else. So, you have to frame the clause in such a manner that there is no possibility of anybody taking undue advantage of it. While there should be penalty for those people who are really guilty, for technical or trivial reasons like putting a comma here, or not putting comma there, one should not be penalised. Let there be no penalty for honest people, who have been doing honest business, merely because they failed to maintain the accounts in the proper manner, or failed to satisfy one or two officers for obvious reasons.

Thirdly, it has been provided that the penalty will be imposed on the foreman on the advice of some junior officer in the same department. We have seen how this power is exercised by the officers in the various other departments. Therefore, if somebody has to appeal against the penalty, it has to be to an authority who can view it from the judicial point of view. If the last appeal lies to a district magistrate or superior judicial authority, things will be viewed in the proper perspective. Otherwise, I am afraid, corruption will be there, as is now existing in the income-tax, wealth-tax and other departments.

श्री कृष्ण कुमार गोयल (कोटा) : सभापति महोदय, चिट फंड विल के सम्बन्ध में जो सेलेक्ट कमेटी थी, उस का मैं भी एक सदस्य था और जितनी भी प्रोसी-डिंग्स हुई हैं लगभग सभी में मैं उपस्थित रहा । सब कुछ देखने के बाद और कमेटी को रिपोर्ट का देखने के बाद मैंने स्वयं अपनी असहमति टिप्पणी दी है जो इस प्रकार है :

"I am of the view that the proposed legislation is not going to check, control or regulate the misuse of the chit business. Cases of creating, embezzlement and misappropriation will be more and frequent after the commencement of the proposed law. Legalised chits would be safer way to convert the black money into while.

I am totally against the chit activities and as such against the proposed legislation.'

यह जो टिप्पणी मैंने दी है वह इसलिए कि जिस प्रकार के साक्ष्य कमेटी के सामने आए उन को देख कर ऐसा लगा कि शायद इस कानून के द्वारा कोशिश यह की जा रही है ... (व्यवधान) ... जिस किसान को बात की जा रही है, जिस गरीब को बात की जा रही है, जिस आर्टिजन को बात की जा रही है कि इस चिट फंड के द्वारा वह पैसा उस को समय-समय पर मिलेगा, मैं समझता हूँ इससे बड़ा मजाक किस न के साथ और गरीब के साथ और कोई हो नहीं सकता है । यह सारी चिट फंड एक्टिविटीज जो हैं कि फ़ोरमैन सारी फ़ार्मैलिटीज पूरी करने के बाद अपने को रजिस्टर करवाएगा, सक्स-क्रैबर्स को इन्वाइट करेगा, वे इंस्टालमेण्ट देना शुरू करेंगे और जब इंस्टालमेण्ट इकट्ठा हो जायेगा तब एक फिक्स्ड डेट के ऊपर आक्शन होगा और उसमें जो सबसे अधिक डिस्काउण्ट देगा (जिसकी

लिमिट इस ऐक्ट में रखी गई है) उसको उस डिस्काउण्ट पर प्राइज मनः मिल जायेगा । जैन साहब तो यहां से चले गए हैं, मैं उनसे जानना चाहता था कि वह कौन सा गरीब आदम होगा जो आक्शन लगा कर प्राइज एमाउण्ट लेगा ? मैं तो समझता हूँ इसका वही लेगा जिसके पास ब्लैक मन है, वही प्रीमियम दे कर अपने ब्लैक मन को ह्वाइट में कन्वर्ट करेगा ।

सभापति महोदय, जिस समय कमेटी में साक्ष्य चल रहा था, हमारे पास लोग रो-रोकर पास-बुकस के ढेर दिखा रहे थे और कह रहे थे कि यह पास-बुकस देखिये, हमने पूरी इंस्टालमेंट्स पे कर दी है लेकिन अब पता नहीं इस कम्पनी का आफिस कहां है, किसके पास जाकर हम अपना पैसा मांगें । वे कह रहे थे कि उन्होंने गवर्नमेंट को भी एप्रोच किया कि उनके खिलाफ त्रिभिनल केसेज किये जायें लेकिन गवर्नमेंट ने भी उनकी कोई हेल्प नहीं की मुझे आपत्ति कृन्हीं है बताने में कि सुदर्शन नाम की एक कम्पनी थी जिसने करोड़ों रुपये की चीटिंग इस देश की गरीब जता के साथ की है । आज फिल्म इण्डस्ट्री में उसका करोड़ों रुपया लगा हुआ है लेकिन जिन गरीबों से 10-15 रुपये महीना इंस्टालमेंट लिया गया, चिट फंड आपरेट करने के लिये, उनको देने के लिये आज भी उनके पास एक पैसा भी नहीं है । इस बात का पता भी नहीं होता था कि आक्शन कब और कहां पर होगा । अगर किसी ने मैक्सिमम डिस्काउण्ट पर आक्शन लिया भी और पैसा मांगा तो उससे कहा गया कि सि-क्योरिटी लाओ—ऐसी सिक्योरिटी जोकि फ़ोरमैन के सेटिस्फ़ैक्शन की हो । ऐसी दशा में किसी जेन्युन व्यक्ति को भी कभी भी प्राइज एमाउण्ट नहीं मिल सकेगा ।

[श्री दृष्ण कुमार गोयल]

आपने इस बिल में कहा है कि कोई डिस-प्यूट होने पर रजिस्ट्रार के सामने जायेंगे लेकिन रजिस्ट्रार किस प्रकार के होंगे, यह बात आप जानते ही हैं।

मेरी समझ में एक बात नहीं आ रही है कि आप चिट फंड एक्टिविटीज किस के लिये एन्क्रेज करना चाहते हैं? आपके पास इतने सारे बैंकिंग इंस्टीट्यूशन हैं तथा अन्य प्रकार की पैसा देने की एजेंसीज हैं, पांच हजार तक का लोन तो पर्सनल बाण्ड पर ही लिया जा सकता है फिर मेरी समझ में नहीं आता कि किस गरीब व्यक्ति को आप इसके द्वारा पैसा देना चाहते हैं? यदि देश हित में आवश्यकता ही हो तो आप इसके लिये कोई दूसरा इंस्टीट्यूशन क्रिएट कर सकते हैं। जहां तक चिट फंड एक्टिविटीज का सम्बन्ध है, आपको मालूम ही है कि इसकी कहानी एक काली कहानी है, इसने देश के गरीबों को खूब लूटा है, क्या आप इसको इस लिये रेगुलराइज्ड करना चाहते हैं ताकि ये इस देश की गरीब जनता को और लूट सकें।

मैं किसी भावनावश यह बात नहीं कह रहा हूं बल्कि बैंकिंग कमीशन और स्टडी ग्रुप की भी यही रिपोर्ट है जिसके पैराज में बाद में रेफर करूंगा। उन्होंने भी इसका विरोध किया है लेकिन पता नहीं कौन सी लाबी है जिसके प्रेशर में उनको अपनी आवाज बदलनी पड़ी है? आज पीयरलेस लाइफ इश्योरेंस जो कुछ काम कर रही है उसकी जानकारी आप इस देश को दीजिये कि उसके कितने फ्लक्सुड डिपोजिट्स रिजर्व बैंक में हैं? क्या आप यह मानकर चलते हैं कि जो लोग उसमें अपना पैसा लगा रहे हैं वे रिस्क नहीं ले रहे हैं?

सभापति जी, मैं पीयरलेस के बारे में कहना चाहता हूं। पीयरलेस के नाम पर जितने भी सरकारी अधिकारी हैं, उनके लड़के, सबके लिये मैं नहीं कहना चाहता हूं, उनकी पत्नी उसके एजेंट बने हुये हैं और हजारों रुपये महीने की कमाई चल रही है। इसलिये मैं कहना चाहता हूं कि सरकार की पीयर लेस और लाइफ-इश्योरेंस कारपोरेशन के बारे में क्या मान्यता है, उसके बारे में आपको बताना चाहिये जनता जो कुछ कर रही है, वह रिस्क पर है या नहीं है या उसको लेना चाहिये या नहीं लेना चाहिये।

सभापति जी, अब मैं आपको ध्यान बैंकिंग कमीशन की रिपोर्ट की ओर आकर्षित करना चाहता हूं :

Report of the Banking Commission, 1972, page 426 para 17.37

“There are alternative schemes introduced by various financial institutions, which are superior to chit fund scheme, e.g., Recurring Deposits, Monthly Income Deposit Scheme, Insurance linked Deposit Scheme, Small Savings, Provident Fund, Insurance.”

ज्यादा न कहते हुए, मैं कहना चाहता हूं कि आखिर सब कुछ होने के बावजूद भी लोग इसके पीछे क्यों लगते हैं, सदियों से चिट-फंड क्यों चल रहा है, उसके ऊपर भी एक कमेंट है :

“Another reason for the popularity of chit funds can be traced to long standing social habits and the gaming element in the scheme which perhaps provides an added attraction to some subscribers.”

कमीशन ने कहा है कि यह जो स्कीम चल रही है, इसके पीछे कोई भावना नहीं है, सिवाय जुआ खेलने की मनोवृत्ति को एन्क्रेज किया जाए। क्या

सरकार इस जुआ खेलने की मनोवृत्ति को एनफ्रेज करना चाहती है? ब्लैकमनी को व्हाइट करने के बारे में भी कमीशन की रिपोर्ट में गहा गया है—

E7.38

"It has also been reported that some foremen use the institution to enable certain persons to convert the tax-evaded income into 'accounted money'. They can do this by so manoeuvring the result of the draw that a person with tax-evaded money is shown to get the prize. The person concerned pays premium to the foreman in return for the facility."

अनो माननीय सदस्य कह रहे थे किस प्रकार से होगा। प्रीमियम के आधार पर, प्रीमियम देकर जितना प्राइस एमाउन्ट आयेगा, वह ले लेगा और जो प्रीमियम है, उसमें सारा पैसा ब्लैक का चला जायेगा और इस प्रकार ब्लैक मनी को व्हाइट में कन्वर्ट किया जायेगा। मैंने इसीलिये इसका विरोध किया है। आखिर में कहा है—

17.41

"It would appear that the likelihood of productive use of the prize money is small. A prospective producer would not depend on the uncertainties involved in a chit fund. The rate of interest generally involved for a prize winner in a chit fund is so high that an inference can be drawn that the prize money is mostly used for consumption or speculative purposes."

17.42

"It will be clear from the above that as savings institutions chit funds do not offer to all their savers schemes superior to those offered by commercial banks and other financial institutions."

17.48

"The Commission is of the view that it will be useful for commer-

cial banks to run chit funds subject to proper safeguards as formulated by the Reserve Bank."

बहुत साफ अपनी रिपोर्ट में बैंकिंग कमीशन ने इसको कन्डैम किया है, माना है। इससे प्रोडक्शन यूज के लिये पैसा नहीं आ सकता है, बल्कि लोग प्रीमियम देकर ब्लैक मनी को व्हाइट में कन्वर्ट करेंगे। यदि आप चाहते हैं कि इसको चलने दिया जाए तो, खुद बैंकिंग कमीशन ने कहा है कि यदि आप को लगता है कि इसकी आदत लोगों को लगी हुई है और लोग कहते हैं कि इस को चलने दिया जाए तो सरकार इन सब चीजों को देखते हुये यह कामर्शियल बैंक के द्वारा इसको चलाए, रिजर्व बैंक की गाइड लाइन्स के ऊपर। यह सब हो जाने के बाद आज यह समझ में नहीं आता कि इसको किस प्रकार से लेकर आ रहे हैं।

सभापति जी, 1972 में नान-बैंकिंग कम्पनीज के ऊपर एक स्टडी ग्रुप की नियुक्ति हुई थी। उस ने अपनी रिपोर्ट 1975 में दी। जैसा मैंने प्रारंभ में कहा था उन की लार्ब; तब से ही काम कर रही है। आज जिस बिल पर हम विचार कर रहे हैं, उनकी फंडरेशन के द्वारा क्लोज-वाइ-क्लोज क्या अमेंडमेंट लाई जाय, उस के साइक्लोस्टाइल्ड पेपर्स सब मेम्बर्स के पास भेजे गये हैं और मुझे दुख है—आज जो भी चर्चा हो रही है उस में सब यही कर रहे हैं कि इस को रोकने के लिये कानून आना चाहिये, लेकिन उस तरफ से जो भी अमेंडमेंट्स सजेस्ट की गई हैं उनमें ज्यादातर "फोरमैन" को जिताने के लिये की गई हैं, सक्सत्राइबर का इंटरैस्ट कैसे प्रोटेक्ट हो सकता है, उसके संबंध में एक भी सदस्य ने अपने विचार व्यक्त नहीं किये हैं।

[श्री कृष्ण कुमार गोयल]

यह जो कमेटी बनी थी, इसकी रिपोर्ट के पेज 86 पर पैराग्राफ 6.15 को देखिये—

“Chit funds are open to abuse by the foreman who may resort to unfair methods for securing illegal gains. Such unfair methods include enrolment of fictitious members to complete the required number of members in a chit series. Similarly, a needy non-prized member may be exploited so that he gets the prize only at the maximum discount. Delaying tactics may be adopted by the foreman in disbursing the prize amount to prized subscriber on the ground that the security offered by him is not acceptable or adequate.”

यह उस स्टडी ग्रुप का कमेंट है। उस ने यह भी रिकमेंड किया था कि सैन्ट्रल गवर्नमेंट माडल बिल बनाये और वे माडल बिल ही इस बिल के रूप में यहां पेश किये गये हैं जो सिलेक्ट कमेटी के पास भेज दिये गये। मैं एक चार्ज लगाना चाहता हूँ यह वह रिपोर्ट थी जिस के बाद “प्राइज़ चिट फण्ड” को देश के अन्दर बन्द किया गया, लेकिन...

सभापति महोदय : जो तर्क यहां आप उपस्थित कर रहे हैं, क्या सिलेक्ट कमेटी के सामने भी आप ने पेश किये थे ?

श्री कृष्ण कुमार गोयल : जी हां, किये थे। वे सब रिकार्ड पर हैं।

सभापति महोदय : आप कितना समय और लेंगे ?

श्री कृष्ण कुमार गोयल : 10 मिनट से कम ही लूंगा।

आप इस रिपोर्ट के पेज 82 पर पैराग्राफ 6.6 को देखिये—इस में प्राइज़ चिट फण्ड को कन्डेम करने के लिये प्वाइन्ट्स दिये हैं और बहुत डिटेल्स में दिये हैं :-

“Most of these institutions are private limited companies with a very low capital base amounting to a few thousand rupees, contributed by the promoters/directors or their close relatives. A study conducted by the Reserve Bank of 71 prize chit companies whose balance sheets (though of different dates) were available, revealed that as against their aggregate paid-up capital and reserves amounting to Rs. 41.9 lakhs, the balance of the carried forward loss amounted to Rs. 90.8 lakhs. The subscriptions collected by these companies for the various schemes conducted by them aggregated Rs. 1647.2 lakhs. It would thus be seen that not only the paid-up capital and reserves had been completely wiped off but also the subscriptions aggregating Rs. 489 lakhs had been eroded. The companies thus had absolutely no stake of their own in the business and were solely dependent on public funds. This was mainly due to the high expenditure incurred by the companies on advertisements and commission paid to the agents.”

इस के बाद वे इस तर्क पर आये कि देश के अन्दर प्राइज़ चिट फण्ड कम्पलीटली बन्द कर देना चाहिए। मेरा चार्ज है कि जिस समय वे कन्वेंशनल चिट के केस को एक्जामिन कर रहे थे, तो उस की डिटेल्स में क्यों नहीं गये, उन्होंने एक पैरा भी कन्वेंशनल चिट फण्ड की एक्टीविटीज़ के बारे में नहीं दिया ? वे बिना किसी पेड-अप कैपिटल के, बिना फ्रान्चिजियल साउण्डनेस के चल रही हैं उन को बन्द करने के लिये क्यों नहीं कहा ? इन्होंने। कगोर्बों रुपया इक्वैटा किया और डाइवर्ट किया लेकिन इस स्टडी ग्रुप ने एक पैरा, एक शब्द भी इस बारे में इस में नहीं दिया। जैसा कि मैं ने पहले कहा कि प्रेसर बिल्ट-अप किया, लौबी चली और इस से दबी जुबान में यह कहा गया,

"We should allow conventional chits with such and such restrictions and regulations."

ऐसा करने के लिए कौन सी आवश्यकता आ गई थी। जब देश के अन्दर प्राइज चिट फंड को बंद कर सकते हैं, तो कन्वेंशनल चिट्स को एलाऊ करने का कारण क्या है। इसलिए मैं यह कहना चाहूंगा कि चाहे स्टडी ग्रुप हो 1975 का और चाहे 1972 का बैंकिंग कमीशन हो, दोनों ने ही स्पष्ट रूप से चिट फंड एक्ट को कन्डेन किया है।

अन्त में मैं एक केस आप के सामने रखना चाहूंगा और यह केस हाई कोर्ट जजमेंट के ऊपर बेस किया हुआ है। यह जजमेंट है:

"Company Petition No. 59 of 1975; judgment by Justice Thakkar J. Date of Decision—17th August, 1977."

यह एक बड़ा अजीब केस है। एक कम्पनी लिक्विडेशन के लिए गई और उस केस में जजेज ने अपने ये रिमार्क्स दिये कि किस प्रकार से शरीबी के साथ खिलवाड़ किया गया। इस कम्पनी का पेंड-अप कैपिटल केवल 4500 रुपये था और उस ने एक एडवर्टाइजमेंट के माध्यम से सक्सत्राइवर्स को इन्वाइट किया। नतीजा यह हुआ कि दो साल के अन्दर 1 लाख सदस्यों से 1 करोड़ 42 लाख रुपये का कलेक्शन किया और कलेक्शन करने के बाद जिस समय यह मामला हाई कोर्ट के सामने लिक्विडेशन के लिए गया तो वहां पर जजेज की आंखें खुली और उन को यह देखकर दुःख हुआ कि 1 करोड़ 42 लाख में से पौने 73 लाख रुपये तो लास में दिखाया गया था और जो कम्पनी के डाइरेक्टर्स थे, उन को साढ़े 36 लाख

रुपया लोन दे दिया गया। शरीबी से 10 रुपया महीना ले कर 1 करोड़ 42 लाख रुपये इकट्ठा किये गये और उस में इतना सारा लास दिखाया गया। डाइरेक्टर्स को बड़ी अच्छी-अच्छी सेलरीज दी गई, बड़े-बड़े बंगले किराये पर लिये और उन के सारे रिलेटिव्स और रिश्तेदारों को ग्रॉबलप्राइज करने के लिए बंगले लिये गये और इस तरह से पौने 73 लाख रुपये का लास दिखाया गया। डाइरेक्टर्स जो उन के थे, उन को साढ़े 36 लाख रुपये लोन के दे दिये गये। इस सब को देख कर जजेज ने यह कहा कि सरकार को इस बारे में सोचना चाहिए कि इस के लिए क्या किया जाए। जब इस प्रकार की दर्दनाक स्थिति हो, तो यह जो बिल है, जो यह एक्ट आप बनाने जा रहे हैं, इस में यह क्या गारंटी है, ऐसी बात नहीं होगी। इस एक्ट के अन्दर जो यह है कि पहले जो कम्पनी चिट फंड की एक्टिविटीज में संलग्न है, उन को वाइ-अप के लिए समय दिया जाएगा। जब उन को वाइ-अप करने के लिए 5-5 और 6-6 साल का समय मिल जाएगा, जब फार्मलिटोज को पूरा करने के लिए इतना समय इन को मिल जाएगा, तो इस पीरियड में ये सारा पैसा खा जाएंगी। आप को जरूरत क्या है इतना समय देने की और चिट फंड आप देश के अन्दर क्यों रखना चाहते हैं।

अब मैं एक प्रश्न पूछ कर अपनी बात समाप्त करूंगा। जब प्राइज चिट्स एण्ड सर्किलेशन स्कीम्स (बैंड) एक्ट, 1978 आप ले कर आए हैं, तो मेरी मान्यता है कि इसी एक्ट के द्वारा Even conventional chits and their activities are banned.

सरकार आखें मूंद कर पड़ी हुई है और कोई अमल नहीं कर रही है। मैं आप

[श्री कृष्ण कुमार गोयल]

को बताना चाहूंगा कि इस एक्ट की धारा 3 जो है, उस में यह दिया हुआ है :

"No person shall promote or conduct any prize chit or money circulation scheme, or enrol as a member to any such chit or scheme, or participate in it otherwise, or receive or remit any money in pursuance of such chit or scheme."

The "money circulation scheme" has also been defined here:

"money circulation, scheme" means any scheme, by whatever name called, for the making of quick or easy money, or for the receipt of any money or valuable thing as the consideration for a promise to pay money, in any event or contingency relative or applicable to the enrolment of members into the scheme, whether or not such money or thing is derived from the entrance money of the members of such scheme or periodical subscriptions."

मेरा कहना यह है कि यह जो आपका आलरेडी प्राइज चिट्स एण्ड मनी सर्कुलेशन स्कीम्स (बेनिंग) एक्ट बना है इसके अन्तर्गत जो कंवेशनल चिट की परिभाषा दी हुयी है उसके अनुसार आपकी चिट तो पहले ही बंद है लेकिन आपने आज तक इस कानून को एग्जामिन नहीं करवाया और न करवाना चाहते हैं।

अन्त में, आपको मैं केवल यही कहना चाहूंगा कि अगर आपको किसी को ओब्लाइज करना है तो आप सब से पहले गरीब को ओब्लाइज कीजिये क्योंकि गरीबों के दुख-दर्द की हम सभी वात करते हैं। हम अब तक चिट फण्ड एक्ट को इसी दृष्टि से देखते रहे हैं कि चिट फण्ड के धंधे में जो लोग लगे हुये हैं कहीं उनका धन्धा खत्म न हो जाए।

इसीलिये आप यह कानून बनाना चाहते हैं। मेरा निवेदन यही है कि आप चिट फण्ड को चाहे वह कंवेशनल हों, चाहे कोई और हों, इन्को अविलम्ब कानून बना कर प्रतिबन्धित करें। वे प्रतिबन्धित तो आलरेडी हैं लेकिन दुर्भाग्य से उस कानून को आपने एग्जामिन नहीं किया है।

SHRI XAVIER ARAKAL (Ernakulam): We had the privilege to listen to the speech and the dissenting note of the hon. Member.

Money is a measurement of value. It is also said that it is a circulation medium, means of payment, accumulation and trading and also world currency. These are the five roles or utilities of money.

This transaction which is now being debated in the House has a long history. It was primarily for the benefit of foreman. It is a loan-term transaction, rather than a lottery, or commercial or any other investment or venture.

In 1976, it accounted for Rs. 110 crores.

Certain States, especially Kerala, Tamil Nadu, Bengal, Maharashtra and Delhi, recently had many mushroom like growth in this field. In Bengal, one Company alone had the turn-over of Rs. 128 crores.

So also another Company, Sudarsan Chit Fund again had a fantastic turn-over of crores of rupees.

Naturally, this must have been taken note of much earlier.

However, this is a matter relating to the Concurrent List of the Constitution Item. 7:

It says:

"Contracts, including partnership, agency, contracts of carriage, and other special forms of contracts, but not including contracts relating to agricultural land."

Therefore, the power of the Central Government as well the State Government is very much involved in it, to protect the interests of the poor subscribers.

Referring to the Statement of Objects and Reasons, it is said in para 2:

"that it is essential to have a uniform chit fund legislation applicable to the whole country ... for adoption by all the States."

"The Commission also observed that it would be desirable to provide in the legislation that only public limited companies can run chit funds."

These are the two objections mentioned in the Statement of Objects and Reasons. Now we have to examine the present Bill and see whether it will confine itself to these Objects and Reasons, whether it will achieve the objects mentioned here. I am afraid, it may not; it may look very odd when I say this, this is not a law applicable uniformly to the entire country.....

16 hrs.

[SHRI CHANDRAJIT YADAV *in the Chair*]

SHRI K. A. RAJAH (Trichur): Are you opposing the Bill?

SHRI XAVIER ARAKAL: I am not opposing it. (*Interruptions*)

There are ten Central Acts attracted partially in this Bill, and they are: the Reserve Bank of India Act 1934, the Banking Regulations Act 1949, the State Bank of India Act 1955, the State Bank of India (Subsidiary Banks) Act 1959, Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970, the Regional Rural Bank Act 1976, the Banking Companies Act 1980; these are the financial Acts directly applicable, and in addition, there are also the Trusts Act of 1882, the Companies Act 1956 and the Contract Act. The various provisions in these Acts are supposedly attracted in this Bill. Will they be able to achieve uniformity here?

If you refer to the title of this Bill, it says, 'The Chit Funds Bill, 1980'. If you refer to Clause 1, it says, 'This Act may be called the Chit Funds Act, 1981' My first doubt is about the year....

SHRI SOMNATH CHATTERJEE: There is a Government amendment.

SHRI XAVIER ARAKAL: These things must be taken note of earlier. There are many irregularities or lacunae in this Bill if you go through the various Clauses. Though they may be minor, if you take the totality of the Bill, you will find that this is not going to achieve the objects visualised in the Statement of Objects and Reasons.

Now, take Clause 1. Clause 1(3) reads:

"It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different States."

Now where is the uniformity? How is it going to be applied uniformly in the entire country?

In Clause 12 also, the same problem is there. Clause 12 reads:

"Except with the general or special permission of the State Government, no company carrying on chit business shall conduct any other business."

If you refer to Clause 87, you will find that it can 'exempt any person or class of persons or any chit or class of chits from all or any of the provisions of this Act.

My first submission is this: how is it going to be a uniformity-applied measure. The scheme of this Bill, as far as I can see, is that the entire thing has to be administered by the States, the entire burden is shifted to the States—for implementing the

[Shri Xavier Arakal]

various provisions or measure as well as other administrative matters. Will there be uniformity in that case? It is not possible to have uniformity in such a case when such clauses are incorporated.

Now take Clause 4. There are a lot of impositions—maybe, with good intentions—on the foreman. Clause 4 deals with registration of chits, commencement and conduct of business. The five stages have to be gone through before a chit fund is properly commenced. If you refer to clause 4, before he submits an application for sanction, the foreman is bound to give certain documents and papers. As earlier mentioned he is bound to deposit an amount as well. I will come to that clause a little later. Now clause 4 says: "No chit fund shall be commenced or conducted without obtaining the previous sanction of the State Government within whose jurisdiction the chit is to be commenced." Now please refer to other clauses. "The previous sanction referred to in sub-section (1) may be refused, if the foreman had been convicted of any offence under this Act or any other Act regarding chit business." May I request the hon. Minister to give some clarification on this issue. What kind of offences? Any offence? As earlier mentioned by other speakers, it requires some clarification in that matter.

Now refer to clause 4(c)—"had been convicted of any offence involving moral turpitude and sentenced to imprisonment for any such offence unless a period of five years has elapsed since his release." How many will be like that? What is the object of this clause? I fail to understand. A man who is convicted and sentenced to 5 years—that class of foreman will be very rare. My submission is that this five-year period should be deleted. Why should there be a five-year period? If it involves moral turpitude, that itself is sufficient in not sanctioning the chit fund. Kindly go through it.

I forgot to refer to clause 3. There is an over-riding clause—"save as otherwise expressly provided in this Act..." My doubt is this. Is this over-riding other punishable offences under IPC or some other laws? A reading of this clause says that if a man has committed an offence under the criminal law, IPC or any other law, he is debarred from conducting chit fund business. The clause needs redefinition and clarification.

Regarding registration, clause 7 also has the same problem as I mentioned earlier. Registration can be refused if the security offered by the foreman under clause (2) is insufficient and (b) if the foreman had been convicted of any offence under this Act or under any other Act regulating chit business." Let me ask another question. Suppose a foreman is convicted under the criminal law, will it debar registration? My submission is that any conviction regardless of the quantum of fine or imprisonment should be taken into consideration in refusing (1) the sanction and (2) the registration.

As I said, there are five stages before a chit fund commences its activity. Before the sanction he has to file certain papers, then obtain the sanction, registration, declaration certificate of commencement and also certificate of closing the chit fund. A lot of paper work and going from one office to another is there throughout this Bill. There is no simplification of the procedure there. This is something which deserves the attention of the Government, of the Department. If you analyse clause by clause, the scheme of this Bill is this. The foreman is bound to go from one place to another through stages for a long period of time. You please refer to clause 8. This speaks about Reserve Fund, namely, that 10 per cent of the profits should be earmarked or required to be deposited to the Reserve Fund. What is the object of the Reserve Fund? Is it possible to deposit 10 per cent? Assume for a moment

that company 'X' makes no profit. Then, what is the consequence of it? I mentioned about Clause 9 already. The most curious Class is Clause 12. It says:

"Prohibition of transacting business other than chit business by a company."

"Except with the general or other permission of the State Government, no company carrying on chit business shall conduct any other business."

If a State Government feels, it can be exempted or forces that, they can get it done. Again the object of this Bill will be defeated. All the clauses are similar to the one I mentioned, namely, Clause 87. If you refer to Clause 20, I think, it is a hard clause asking the Foreman to deposit the security. Sub-clause (a) asks him—

"(a) deposit on an approved bank...an amount equal to the chit amount in the name of the Registrar."

I think this clause demanding him to deposit an equal amount in an approved bank is not conducive to a proper functioning or transaction in this scheme. Let me now ask a question: Is the intention of the Government not to encourage this sort of transaction? If not, then come forward with a Bill as asked by the Banking Commission Act, 1972 and debar all the transactions of this kind by any non-financial institutions.

Having this kind of financial transactions instead of regulating, controlling, the activities done, you may destroy them. This measure, to a good degree, will not be adequate to the proper functioning of these institutions. I now take you to clause 24. There is an attempt to have this Bill on a par with the Companies Act. The Registrar is made a very powerful man. There are two things in this— one is the State Government and the other is the Registrar. The Registrar is an autocrat; he is very powerful.

A lot of powers is given to him. As the earlier speaker mentioned, how are you going to regulate that? What is the judicial process involved in it? There is, of course, a provision agreed to by the State Government. If there is a provision to have a judicial decision on the activities or the decision of the Registrar under this Bill, it will be fair. I fail to understand why the judicious scrutiny is not given under this Bill?

Chapter VIII in Clause 39 refers to the termination of the chit fund. Clause 39(2) says:

"Where a Foreman is adjudicated an insolvent or withdraws from the chit under Section 26, or fails to conduct the chit at any instalment or on any other date before the next succeeding instalment as may have been agreed upon by a special resolution*****"

This is a controversial Clause, Mr. Chairman.

"Anyone or more of such subscribers authorised by such Resolution may in the absence of any provision in the Chit agreement for the future conduct of the Chit take the place of the foreman and continue the chit or make other arrangements for further conduct of the chit."

My doubt is this. Will this man have the same rights, duties and obligations as contemplated for the Foreman or the newsman is not bound by the provisions of this Bill. I would request the hon. Minister to give due consideration to this.

Now, I come to Clause 45. It says:

"All the records pertaining to a chit shall be kept by the foreman for a period of eight years from the date of termination of the chit."

I don't understand this. If you refer to the limitation clause you will find that the period provided is three years. If the Limitation Act is applicable then it would not exceed more

[Shri Xavier Arakal]

than 3 years. So why should he be asked to keep for 8 years. This clause 45 imposing on the foreman to keep the records for 8 years should be reduced to 3 years period.

Sir, Clause 67 is a peculiar clause. The legal practitioners are barred from appearing. Why should the legal practitioners be barred? It is the most peculiar clause. Another peculiar clause is Clause 76 which imposed penalty for only two years whereas in cases of moral turpitude the punishment provided is 5 years. So, I would suggest that punishment under this offence be increased to 5 years or 10 years.

MR. CHAIRMAN: Please conclude now.

SHRI XAVIER ARAKAL: Sir, under Clause 79 companies are exempted from this offence. This requires re-consideration. Although this Bill has gone through the Select Committee yet I feel on many points serious consideration is required to be given by this House. Clause 87 gives power to exempt. I feel there is wide power to exempt. How can we have a Central legislation if that power is given.

So, Sir, as I said earlier this Bill is not going to achieve the object visualised in the Statement of Objects and Reasons otherwise the intention of the Government to restrict, regulate and curtail malpractices of these transactions is a welcome move but according to the provisions of this Bill that desired effect may not be achieved. Where the States are reluctant to adopt stringent measures, or where they fail to act as per the provisions of this Bill, the centre should come forward to take very strong measures to regulate the financial transactions of these non-financial institutions like the Chit Fund.

I welcome this Bill subject to these suggestions which I have made and I

do hope that they will received serious consideration on the part of the Government.

DR. SUBRAMANIAM SWAMY (Bombay North East): Mr. Chairman, Sir, I would first of all commend the suggestions made by my hon. friend Mr. Arakal and I would urge upon the hon. Minister to take his points seriously. If Mr. Arakal had been there in the Select Committee we would have been saved of all these troubles and all these lacunae which we now come across.

The principal argument of some of our friends against the Bill is that this is an instrument for converting black money into white and on that ground it has been opposed by some people on this side of the House. I am here not really to oppose the Bill as such, but to suggest some Amendments. If the Government is prepared to accept those amendments, we would be really happy about that; at least I and my party would be happy to support the Bill. But, I think, perhaps the Minister would not accept these amendments and I will have to say in the end that I will have to oppose the Bill.

Black money is a great problem in this country. Black money gets converted into white, from white into black again; like that, this process goes on continuously. Chit fund is not the only mechanism; there are better mechanisms available. If anybody has any doubt when I say better mechanisms are available, I would only request him to pay a visit to Bombay and I will show him 20 different ways in which black money can be converted into white in one night and white into black again in another night. (Interruptions) I don't have any thing to do with any such business but I am observing your colleagues there; so we know about what is going on. I don't think anybody in his right mind would make use of the Chit Fund to convert black money into white, when so many other better methods, far more efficient methods

and more paying methods are available. On the other hand, if these chit funds are properly regulated then certainly it will help the middle class and the wage earners; it can be a method by which they can get a lot in the short run, particularly when they want to make certain kinds of purchases which they would not be able to do through the Banks. It is but right and proper that there should be an All India Act and this All India Act should regulate and apply uniformly all over the country. Because, there are presently Acts which are different in different States. I therefore, welcome the idea of having an All India Act for this purpose.

Actually the Bill which has been brought before the House does not answer certain very fundamental questions which arise. First of all I would like to know this: There are certain Chit Funds which have in fact, brought a bad name to Chit Funds. What is the relief that is being offered for those innocent people who are suffering because of that? For example, the case of Sudarshan Chit Fund has been mentioned by several of our hon. Members; my hon. friend Shri Somnath Chatterjee spoke about the case of Sanchaita Chit Fund. He knows better than me about those things.

SHRI SOMNATH CHATTERJEE: There are hundreds of poor and innocent people who lost their money there. Government did not do anything.

DR. SUBRAMANIAM SWAMY: I would only profess ignorance on that subject. But regarding the Sudarshan Chit Fund, I know that very large number of people in Maharashtra have been badly affected; crores of rupees of these poor people and middle class people have been appropriated. Although there are various ways in which action can be taken, the Government has not taken any action so far. The Sudarshan Chit Fund is a wholly owned subsidiary of Sudarshan Trading Company of which the

top man or the moving spirit is one Mr. Velayuthan whose wife is a famous actress in Tamil Nadu. He still continues to operate it. The reason why they are in a mess is that the money of these poor middle class people have been utilised for other activities, such as ship-building and so on which are not allowed at all. They are not able to recover money from those types of activities. As a consequence they have not been able to pay to even ordinary subscribers. But, Sir, there is no excuse at all. The question is: what is the Government going to do in this matter? If this Sudarshan Chit Fund is going to liquidation, then these poor people will not get their due share. So, Government has to intervene and has to see that their money that is due to these people is paid to them. I would like an assurance from the Government today on this subject because this is not a new subject in the Finance Ministry. Volumes and volumes of letters have come to them suggesting various alternative ways in which these poor people and the middle-class people affected.

I would like to know after this Bill becomes an Act, in what way those people who have been affected by such an unscrupulous element as through the Sudarshan Chit Fund, are going to get relief. Of course the Government can take over the Fund and then liquidate the assets in such a way that these people get back what they have put in. In any case, I want to get a clear-cut answer from the hon. Minister that he would not allow the culprit in this to go scot-free. I have singled out some of the clauses as those clauses have already been dealt with ably by my previous speakers, notably, Mr. Arakal who spoke just before me.

Now, I come to Clause 8 which deals the Minimum capital requirements. I think the hon. Minister should clarify what these minimum requirements of one lakh rupees are and what is the scope of it. As far as Clause 12 is concerned, prohibiting Chit Funds

[Dr. Subramaniam Swamy]

from doing any other business, if they are to be wound up, I would like some clarification on this also because in my mind this particular clause seems to have a loop-hole. I would like the hon. Minister to pay special attention to Clause 13 which deal with the ceiling on Aggregate amount of chits. I would like to read out Clause 13(2) (a)—

“13(2) (a) where the number of partners of the firm or the individuals constituting the association is not less than four, a sum of rupee one lakh;”

Now, why is this so? After all if the partnership is the maximum up to 20 and the sub-clause 13(2) (b) talks about Rs. 25,000 per head, then why not simply say twenty-five thousand rupees per head and what for this clause (a) at all? In fact, my colleague, Mr. Parulekar along with Mr. Mool Chand Daga—I would not mention the name of Mr. Mool Chand Daga because he may be forced to withdraw his amendment—moved an amendment in List No. 3 where on page 8 he has said—

—27. Page 8, line 9,—

omit “not less than”.

It means ‘not less than’ four. This is unnecessary. I think Rs. 25,000 per head itself could be there. Such a restriction need not be in fact be placed. In fact, the Select Committee did not recommend this. I do not know who got this bright idea in the Ministry of Finance. After talking to the Members of the Select Committee, I came to know that they did not suggest putting this ceiling on the numbers. I would like the hon. Minister to explain this and in particular I would like him to be gracious enough to explain Mr. Parulekar’s amendment in this matter.

Again, I would like the hon. Minister’s attention to be drawn to Clause 64 which is of a great interest to us

that is, about disputes and arbitration. In this connection, I would like to know how the middle class people can get quick relief in this. Mr. Arakal has already mentioned that the punishment is too small and in fact he wanted that the punishment should be 5 to 10 years. But I would like to know in what way the people who have been suffering from the Chit Funds are going to get relief and what relief they could get through this machinery and how it could be done quickly.

Finally, I am happy to see the Clause 90 where all the present State Laws have been deleted or have been repealed. So, Sir, I would like to say that if the Bill is amended in the manner in which Mr. Parulekar’s amendments have suggested, then I would certainly support the Bill. However, I do support the idea of an all-India Act for chit funds. I think, the chit funds, if properly regulated, are a legitimate activity and this activity should not be banned. However, in those cases where misappropriation has taken place like the Sudarshan Chit Fund Co., if the Government could come forward with suitable action, then confidence could be built in future.

With these remarks, I can neither support nor oppose the Bill. I will have to see how the Government reacts to the suggestions made.

SHRI K. A. RAJAN (Trichur):
Mr. Chairman, Sir, I would not like to go into the various points, connected or unconnected with the relevant Bill that have been made. Much has been said about the generation of black-money with the operation of these chit funds. According to the latest figures available, the annual turnover of these chit fund companies comes to Rs. 250 crores. When we compare it to the total amount of black money generated in the country, this stands nowhere. Then, why talk so much of black-money. As I said, I am not, therefore, going to deal with this point,

We have to think in terms of the realistic situation in the context of the Bill before us. This Bill was introduced in 1980 and it went to the Select Committee, and if I remember correctly, the Select Committee, with only one dissenting note, has almost incorporated all those provisions to the best interest of the people. The Select Committee has gone through the whole question very thoroughly.

Of course, there are still certain lacunae that need to be plugged. It is no denying the fact that certain chit fund companies have been playing havoc with the people. There have been certain poor people who fell victims to these companies. As my hon. friend, Shri Arakal has stated, according to the latest figures, the total number of conventional chit fund companies comes to nearly 8000, and out of these 8000 companies, about 5000 chit fund companies are in the South in Kerala, Tamil Nadu and Karnataka States. As I said, many such companies have been defrauding and cheating the people and causing harassment to them. One fine morning, one such company will come up and it will disappear the next day. This would leave the subscribers in jitters.

Now, this Bill has been brought forward to have some kind of regulation for these companies. When a legislation has been brought forward in a particular context, there is no need for us to take a negative attitude; we must take a positive attitude. We must think seriously how to plug the various loopholes. A study Group of the RBI also went into the working of the non-banking institutions, and Shri James Raj has made a recommendation that a comprehensive legislation should be brought about the working of non-banking institutions, because they have been creating a number of problems.

As pointed out by my hon. friend, Shri Arakal, there are certain loopholes as well as certain lacunae, which need to be plugged to cure the

malpractices. I would particularly like to highlight the provision contained in clause 64 of the Bill regarding the arbitration etc. It has been left to the discretion of the register to nominate a nominee and the appellate authority is the respective State Government. Now, the Inspectors are there, and their duty is to see proper implementation of the various provisions. The registrar is the authority to intervene in the dispute and he can nominate a person if he likes. Now, what is the status of this nominee?

PROF. N. G. RANGA (Guntur): No qualifications?

SHRI K. A. RAJAN: Nothing is there. Only thing is that Registrar has been defined. But who is the nominee? What is the status of the nominee? That has not been defined. Whether he is an equivalent officer of the same rank as the Registrar or he is the man having judicial status or is he any layman or Government Officer? So, that should be defined. Unless you define, lot of mischief will be done. We bring in laws in the country with good intentions, but unfortunately when it goes to the point of implementation all these foul play and mal-practices happen. So, I am very anxious on that particular point i.e. who is the nominee; what is the Status of the nominee and if the Registrar empowers a nominee, under what context should he empower the nominee? Then why should he just nominate a nominee? If that is the case, then you should very well state what is the status of the nominee. That has not been defined in the Act.

Then there are two clauses— Clause 76 and 77. Mr. Minister, while Clause 76 is there, I feel Clause 77 is redundant. You just go through it. It is a sort of duplication. When Clause 76 is quite specific in that context, then why Clause 77 is there? That is a redundant Clause.

Another point on which I am introducing an amendment is about Clause 86. Clause 86 reads:

[Shri K. A. Rajan]

"Notwithstanding anything contained in this Act, no bank shall commerce or carry on chit business after the commencement of the Act."

That is the relevant clause in the Bill as is being reported. But there are certain governments which have entered into this business. In Kerala, there is Kerala Financial Enterprise. I don't know but in other States there are such organisations or banking companies; and there are a lot of cooperative banks functioning in various States which enter into conventional chit funds. My amendment which I am going to move is to delete that Clause, because there are inbuilt safeguards and other set ups inside these institutions. While Government is running financial enterprises registered in the Cooperative Act and other cooperative banks are running and are registered under the cooperative development rules and other banking institutions are running it, there are enough inbuilt safeguards inside those organisations, we need not be worried about it that there will be some sorts of mischief as it is in the case of private firms or in private companies running it. In these large amount of turn-over is there because it caters to the middle-class and lower middle class people. Who are these people who go into the chit funds? Really it is the lower middle class and the poor people in villages, in small towns, government officers, NGOs and all sorts of people are there. A lot of turn-over and business is being done by these enterprises. On that point my amendment is to delete it. Why should it be there? The Minister may kindly clarify the position. If he is afraid of misuse as in the case of other firms of business, then there need not be any anxiety in this because you have enough inbuilt safeguards in the institution by law itself. As they are running it why should it be here? So my suggestion regarding that

amendment is to delete that particular provision.

Then I would like to point out only one more thing. That is what I stressed earlier regarding the appellate authority. The appellate authority, as it is, is the State Government, as if it is to be administered by the State Government. But the appellate authority should be with the judicial authority in such matters. You have simply stated that the State Government should be the appellate authority. But I think in such matters where all sorts of malpractices, frauds are there, in such matters, you may just...

PROF. N. G. RANGA: Then there will be much delay.'

SHRI K. A. RAJAN: That is my suggestion. You can just think over the problem, and see whether it can be considered.

Then there is another provision which has been pointed out. Certain institutions may be running a certain business. If they enter into any other business over and above that, they cannot do it, as it is. They may do it. There may be every possibility. Certain companies may have conventional chits. Thereby, you have to shut the door, and say that they will not be able to enter into some other avenues or areas of business, under the provisions of this Act. As it is, it requires Government's prior sanction. I don't understand what is the logic behind it. (Interruptions) I am trying to explain. It can be diverted otherwise also.

With these words, I say this is an important step. But in realistic terms, I do not know how far we will be able to tighten up the whole machinery; that depends upon, as I said, how far we will be able to administer it, and how far the Inspectors and Registrars will be able to be vigilant over the matter. As is the fact with other legislations, if the

implementation part goes flat, this is not going to serve its purpose.

With these words, I thank you, Sir, for having given me this opportunity; and I hope the Minister will consider my suggestions.

श्री गिरधारी लाल ब्यास (भोलवाड़ा) : सभापति महोदय, मैं इस चिट फ़ण्ड बिल का समर्थन करता हूँ और चूँकि मैं भी इसकी प्रवर समिति में था, जो जानकारी सारे देश में हमको मिली, उससे यह महसूस होता था कि खासतौर से दक्षिण में—केरल, तामिलनाडु, कर्णाटक, आंध्र प्रदेश, महाराष्ट्र—इन सब प्रदेशों में चिट फ़ण्ड कार्यक्रम काफ़ी प्रचलित है और लोग यह महसूस करते थे—यदि चिट फ़ण्ड सिस्टम न होता तो छोटे-मोटे लोगों का जो रोजमर्रा का काम है वह भी नहीं चल सकता था।

अभी कुछ माननीय सदस्यों ने सुझाव दिये कि बैंकों के जरिये इस प्रकार की व्यवस्था चलाई जाये। हम सब जानते हैं कि आज हमारे बैंक किस तरह से काम करते हैं। किसी भी प्रकार के ऋण के लिये लोगों को महीने-दो महीने बैंक के चक्कर काटने पड़ते हैं और उसके बाद भी मुश्किल से पैसा मिल पाता है। इस व्यवस्था में 30 परसेन्ट डिस्काउन्ट पर सारा पैसा आराम से मिल जाता है। बैंक से अगर 5 हजार रुपये कर्जा लेना है तो वहाँ के मैनेजर, एग्रीकल्चर अधिकारी, वैल्यूएशन आफ़िसर, सब के लिये व्यवस्था करनी पड़ती है। इन सब बातों को देखने की आवश्यकता है। यह कह देना बहुत सरल है कि सारी कार्यवाही चिट फ़ण्ड कम्पनी के जरिये न होकर बैंकिंग संस्था के जरिये की जाये, लेकिन उसमें जो कठिनाइयाँ हैं उनको भी देखना होगा। यह ठीक है कि चिट फ़ंड कम्पनियों में भी बहुत गड़बड़ी हुई है। खासतौर से "सुदर्शन" कम्पनी का उल्झे

अनेक सदस्यों ने किया है, लेकिन अगर चिट फ़ण्ड कम्पनी को इस काम के अलावा दूसरा काम न करने दिया जाये तो व्यवस्था ठीक प्रकार से चल सकती है। अगर चिट फ़ण्ड कम्पनी दूसरे कामों में लग जायेंगी, अपना पैसा बिल्डिंग के कामों में या सिनेमा के कामों में लगायेंगी जिसमें उन को घाटा भी हो सकता है...

श्री हरोश रावत (अल्मोड़ा) : होटल में भी।

श्री गिरधारी लाल ब्यास : होटल के कामों में अगर चिट फ़ण्ड कम्पनी पैसा इन्वेस्ट करेगी तो यह इन्वेस्टमेंट गलत हो जाता है और उसकी वजह से लोगों को नुकसान होता है। इस लिये चिट फ़ण्ड कम्पनियों को अगर इस तरह के इन्वेस्टमेंट का अधिकार नहीं होगा तो इस तरह की गड़बड़ नहीं होगी और वे सुचारू रूप से चलती रहेगी।

इस लिये जो बिल आप के सामने लाया गया है उस में ऐसी चिट फ़ण्ड कम्पनियों के लिए पर्याप्त व्यवस्था की गई है तथा प्रवर समिति ने ऐसे सब सुझावों पर विचार करके बहुत सोच-समझ कर संशोधन किये हैं। अभी बहुत सारे माननीय सदस्यों ने यहाँ पर कुछ बातें रहीं और कुछ सबाल लीगल प्रैक्टिशनर्स के बारे में उठाया। इस में झगड़ा कहाँ है, जो उस को लाया जाए। एक फ़ोर-मैन और सन्सक्राइबर के बीच में झगड़ा है, तो उस में लीगल प्रैक्टिशनर क्या करेगा। रजिस्ट्रार के सामने दावा पेश किया जाएगा कि हमारा इतना पैसा नहीं दिया गया या इस में फ़लानी गड़बड़ हुई है, तो रजिस्ट्रार उस को डिसाइड कर देगा। अगर लीगल प्रैक्टिशनर को लाया जाएगा, तो बड़ी मुश्किल पड़ जाएगी। इसलिए मैं यह समझता हूँ कि लीगल प्रैक्टिशनर को इस में लाने की कोई आवश्यकता नहीं

[श्री गिरधारी लाल व्यास]

है क्योंकि बड़ी सरलता से रजिस्ट्रार इस को कर सकता है और सारी समस्या का समाधान हो सकता है ।

इसी तरह से और भी बहुत सी बातें कही गईं और खास तौर पर रजिस्ट्रार के बारे में यह कहा गया कि वह सारी व्यवस्था को कैसे सुचारू रूप से चला सकेगा । मैं इस के बारे में यह निवेदन करना चाहता हूँ कि पहले जो चिट फंड कम्पनी थी, वह अगर किसी दूसरी स्टेट में जा कर काम करती थी, तो उस पर उस स्टेट के रजिस्ट्रार का कोई जूरिसडिक्शन नहीं था । हमने इस बिल के अन्दर इस प्रकार का प्रावधान करने की व्यवस्था की है कि अगर एक स्टेट से दूसरी स्टेट में जा कर कोई कम्पनी अपना कारोबार चलाती है, तो वहाँ का रजिस्ट्रार उस की सारी व्यवस्था को देखेगा । आज तक तो यह होता था कि एक चिट फंड कम्पनी दूसरी स्टेट में जा कर अपना कारोबार करती है, अपने कारोबार को बढ़ाती है, तो उस की देखरेख करने वाला कोई नहीं है और इस वजह से यह कोई नहीं देख पाता है कि वह जो रुपया उस के पास है, उस को किस तरह से खर्च कर रही है, उस को बर्बाद कर रही है या गलत रास्ते पर जा कर उस का सही इस्तेमाल नहीं कर रही है । इस को रोकने का कोई अधिकार किसी के पास नहीं था । क्योंकि ऐसा कोई प्रावधान कानून में नहीं है और इस प्रकार से बहुत सारी चिट फंड कम्पनियाँ खराब हुई हैं और उन से लोगों को नुकसान हुआ है । इसलिए यह प्रावधान इस बिल के अन्दर किया गया है कि अगर एक स्टेट में वह कम्पनी रजिस्टर्ड है और दूसरी स्टेट में जा कर वह काम करना चाहती है, तो उस स्टेट के रजिस्ट्रार के

तहत में उस को काम करना पड़ेगा, उस को अपना कारोबार करना पड़ेगा और जितने भी उसके डाक्यूमेंट्स हैं, कागजात वगैरह हैं, उन को देखने का अधिकार वहाँ के रजिस्ट्रार को होगा और उसके संबंध में वह जो कुछ भी निर्णय लेगा, वह उस को मान्य होगा । इस प्रकार की व्यवस्था जो इस बिल में की गई है, उसे जो लूपहोल्स पहले थे, वे लूपहोल्स एक तरह से अब नहीं रहेंगे ।

राजन साहब ने एक बात कही बैंकों के बारे में । यह भी कहा गया कि सहकारी समितियों को इस काम को करने की इजाजत दी जाए । हमने प्रवर समिति में इस का विरोध किया कि सहकारी संस्थाओं को चिट फंड का काम दिया जाय और विरोध इस लिये किया कि सहकारी समितियों के जिम्मे जो काम है, उसमें खास तौर से एग्रीकल्चर प्रोडक्शन को बढ़ाने का काम है । उसमें इस प्रकार के कारोबार को अगर शामिल कर दिया जाता है, तो लोग चिट फंड के काम को प्राथमिकता देंगे और एग्रीकल्चर के डेवलपमेंट का काम सारा का सारा ठप्प पड़ जायेगा । देश में जो सहकारी संस्थायें बनाई गई हैं, वे इस लिये बनाई हैं कि इस देश के विकास को वे तेज गति दे सकें, विकास की गति को वे आगे बढ़ायें और हमारे देश की जो 80 प्रतिशत आबादी किसानों की है, उस किसान को ज्यादा से ज्यादा हम लाभान्वित कर सकें, उन को ज्यादा से ज्यादा इनपुट्स दिलायें और उनकी जो दूसरी आवश्यकतायें हैं, उनकी पूर्ति करें । तब जाकर खेतीबाड़ी में तरक्की के काम हम कर सकते हैं । एग्रीकल्चर डेवलपमेंट का काम इसीलिये इन सहकारी समितियों को सुपुर्द किया है । अब अगर उन को चिट फंड का काम भी सुपुर्द कर दिया जाता है, तो उन का माइंड डाइवर्ट हो जायेगा और एग्रीकल्चर प्रोडक्शन को बढ़ाने के बारे में जो व्यवस्था सहकारी समितियों

द्वारा की गई है, वह सब गड़बड़ हो जायेगी और उसमें विसंगतियाँ आ जायेंगी और वे बर्बाद हो जायेंगी। यह कहा गया कि केरल में इस प्रकार का व्यवस्था है और केरल की सहकारी संस्थाएँ चिट फंड का काम भी करती हैं। वहाँ के रिप्रेजेन्टेटिव्स का कहना यह है कि केरल में कोऑपरेटिव सोसाइटीज व्यवस्थित तरीके से इस काम को कर रही है मगर क्या दूसरी जगहों पर यह व्यवस्था फिट हो जाएगी। हमने कई जगहों पर इसके बारे में पूछा है...

सभापति महोदय : आप के ज्ञान का लाभ सेलेक्ट कमेटी को हो चुका है और मैं यह जानता हूँ कि आप कई घंटों तक इस पर भाषण दे सकते हैं।

श्री गिरधारी लाल व्यास : चेयरमैन साहब, आप पहले मना कर देते तो मैं नहीं बोलता।

सभापति महोदय : देखिये, आप सेलेक्ट कमेटी में पहले बोल चुके हैं और इ बिल को पास भी होना है।

श्री गिरधारी लाल व्यास : पास होने में तो अभी डेढ़ घंटा है।

सभापति महोदय : आज हाफ एन आवर डिस्कशन भी है, इसलिये आप अपनी बात संक्षेप में कह दीजिये।

(व्यवधान)

श्री गिरधारी लाल व्यास : अगर वे मेरी बात नहीं सुनना चाहते हैं तो मैं बैठ जाता हूँ।

सभापति महोदय : आपको अपनी बात सदन को सुनानी है। जल्दी से अपनी बात कह दीजिये।

श्री गिरधारी लाल व्यास : मैं अपनी बात समाप्त करता हूँ।

MR. CHAIRMAN: Now, the Deputy Minister.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): Sir, I am grateful to the hon. Members for their valuable suggestions and in fact, hon. Members have made a thorough study of the Bill and given concrete suggestions. The time available at my disposal is very short and hence I may not be in a position to answer all the points raised by the hon. Members in this House.

Sir, Chit Fund is one of the oldest of the indigenous financial institutions in the country and it continues to be very popular in certain sections of the society because of the relatively easy manner in which the money can be raised. Unfortunately, as stated by hon. Members, there may be malpractices, irregularities and some of the foremen, namely the promoters, have cheated the subscribers also. In some parts of the country particularly in some States they are regulating them. In some of the States there are no laws to govern the functioning of these chit funds. Hence there were irregularities. We admit that there were irregularities by some of the companies. That is the reason why, precisely this central legislation has been introduced in Parliament.

Now, what is the history of this legislation? This legislation was first introduced in the year 1979 and in the year 1979 when it was introduced by the then Government—identical act has been there—that legislation contained the signature of Shri Charan Singh—this Bill has been signed by Shri R. Venkataraman. This is the only difference. In the year 1980 itself when this Bill was introduced here by our Government it was referred to a Select Committee and the Select Committee in the year 1981 made their recommendations.

[Shri Janardhana Poojary]

That is why, there may be some change in the date to which our hon. friend Mr. Xavier Arakal has referred. He also referred to some mistakes in the dates, because it was introduced in 1980 and then it was referred to the Select Committee in 1981, this Bill was introduced in 1982. That is why there are some mistakes and that is the reason for which we came before the House with amendments. We also have come before the House with some other amendments.

Hard work has been done on this Bill. About seven years have been spent particularly for the creation of this Bill and also for the drafting of the Bill. We can see that.

In 1972 the Banking Commission had gone into all the aspects of these chit funds. Then a Study Group was established in 1974; the Raj Study Group and it had also gone into it and after they submitted their recommendations and on the basis of those recommendations this Bill has been placed before Parliament. Now, what are those recommendations? The hon. Member from Jadavpur, Shri Somnath Chatterjee, had referred to the Banking Commission's recommendations.

16.56 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The Banking Commission, after going into all the mal-practices, the functioning of the foreman and the difficulties faced by the subscribers, have recommended at page 427 in para 17.42 as follows:

"Since the chit funds are of indigenous origin and have shown increasing popularity, their removal without offering alternative schemes will, however, create a gap. The problem, therefore, is how to regulate them."

After that the Study Group has gone into the matter in detail and they have recommended:

"Whatever be the position, the fact remains that the savings mobilised by chit funds and disbursed by them by way of prize amounts do satisfy the felt needs of a section of the community. Since chit funds as institutions have come to stay and have shown increasing popularity, ways and means have to be found to regulate their working so as to ensure that they function on sound lines and the mal-practices usually observe in the conduct of chits are obviated to the extent possible."

From this it is very clear that both the Committees have come to the conclusion that conventional chit funds are required to be regulated.

The hon. Member, Mr. Goyal, was a member of the Cabinet when this Bill was introduced in 1979. At that time, I do not think, he was so much critical about it.

SHRI KRISHNA KUMAR GOYAL: When it was introduced I was not in the Cabinet. It was introduced during Mr. Charan Singh's time.

SHRI JANARDHANA POOJARY: Now he has come before the House with a critical comment on this Bill.

The point is whether to ban the chit funds or to regulate it. In my opening remarks I have clearly mentioned in detail about the intention of this Bill. So, I do not want to go in detail on that point.

The hon. Members talked about clause 20 of the Bill i.e. about the role of the foreman. So far as the role of the foreman or the promoter, who is the most important functionary of this chit fund institution, is concerned, he has to create a confidence in the minds of the subscribers. The success of the institution or otherwise will depend upon the integrity of the foreman.

Then hon. Members have also referred to the functions and also the malpractices indulged in by the foremen in some of the chit fund companies. I need not go into detail on that aspect. Now, the point is whether we have to regulate it or ban the entire institution. Throughout the country, there are about 500 institutions and thousands of people are working in these institutions. So many lakhs of subscribers are there, and these people belonging to the poorer sections are taking benefits from these institutions. The question is whether we have to throw all these people out of employment or, alternatively, regulate the functioning of the foreman. Now we have come to the conclusion that it is better to control these institutions through regulatory measures to safeguard these people against the malpractices which are indulged on by the foreman.

17.00 hrs.

There are about 90 clauses in the Bill. The Select Committee has gone through all of them. It held 25 sittings. It toured the entire country, took oral evidence of individuals, associations, representatives of State Governments and Union Territories and also the Reserve Bank of India. After taking into consideration all those suggestions, the Committee has made its recommendations to Parliament in its report. In the course of the clause by clause consideration, Government will also introduce some official amendments.

A reference has been made to Sanchaita. Some insinuations were also made about the role played by the State Government and the Central Government. Since the hon. Member, who made a reference to it, is not present here, I am not going into the details. This matter has been discussed in the Rajya Sabha on 2-3-82 and 23-3-82 and the hon. Finance Minister has given a detailed reply. Now the matter is pending before the High Court and it is *sub judice*.

I will say that what the hon. Member has said is not correct. So

far as the Sanchaita case is concerned, the Supreme Court has gone to the extent of saying that if only the State Government had been a little more careful, the situation would have been quite different; the Supreme Court has gone to the extent of saying that some more action could have been taken. So far as the Central Government is concerned, it has taken all necessary action. But, unfortunately, the State Government has not taken any action. I may say for the information of the House that on 6th July 1979 one hon. Member of Parliament brought it to the notice of the Central Government that it was not functioning well. Even though the Central Government sent a letter to the State Government, bringing to the notice of the State Government the allegations made by the hon. Member, the West Bengal Government did not take any action. In fact, the State Government has gone to the extent of saying that no irregularity has been committed by these people. Therefore, our friends cannot blame the Central Government. It is the State Government which failed to take any action in time in the case of Sanchaita.

Shri Rajan referred to the power of the Registrar to make nomination. This Central Act has to be administered through the State agencies. Now, the State Government has got power under clause 89A to make a provision in this regard. It is for the State Government to make rules, and they can appoint, they can mention or they can state, they can create a body where they can nominate, they can appoint a nominee under this Act. (Interruptions)

One more point is regarding clause 20. It has been stated that this clause is very stringent and it is very harsh also. Clause 20 has clearly stated as follows:—

“For the proper conduct of the chit every foreman shall, before applying for a previous sanction under Section 4,—

(a) deposit in an approved bank an amount equal to the chit amount in the name of Registrar;”

[Shri Janardhana Poojary]

As I stated earlier, here he has to deposit 100 per cent of the chit value. Why is it so contemplated under the Act? The main purpose, as I stated earlier, is that he has to create the confidence in the mind of the subscribers. At the time of asking for the sanction, if he deposits this amount, then the question is whether he can get back the amount. If so, in what form? There is a contention that it will be locked up and he will not be in a position to do it and if at all he is not in a position to do it, one can say he is not capable of running the business. Now, the person who wants to run the chit fund should have the capability, he should have the capacity and he should have the means also. Now, the point is whether this amount would be locked up and if once the man has deposited and if he gets the sanction from the Registrar of the chits and if the intention of legislation is to avoid the delay in the commencement of the business, even after that he can immediately commence, he can collect the subscription of the first instalment and he is entitled to get this first instalment without any discount. If he starts the business within three days of obtaining the sanction he can get that amount. The chits value will be with him. So, where will be the difficulty for this foreman? Have I made myself clear? So, my submission would be that the intention of the legislation is only to expedite the commencement of the business. Otherwise, what could these people have done? They could have dragged on this commencement of the business. They would have prolonged it. If the members are 50, they would collect subscription from 40 members and they can say, 'We have collected subscription from only 40. In respect of about 10 persons we are not in a position to collect.' So they can drag it for another one year and they can utilise the money of 40 subscribers

and they can misuse the money also. In order to avoid this, this has been done. So, I believe that the apprehension and doubts of our hon. Members has been cleared.

One of the hon. Members has stated as to why there is some difference between identical clauses 76 and 77. They are not identical. If a man commits the offence for the second time, he has to be dealt with deterrently. That is why in the case of second offence more punishment has been provided.

Hon. Member, Mr. Goyal has raised one point saying that particularly these prize chits and money circulation schemes have prohibited even conducting of the business of the conventional chit. Am I correct?

SHRI KRISHNA KUMAR GOYAL:
Yes.

SHRI JANARDHANA POOJARY:
And he has stated, 'Nowhere it has been prohibited'. Am I correct?

SHRI KRISHNA KUMAR GOYAL:
Yes.

PROF. N. G. RANGA: You go ahead.

SHRI JANARDHANA POOJARY:
It is precisely why I just wanted the clarification from him.

Now, Sir, you kindly go through the definition of 'Prize chits'. Under this prize chits and money circulation scheme, 'prize chits' include any transaction or arrangement by whatever name it is called, under which a person collects whether as a promotor, foreman or agent but does not include a 'conventional chit'.

So, this Act does not cover the conventional chit. It is, therefore, not bound by this Act. That is why, after making a thorough study of all these aspects, the Central Government has come up with this central legislation.

About Peerless General Insurance Co., a point has been raised. This is an investment institution coming from Calcutta. The West Bengal Government has taken action. But, unfortunately, that has been stayed by the High Court of Calcutta. It is *sub judice*. Therefore, I do not want to comment anything on that.

श्री कृष्ण कुमार गोयल : लेकिन यह फैक्ट है कि पीयरलेस जनरल इंश्योरेंस कंपनी का अपरेशन आज सारे देश में है, लोग करोड़ों रुपया इसमें कंट्रिब्यूट कर रहे हैं जो कि इसमें लगे हुए हैं। इसको फाइनेन्शियल पोझिशन किस प्रकार की है, रिजर्व बैंक के पास इसके फिक्स्ड डिपॉजिट्स हैं या नहीं, लोगों का रुपया सेफ है या हीं, यह तो बताना चाहिए।

SHRI JANARDHANA POOJARY: As I stated earlier, it is a *sub judice* matter. It is under the consideration of the Government and we will definitely take necessary action at the appropriate time.

As I stated earlier, action is being taken by the West Bengal Government. Unfortunately, that has been stayed.

I think the hon. Members will pardon me for not meeting all the points.

MR. DEPUTY-SPEAKER: You have made all the points. There is no demand from this side.

SHRI JANARDHANA POOJARY: My submission to the House is let us give a fair trial to this legislation. Let us see whether it works. Let us not come to hasty conclusions. Let us not get along with the presumption that it is not going to function. The intention of the Government is to see that this goes on a sound footing and on sound lines.

On the basis of our experience if we see that it is not going to work, we

can have amendments also. Let us wait and see as to how it works as the intention is very good, as admitted by the hon. Members.

I sincerely thank the hon. Members for their valuable suggestions. I hope they will not press for their amendment and permit me to get it passed including my amendments.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to provide for regulation of chit funds and for matters connected herewith, as reported by the Select Committee, be taken into consideration."

Those in favour will please say 'Aye'

SEVERAL HON. MEMBERS: 'Aye'.

MR. DEPUTY-SPEAKER: Those against will please say 'No',

SOME HON. MEMBERS: 'No'

MR. DEPUTY-SPEAKER: I think the 'Ayes' have it. The 'Ayes' have it.

SHRI KRISHNA KUMAR GOYAL: The 'Noes' have it.

MR. DEPUTY-SPEAKER: Let the lobbies be cleared.

The Lobbies have been cleared. The question is:—

"That the Bill to provide for the regulation of chit funds and for matters connected therewith, as reported by the Select Committee be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: The House will take up clause-by-clause consideration.

MR. DEPUTY-SPEAKER: Amendment No. 35, Shri Somnath Chatterjee—not present.

I shall put both the clauses 2 and 3 together.

[MR. DEPUTY-SPEAKER]

The question is:

"The Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill
Clause 4—(Prohibition of chits not sanctioned or registered under the Acts

SHRI JANARDHANA POOJARY:
Sir, I beg to move:

Page 4, line 4—

after "chit business", inset—

"and sentenced to imprisonment for any such offence." (3)

SHRI BHIKU RAM JAIN: I am not moving my amendment.

SHRI BAPUSAHEB PARULEKAR (Ratnagiri): Sir, I beg to move:

"Page 4,—

omit lines 3 and 4." (23)

"Page 4,—

after line 13, insert—

"Provided further that if any such default|violation is rectified before the actual grant of previous sanction, the default|violation, shall be condoned." (24)

MR. DEPUTY-SPEAKER: Shri Somnath Chatterjee—not present.

SHRI N. DENNIS (Nagercoil): I am not moving my amendment.

MR. DEPUTY-SPEAKER: Now, I put Amendment No. 3 to Clause 4 moved by Shri Janardhana Poojary to the vote of the House.

The question is:

Page 4, line 4,—

after "chit business", insert—

"and sentenced to imprisonment for any such offence." (3)

The motion was adopted.

MR. DEPUTY-SPEAKER: I put Amendment Nos. 23 and 24 moved Shri Bapusaheb Parulekar to vote.

Amendments Nos. 23 and 24 were put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That Clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4 as amended was added to the Bill.

Clauses 5 and 6 were added to the Bill.

Clause 7—(Filling of the agreement)

SHRI JANARDHANA POOJARY:
Sir, I beg to move:

Page 6, line 9,—

after "chit business", insert—

"and sentenced to imprisonment for any such offence". (4)

SHRI BAPUSAHEB PARULEKAR:
Sir, I beg to move:

Page 6,—

omit lines 8 and 9. (25)

Page, 6—

after line 13, insert—

"Provided further that if any such default|violation is rectified before the registration of the chit agreement, the default|violation shall be condoned". (26)

MR. DEPUTY-SPEAKER: Now, I put Amendment Nos. 25 and 26 moved by Shri Bapusaheb Parulekar to vote.

Amendments Nos. 25 and 26 were put and negatived.

MR. DEPUTY-SPEAKER: I, now put Amendment No. 4 to Clause 7

moved by Shri Janardhana Poojary to vote:

The question is:

"Page 6, line 9,—

after "chit business" insert—

"and sentenced to imprisonment for any such offence." (4)

The motion was adopted.

MR. DEPUTY SPEAKER: The question is:

"That Clause 7, amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill. . .

Clause 8 to 12 were added to the Bill. . .

Clause 13 (Aggregate amount of Chit)

SHRI BAPUSAHEB PARULEKAR: Sir, I beg to move:

Page 8, line 9,—

omit "not less than" (27)

MR. DEPUTY-SPEAKER: I put Amendment No. 27 moved by Shri Parulekar to the vote of the House.

Amendment No. 27 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That Clause 13 stand part of the Bill."

The motion was adopted.

Clause 13 was added to the Bill.

Clauses 14 and 15 were added to the Bill.

Clause 16—Date, time and place of conducting chits)

SHRI BAPUSAHEB PARULEKAR: Sir, I beg to move:

Page 9, line 7—

for "subscribers" . . . substitute "witnesses". (28)

MR. DEPUTY-SPEAKER: I shall now put the amendment moved by Shri Bapusaheb Parulekar, No. 28 to the vote of the House.

Amendment No. 28 was put and negatived.

MR. DEPUTY-SPEAKER: I will now put the Clause to vote.

The question is:

"That Clause 16 stand part of the Bill."

The motion was adopted.

Clause 16 was added to the Bill.

Clause 17—(Minutes of proceedings)

SHRI BAPUSAHEB PARULEKAR: Sir, I beg to move:

Page 9, line 15,—

for "who are" substitute "if" (29)

MR. DEPUTY-SPEAKER: I shall now put the amendment moved by Shri Bapusaheb Parulekar, No. 29 to the vote of the House.

Amendment No. 29 was put and negatived.

MR. DEPUTY-SPEAKER: I will now put the Clause to vote.

The question is:

"That Clause 17 stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Clauses 18 and 19 were added to the Bill.

Clause 20—(Security to be given by foreman

SHRI BAPUSAHEB PARULEKAR: Sir, I beg to move:

Page 10, line 7 —

for "applying for a previous sanction under section 4"

substitute "filing of chit agreement under section 7" (30)

MR. DEPUTY-SPEAKER: I shall now put the amendment moved by Shri Bapusaheb Parulekar, No. 30 to the vote of the House.

Amendment No. 30 was put and negatived.

MR. DEPUTY-SPEAKER: I will now put Clause 20 to vote. The question is:

“That Clauses 20 stand part of the Bill.”

The motion was adopted.

Clause 20 was added to the Bill.

Clause 21 was added to the Bill.

Clause 22—(Duties of foreman)

SHRI BAPUSAHEB PARULEKAR: Sir, I beg to move:

Page 11, line 42 —

after “until the” insert “last”
(31)

MR. DEPUTY-SPEAKER: I shall now put the amendment moved by Shri Bapusaheb Parulekar, No. 31 to the vote of the House.

Amendment No. 31 was put and negatived.

MR. DEPUTY-SPEAKER: I will now put Clause 22 to vote.

The question is:

“That Clause 22 do stand part of the Bill.”

The motion was adopted.

Clause 22 was added to the Bill.

Clauses 23 to 29 were added to the Bill.

Clause 30—(Amounts due to defaulting subscribers)

SHRI R. L. P. VERMA (Kodarma): I beg to move:

Page 14, after line 41, insert—

“Provided that when non-prized subscribers claim for

refund of their deposited money, they shall be guaranteed refund without deducting more than 5 per cent of the deposited money.”
(47)

MR. DEPUTY-SPEAKER: I shall now put the amendment moved by Shri R. L. P. Verma, No. 47 to the vote of the House.

Amendment No. 47 was put and negatived.

MR. DEPUTY-SPEAKER: I will now put Clauses 30 to 73 to vote.

The question is:

“That Clauses 30 to 73 stand part of the Bill.”

The motion was adopted.

Clauses 30 to 73 were added to the Bill.

MR. DEPUTY-SPEAKER: I will now put Clauses 74 and 75 to vote.

The question is:

“That Clauses 74 and 75 stand part of the Bill.”

The motion was adopted.

Clauses 74 and 75 were added to the Bill.

Clause 76—(Penalties)

SHRI BAPUSAHEB PARULEKAR: Sir, I beg to move:

Page 28, line 2,—

for “22” substitute—

“sub-sections (3), (4), (5) and (6) of section 22, sections”
(32)

Page 28,—

after line 14, insert—

“(bb) who contravenes or fails to comply with the requirement under sub-sections (1) and (2) of section 22; or”
(33)

MR. DEPUTY-SPEAKER: I shall now put the amendments moved by Shri Bapusaheb Parulekar, Nos. 32 and 33, to the vote of the House.

Amendments No. 32 and 33 were put and negatived.

SHRI SATISH AGARWAL (Jaipur): Sir, it is 5.30 now. We have the Half-an-Hour Discussion ...

MR. DEPUTY-SPEAKER: Let us complete this and then take up the Half-an-Hour Discussion. The request has come from the Minister of Parliamentary Affairs.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND WORKS AND HOUSING (SHRI BHISHMA NARAIN SINGH): I have already requested that the Half-an-Hour discussion be taken up after completing this Bill.

MR. DEPUTY-SPEAKER: The Minister of Parliamentary Affairs has made a request.

SHRI BAPUSAHEB PARULEKAR: We should go according to rules.

MR. DEPUTY-SPEAKER: He has made a request and the sense of the House is also that.

The question is:

"That Clause 76 stand part of the Bill."

The motion was adopted.

Clause 76 was added to the Bill.

Clause 77—(Penalty for second and subsequent convictions)

Amendment Made

Page 28, lines 24 and 25.—

for "convicted of an offence under this Act is again convicted of an offence under this Act",

substitute—

"convicted of an offence under sub-section (1) or sub-section (3) of section 76 is again convicted of an offence under any of the said sub-sections". (5)

(Shri Janardhana Poojary)

SHRI BAPUSAHEB PARULEKAR: I beg to move:

Page 28, line 24,—

after "under" insert—

"sub-sections (1) and (3) of section 76 of" (34)

MR. DEPUTY-SPEAKER: I shall now put amendment No. 34, moved by Shri Bapusaheb Parulekar to the vote of the House.

Amendment No. 34 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That Clause 77, as amended, stand part of the Bill."

The motion was adopted.

Clause 77, as amended, was added to the Bill.

MR. DEPUTY-SPEAKER: There are no amendments given notice of to Clauses 78 to 84. The question is:

"That Clauses 78 to 84 stand part of the Bill."

The motion was adopted.

Clauses 78 to 84 were added to the Bill.

Clause 85 was added to the Bill.

Clause 86—(Banks not to conduct chit business)

SHRI K. A. RAJAN (Trichur): I beg to move:

Page 36,—

for clause 36, substitute—

"86. Nothing contained in Act shall apply to any chit or conventional chit promoted by—

(a) a State Government or any officer or authority on its behalf;

[Shri A. K. Rajan]

(b) a company wholly owned by a State Government which does not carry on any business other than the conducting of a chit or conventional chit;

(c) a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949, or a banking institution notified by the Central Government under Section 51 of that Act or the State Bank of India constituted under section 3 of the State Bank of India Act, 1955 or a subsidiary bank constituted under section 3 of State Bank of India (Subsidiary Banks) Act, 1959 or a corresponding new Bank constituted under section 3 of the Banking Companies Acquisition and Transfer of Undertaking Act, 1970, or a Regional Rural Bank established under section 3 of the Regional Rural Bank Act, 1976 or a cooperative Bank as defined in clause (b) of section 2 of the Reserve Bank of India Act, 1934; or

(d) any charitable or educational institution notified in this behalf by the State Government in consultation with the Reserve Bank of India." (48)

MR. DEPUTY-SPEAKER: I shall now put the amendment moved by Shri K.A. Rajan to the vote of the House.

Amendment No. 48 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That clause 86 stand part of the Bill."

The motion was adopted.

Clause 86 was added to the Bill.

Clauses 87 and 88 were added to the Bill.

New Clause 88A—Personal liability of promoters)

MR. DEPUTY-SPEAKER: There is an amendment given notice of by Shri T.R. Shamanna for insertion of a new clause, 88A. Is he moving?

SHRI T.R. SHAMANNA (Bangalore South): I am not only moving but I also want to say a few words about it because it is a very important amendment.

MR. DEPUTY-SPEAKER: The Minister belongs to your State. Perhaps you are trying your last chance now.

SHRI T. R. SHAMANNA: I beg to move:

Page 30,—

after line 26, insert—

"Personal liability of Promoters .

88A. Notwithstanding anything contained in this Act, the Central Government or the concerned State Government shall have power to reopen the cases of chit funds existing before the commencement of this Act, where the promoters or others connected with the chit funds who had misused or mis-appropriated the the chit funds, either fraudulently or negligently and caused loss to the subscribers, shall be made personally liable to make good the loss sustained by chit deals and the money recovered and funds available shall be distributed among the subscribers." (49)

The amendment that I am moving is a very important one. The amendment, if it is read and brought to your kind notice, it will be easy for them to understand the importance. It says.

“Notwithstanding anything contained in this Act, the Central Government or the concerned State Governments shall have power to reopen the cases of chit funds existing before the commencement of this Act, where the promoters or others connected with the chit funds who had misused or misappropriated the chit funds, either fraudulently or negligently and caused loss to the subscribers, shall be made personally liable to make good the loss sustained by chit deals and the money recovered and funds available shall be distributed among the subscribers.”

As one of the members of the Select Committee normally I should not have given notice of the amendment or taken the opportunity to speak. But in spite of it, I find a very important point has been left out and, therefore, I am forced to give this amendment and press for it for this reason, that thousands of people have lost their money. The committee visited Ahmedabad, Bombay, Bangalore and Tamilnadu. Wherever we went we found that there is a strong plea that something has to be done. Many families have lost huge monies. For instance, the Sundarshan Chit Fund has misused and misappropriated monies to the extent of Rs. 8 crores and thousands of families have been put to great hardship and these people who have played fraud, mischief and misappropriated public money should not be allowed to go scot free.

In this connection, the Committee had the wise guidance of our hon. Minister, Mr. Venkataraman and also was given all facilities by our Chairman. Many points were raised, namely, whether chit funds are to be

allowed to continue or completely banned; secondly, whether commercial banks and societies should do this business or not or is it desirable to allow individuals to be promoters, what is the capital to be put in and what is the number of instalments to be paid and what is the maximum discount to be allowed, etc. All these points were discussed and they were discussed fully and then decisions taken. The only thing that has been let out in the Bill is that the rascals who have swindled and misused people's money are left out and are allowed to escape. Assurances were given by the Committee to the witnesses who appeared before the Committee that we will do something to see that their interest is safeguarded. After doing all this, if those who have done heinous crimes and swindled public funds are left out, we will be doing a lot of injustice to the investing public. Furthermore, I may tell you that these companies have invested their monies and purchased huge properties. So it is not wise and reasonable to leave these people who have done great injustice to the people. I am glad some law has been brought and if there are any loopholes, we can make changes later on. But at this stage I press upon the hon. Members and through you I request the Members and the Minister to see that my amendment which is reasonable and necessary is approved and accepted and included as part of the Bill that we have got here.

SHRI JANARDHANA POOJARY:
I fully share the concern of the hon. Member. Unfortunately or fortunately he had an opportunity to go through all these aspects. He was one of the members of the Select Committee. Not only that this aspect has also been considered by the Select Committee and also by the Government. Hence I kindly request our hon. Member not to press for it.

So far as the irregularities committed earlier by some of the chit companies, action has been taken...

DR. SUBRAMANIAM SWAMY
(Bombay North East): What about
Sudarshan Chit Funds?

SHRI JANARDHANA POOJARY:
It is pending in the High Court.

MR. DEPUTY-SPEAKER: Please
give a separate notice. You answer
only to Mr. Shamanna.

SHRI JANARDHANA POOJARY:
It is a mater of *sub-judice*. I humbly
submit that this is not acceptable to
me. He may kindly withdraw his
amendment.

MR. DEPUTY-SPEAKER: The
question is:

"after line 26, insert—

88A. Notwithstanding any-
thing contained in this
"Personnal Act, the Central, Govern-
liability ment or the concerned
of promo- State Governments
ters. shall have power to
reopen the cases
of chit funds existing be-
fore the commencement
of this Act, where the
promoters or others con-
nected with the chit funds
who had misused or mis-
appropriated the chit
funds, either fraudulen-
tly or negligently and
caused loss to the
subscribers, shall
be made personally
liable to make good the
loss sustained by chit
deals and the money re-
covered and funds avail-
able shall be distributed
among the subscribers".
(49)

The Lok Sabha divided;

Division No. 10]

[17.47 hrs.

AYES

Agarwal, Shri Satish
Basu, Shri Chitta
Bhim Singh, Shri

Dandavate, Prof. Madhu
Digamber Singh, Shri
Giri, Shri Sudhir
Hannan Mollah, Shri
Horo, Shri N.E.
Madhukar, Shri Kamla Mishra
Nihal Singh, Shri
Pandit, Dr. Vasant Kumar
Paranjpe, Shri Baburao
Parulekar, Shri Bapusaheb
Rajda, Shri Ratansinh
Saha, Shri Ajit Kumar
Shamanna, Shri T.R.
Shejwalkar, Shri N.K.
Swamy, Dr. Subramaniam
Tirkey, Shri Pius
Varma, Shri Ravindra
Verma, Shri R.L.P.
Zainal Abedin, Shri

NOES

Abbasi, Shri Kazi Jalil
Arakal, Shri Xavier
Azad, Shri Bhagwat Jha
Azad, Shri Ghulam Nabi
Baleshwar Ram, Shri
Banatwalla, Shri G.M.
Bansi Lal, Shri
Bhagat, Shri B.R.
Bhakta, Shri Manoranjan
Bheekhabhai, Shri
Bhoi, Dr. Krupasindhu
Bhole, Shri R. R.
Chandra Shekhar Singh, Shri
Chennupati, Shrimati Vidya
Dabhi, Shri Ajitsinh
Dalbir Singh, Shri
Damor, Shri Somjibhai
Dennis, Shri N.
Desai, Shri B. V.
Digvijay Sinh, Shri
Dogra, Shri G. L.
Dubey, Shri Ramnath

Era Anbarasu, Shri
 Gaekwad, Shri R. P.
 Gandhi, Shri Rajiv
 Ghufran Azam, Shri
 Gomango, Shri Giridhar
 Jadeja, Shri Daulat Sinhji
 Jain, Shri Bhiku Ram
 Jain, Shri Viridhi Chander
 Jena, Shri Chintamani
 Kaushal, Shri Jagan Nath
 Kuchan, Shri Gangadhar S.
 Lakkappa, Shri K.
 Makwana, Shri Narsinh
 Mallikarjun, Shri
 Mallu, Shri Anantha Ramulu
 Mishra, Shri Uma Kant
 Misra, Shri Harinatha
 Murthy, Shri Kusuma Krishna
 Naik, Shri G. Devaraya
 Namgyal, Shri P.
 Panday, Shri Kedar
 Pandey, Shri Krishna Chandra
 Panigrahi, Shri Chintamani
 Parashar, Prof. Narain Chand
 Patel, Shri Shantubhai
 Patil, Shri A. T.
 Patil, Shri Balasaheb Vikhe
 Patil, Shri Chandrabhan Athare
 Patil, Shri Shivraj V.
 Patil, Shri Uttamrao
 Patnaik, Shrimati Jayanti
 Pattabhi Rama Rao, Shri S. B. P.
 Phulwariya, Shri Virda Ram
 Poojary, Shri Janardhana
 Ramamurthy, Shri K.
 Rane, Shrimati Sanyogta
 Ranga, Prof. N. G.
 Rao, Shri M. Nageswara
 Rao, Shri M. S. Sanjeevi

Rathod, Shri Uttam
 Raut, Shri Bhola
 Rawat, Shri Harish
 Sahu, Shri Shiv Prasad
 Satya Deo Singh, Prof.
 Sawant, Shri T. M.
 Sebastian, Shri S. A. Dorai
 Sethi, Shri Arjun
 Shailani, Shri Chandra Pal
 Sharma, Shri Kalj Charan
 Sharma, Shri Nand Kishore
 Sharma, Shri Nawal Kishore
 Shastri, Shri Hari Krishna
 Sidanal, Shri S. B.
 Singh, Dr. B. N.
 Singh, Kumari Pushpa Devi
 Singh Deo, Shri K. P.
 Sparrow, Shri R. S.
 Sulltanpuri, Shri Krishan Dutt
 Sunder Singh, Shri
 Tariq Anwar, Shri
 Tayyab Hussain, Shri
 Tewary, Prof. K. K.
 Thorat, Shri Bhausahab
 Thungon, Shri P. K.
 Tiwari, Shri Chandra Bhal Mani
 Vairale, Shri Madhusudan
 Venkataraman, Shri R.
 Venkatasubbaiah, Shri P.
 Verma, Shri Deen Bandhu
 Vyas, Shri Girdhari Lal
 Yadav, Shri Ram Singh
 Yazdani, Dr. Golam

MR. DEPUTY-SPEAKER: Subject to correction the result* of the Division is:

Ayes—22; Noes—94.

The Noes have it. The Noes have it.
The motion is negatived.

*The following Members also recorded their votes for NOES.

Shri P. V. Narasimha Rao, Shri Ramayan Rai, Shri A. Senapathi Gounder.

The motion was negatived.

MR. DEPUTY-SPEAKER: There are no amendments to Clauses 89 and 90. I will put them to the vote of the House. The question is:

"That clauses 89 and 90 stand part of the Bill."

The motion was adopted.

Clauses 89 and 90 were added to the Bill.

The Schedule was added to the Bill.

Clause 1—(Short title, extent and commencement)

MR. DEPUTY-SPEAKER: There is Government amendment.

Amendment made:

"Page 1, line 5,—

for "1981", substitute "1982"
(2)

(Shri Janardhana Poojary)

MR. DEPUTY-SPEAKER: The question is:

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

MR. DEPUTY-CHAIRMAN: Now, we take up Enacting Formula. There is Government amendment.

Amendment made:

"Page 1, line 1,—

for "thirty-second", substitute "Thirty-third" ". (1)

(Shri Janardhana Poojary)

MR. DEPUTY-SPEAKER: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): Sir, I beg to move:

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

MR. DEPUTY-SPEAKER: The question is:

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

The motion was adopted.

17.49 hrs.

HALF-AN-HOUR DISCUSSION

TENDER FROM MINISTRY OF DEFENCE TO NTC FOR SUPPLY OF CLOT:

MR. DEPUTY-SPEAKER: Now, the House will take up Half-an-Hour discussion.

श्री कृष्ण चन्द्र पांडे (खलीलाबाद) : माननीय उपाध्यक्ष महोदय, गत 9 जुलाई को तारांकिा प्रश्न संख्या 23 का स्पष्ट उत्तर नहीं दिया गया था, इसलिये मैं यह आध घंटे की चर्चा प्रारंभ कर रहा हूँ।

माननीय उपाध्यक्ष जी, 8 दिसम्बर, 1981 को 30 लाख 20 हजार 3 सौ ऑलिव ग्रीन पोलियस्टर कपड़े का टेंडर नम्बर बी/8918/डी० जी०आई /स्टोर-4 रक्षा मंत्रालय ने निकाला था। जिसमें 30 मिलों ने टेंडर भरा। जिसमें बिन्नी" ने 44.65 रुपये का टेंडर भरा था। परन्तु आप जानते हैं कि ए टी सी पब्लिक अन्डर टेकिंग है और दे