

# LOK SABHA DEBATES

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## LOK SABHA

Wednesday, May 9, 1979/Vaisakha,  
19, 1901 (Saka)

The Lok Sabha met at half past ten  
of the Clock

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### Special Courts for Economic Offenders

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\*1052. SHRI K.S. VEERABHADRAP-  
PA :

SHRI C.K. CHANDRAPPAN :

Will the Minister of HOME AFFAIRS  
be pleased to state :

(a) whether it is a fact that Govern-  
ment have finally decided to set up special  
courts to expedite the disposal of cases  
involving economic offenders ; and

(b) if so, the details in this regard?

THE MINISTER OF HOME  
AFFAIRS (SHRI H.M. PATEL) : (a)  
and (b). A statement is laid on the Table  
of the House.

#### Statement

The Law Commission in its 47th  
Report on the trial and punishment of  
social and economic offences, *inter alia*  
recommended the establishment of Special  
Courts for the effective and speedy pro-  
secution of economic offences. It was  
examined whether legislation should be  
undertaken in pursuance of Article 247 of  
the Constitution to establish such Courts.  
It has now been decided by Government  
that instead of such legislation, the State  
Governments could be more appropri-  
ately requested to earmark, in consultation  
with their High Courts, some existing courts  
or to set up additional courts for exclusi-  
vely dealing with economic offences covered  
by certain Central Acts.

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2. The following State Governments  
have recently been addressed to set up  
such courts at places mentioned below:

1. Maharashtra Bombay (3 courts)
2. West Bengal Calcutta (3 courts)
3. Tamil Nadu Madras (3 courts)
4. Delhi Delhi (2 courts)
5. Bihar Muzaffarpur (1 court)
6. Rajasthan Jaipur (1 court)
7. Gujarat Ahmedabad (1 court)
8. Kerala Ernakulam (1 court)
9. Karnataka Bangalore (1 court)
10. Andhra Pra-  
deh Hyderabad (1 court)
11. Madhya Pra-  
deh Indore (1 court)
12. Orissa Cuttack (1 court)
13. Uttar Pra-  
deh Allahabad (1 court)

3. The State Governments have been  
requested to have these courts manned  
by officers of the rank of Chief Metropolitan  
Magistrates in metropolitan areas and  
Chief Judicial Magistrates in other areas.

4. The State Governments have also  
been informed that the recurring expendi-  
ture on these Courts will be reimbursable  
to the State Governments.

SHRI K. S. VEERABHADRAPPA :  
My question was specific. Whether spe-  
cial courts are contemplated are not.  
That has not been answered here. They  
simply say that it is only a State subject.  
I wanted to know whether the economic  
offenders will come under this purview or  
not.

SHRI H. M. PATEL : Of course. You  
said, whether it is a fact that Government  
have finally decided to set up special  
courts to expedite the disposal of cases  
involving economic offenders. I have  
replied to that question.

MR. SPEAKER : He has asked, in each State how many courts are there. One court is in Karnataka.

SHRI H.M. PATEL : We have indicated that.

MR. SPEAKER : The State Governments have been asked to set up courts for that purpose.

SHRI H.M. PATEL : I have answered the question.

SHRI K. S. VEERABHADRAPPA : Since two years how many cases are pending before the Courts? What are the guidelines or criteria for appointing such judges to the courts?

MR. SPEAKER : They are not appointing judges. Some courts are exclusively left for that.

SHRI K. S. VEERABHADRAPPA : They say that it is a State subject. Whether any guidelines have been given to them. How many cases are pending?

SHRI H. M. PATEL : In my reply again if I may invite your attention to this: I have said : it has now been decided by the Government, that instead of such legislation, the State Governments could be more appropriately requested to carnark, in consultation with their High Courts, some existing courts or to set up additional courts for exclusively dealing with economic offences. So, it will be for the High Courts to decide which court would be earmarked in this way ; and therefore, whosoever judge is there will become judge there.

SHRI K. S. VEERABHADRAPPA : I have also asked how many cases are pending.

SHRI H. M. PATEL : I have no idea about the number of cases pending there.

SHRI CI K. CHANDRAPPAN : The hon. Minister in his statement has said that the Law Commission in its 47th Report recommended the establishment of special Courts for the effective and speedy prosecution of economic offences. I would like to know from the hon. Minister two things.

Firstly, will one more court merely, set up by the High Court, make it an effective instrument to deal with the economic offenders because the facts are known, that the economic offenders are very resourceful people, rich people. They will employ good lawyers. That was our experience. They will do so to defend themselves. So, whether the recommendation was such that special

courts with special powers have speedy disposal of these cases and in that case whether this recommendation made by the Government to the State to set up one more court under their jurisdiction will that meet the situation that is there? Secondly, I would like to know when will these courts come into force? The statement merely says that the States have been asked and the High Courts and the States recommended that such and such courts can be set up. But when will these courts come into existence?

SHRI H. M. PATEL : They have been asked to arrange it as quickly as possible. I may state further, I am sorry, earlier I said I have no information about the economic offences pending. The total number is 36951. If we exclude from this the list of cases under the Essential Commodities Act, then the total number is 12,011. The number varies from State to State. In some States the number is large. In others it is small. Maharashtra has been suggested three courts. Maharashtra would have 1,782 cases which are to-day there. If they are exclusively dealing with these things, the process would be quite rapid. In so far as West Bengal is concerned, it has 2147 cases. West Bengal also has been requested to set up three courts. The State Governments will have no hesitation in doing what we have asked them to do because the recurring expenditure of these courts will be reimbursable. When they know that we will foot the Bill, they will have less hesitation in doing so. We have not only said that they may do with the existing courts but also said—if they feel necessary, they can have additional courts.

MR. SPEAKER : He has asked, will they be effective to avoid delay in proceedings?

SHRI H. M. PATEL : This is something to which I can give no answer. I think I can only hope that the judges also will become experts in dealing with the economic offenders, as experts as they are themselves.

SHRI BEDABRATA BARUA : I am sorry that the Government has really tried to mislead the House by saying that they have set up courts for economic offenders. The Law Commission recommended legislation. The heart of the matter is that there must be proper legislation. There must be prosecuting authority and economic offences are mainly related to Centre-States like Commerce and Industry. That has been thoroughly bypassed. What has been proposed is only the re-distribution of work, putting some courts which have specialisation in economic offences. Has any legislation been proposed? Has this been given a go by? Has Law

Commission report been rejected? Does Government propose to have special courts on special lines, just as the Special Courts Bill that they passed yesterday. They will have special powers and authority. Will the Government be the prosecuting authority? If a private complaint is made, will Government process that because the private complaint is not going to make up all those cases and appoint lawyers. He can only say that this has been done. Mustard oil has been adulterated and that crores of rupees have been taken. I would like to know whether there will be special prosecuting authority and will there be special procedure at all and will there be special courts after all?

SHRI H. M. PATEL : The hon. member has not read the statement, otherwise.....

SHRI BEDABRATA BARUA : I have.

SHRI H. M. PATEL : If you have, atleast you would have refrained from saying, I have sought to mislead the House. I have said quite plainly that the Law Commission in its 47th Report on the trial and punishment of social and economic offences *inter alia* recommended the establishment of Special Courts for the effective and speedy prosecution of economic offences. I was examined whether legislation should be undertaken in pursuance of Article 247 of the Constitution to establish such courts.

What you had in mind was legislation giving certain procedure and so on. We say, instead of that the State Governments could be more appropriately requested to earmark in consultation with their High Courts some existing courts or set up some additional courts for dealing with economic offenders.

SHRI BEDABRATA BARUA : I do not agree with that.

SHRI H. M. PATEL : You may disagree with the decision the Government has taken but you cannot say that I have misled the House.

SHRI BEDABRATA BARUA : I still maintain that.

SHRI H. M. PATEL : All right. If you feel happy by saying that I have misled the House, then I have nothing to say.

I only want to clarify what has been done and why it has been done.

SHRI BEDABRATA BARUA : He did not reply to my question. Are they the prosecuting authority?

SHRI H. M. PATEL : We are not doing any new legislation. Therefore, the courts will proceed in the ordinary way. No special procedure is being provided.

SHRI C. K. CHANDRAPPAN : Then what is the speciality? You are adding a few more courts, that is all. And you are allowing the smugglers to get away with it.

MR. SPEAKER : Do not turn it into a debate.

SHRI H. M. PATEL : When we consider that there is a large backlog of cases and when everybody says appoint more judges, now we have. . . .

SHRI C. K. CHANDRAPPAN : That means, they are additional courts.

SHRI H. M. PATEL : If you want to say that they are additional courts, all right.

What is more important is that some suggestions of the Law Commission regarding special procedure are not acceptable. There are reasons for it but I am not going into that.

SHRI PATTABHI RAMA RAO : Are the grave offences of criminals such as smugglers be referred to these special courts?

SHRI H. M. PATEL : It can be referred to this court.

MR. SPEAKER : Next question.

SHRI O. V. ALAGESAN : I want to draw your attention to the fact that Question numbers 1057 and 1058 are wrongly numbered in the list.

MR. SPEAKER : It makes no difference since the hon. Members themselves are not here.

#### **Reported shortage of Raw Materials faced by Small Scale Plastic Manufacturers**

\*1061. SHRIMATI MRINAL GORE : Will the Minister of INDUSTRY be pleased to state :

(a) are Government aware that small scale plastic manufacturers are suffering for want of raw material G.P. Polystyrene for more than one and a half year ;

(b) is it a fact that Government have decided to import the required raw material so as to overcome this difficulty;