

placed in Parliament. yesterday, we discussed, argued, talked about the responsibility of the Parliament. We are talking about over-activism of judiciary. And the Prime Minister has been talking here about the public interest petition. Madam, my only submission is if this is respect shown to the Parliament and if this is true, if there had been any public interest petition, should it be called a political interest petition? And if it is a political interest petition, then, Madam, I plead guilty. I am one of those who will go in for public-cum-political sort of intervention to the court, if Parliament cannot give justice. There must be a reply right now, whether it is correct or not. There has been a news report on this. Why has it not been denied? This is a report to the Parliament and this is the Action Taken Report of the Standing Committee. Parliament is being denigrated. The Standing Committee are being denigrated. What are we to do here? That is all.

SHRI SATISH AGARWAL: It is not only a paper report, it is a photocopy of the Government order. Madam Vice-Chairman, if you permit, I can lay it on the Table of the House. I have got a copy of the Order.

THE VICE-CHAIRMAN (SHRI-MATI JAYANTHI NATARAJAN): No. You have made your point.

Shri S. Muthu Mani. The hon. Member is absent.

Cheating and Defraud by Finance Companies classified as unincorporated bodies to their depositors in Chennai

SHRI . PETER ALPHONSE (Tamil Nadu): Madam, I bring to the notice of the House as well as of the Government a very important problem pertaining to Tamil Nadu.

In Madras City, newspapers have been publishing reports of private financial institutions cheating and defrauding the depositors. If we go to the Police Commissioner's Office in Chennai, it is a common sight that thousands of people

are waiting in long queues to lodge complaints of cheating and defrauding against some financial institutions in which they have deposited their money for interest. These institutions posing themselves as finance companies invite fixed deposits from public and they make extensive and effective advertisements through the electronic media and the local press that they offer huge rates of interest to the depositors. They lure away especially innocent people from lower middle class, pensioners and widows through these advertisements. They deposit their life's savings with these institutions. These institutions pay interest for one or two months and one fine morning they close their doors and run away from the scene with the booty leaving the innocent depositors defrauded and cheated.

According to the City Police Commissioner, Chennai, as on 14.11.1996 he has received nearly 22,000 complaints and the amount defrauded is nearly Rs. 73 crores. Today morning there was a headline in a local newspaper that another company, namely Bharath Gems and Jewellers have cheated the public to the tune of Rs. 14 crore in Chennai. In the past three months, the amount cheated is nearly Rs. 85 crores. If you take into account the whole of Tamil Nadu State, the companies have cheated the public to the tune of Rs. 700 crores. The Chief Minister of Tamil Nadu informed the Press that the State Government could not do much in the matter and he wrote to the Centre for taking appropriate action. When the local unit of the Reserve Bank of India was contacted, they said that they have no power to control these unincorporated bodies under the existing law and they also said that they would try to contact their headquarters to sort out this issue.

During the Finance Minister's Budget speech, he informed the Parliament that he would bring a suitable legislation to curb a few criminals cheating and defrauding the public, but so far nothing

has been done. Because of the inaction of the Central Government thousands of poor people like widows, pensioners, orphaned children stand on the roads as penniless paupers. The police could not do much in attaching the properties and subsequently selling them and settling the dues of the innocent depositors.

Madam, I would request you to convey the concern of the members to the United Front Government for taking legal action. If necessary an ordinance may be issued to protect the interest of depositors. I also suggest formation of a special court which can expeditiously dispose of these applications.

SHRI ASHOK MITRA (West Bengal): Madam Vice-Chairperson, this is a matter which we have been referring to on and off, but nothing seems to have been done. Humble people are getting cheated for years unending. The Finance Minister made a commitment in his Budget speech that he would bring forth a legislation to curb these companies. We have reports in the newspapers also that the Reserve Bank of India is going to come out with stringent regulations, but none of them has happened. If you make a little probe here and there, you hear all kinds of gloomy stories that these companies have many distinguished agents. These agents include friends and relations of politicians, including ministers, friends and relations of important members of the judiciary, friends and relations of important members of the administration. Now, this kind of downcast created in the public mind brings the entire structure of administration into disrepute. This is something on which some measures can be taken, but nothing has been done and people are getting cheated year in and year out, months in and months out. We hope and expect some response from the Finance Minister.

THE VICE-CHAIRMAN (SHRI-MATI JAYANTHI NATARAJAN): This is a serious situation. From the Chair I would like to request the

Government to kindly take some steps so that this situation doesn't occur again and innocent people who are suffering these frauds are saved in future.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam Vice-Chairperson, a legislation is more or less ready. There are three kinds of organisations which raise money. One is non-banking financial companies. I think the Reserve Bank of India has taken enough steps to regulate non-banking financial companies. But some steps are under contemplation. Then, there are companies popularly known as "Nidhis". There also the Reserve Bank of India has taken a series of steps. In fact, "Nidhis" are protesting against these steps. The third and more difficult area is unincorporated bodies. These are the companies which have mushroomed mainly in Tamil Nadu. They used to be called 'blade companies' in Kerala. And there is some mushrooming, I find, in one or two States of north India. This legislation has to be carefully drafted because it involves the legislative power of the Centre versus the legislative power of the States. The legislation is more or less ready. If possible, I would like to introduce it in this Session provided legislative time is found by this House to pass the Bill. Otherwise, I would have no option but to issue it as an ordinance. But I would like to do it in this Session. As I said, it is being very carefully examined by the Law Ministry. It is in the final stages of consideration.

Need to Provide compensation to Farmers to Kullu, Himachal Pradesh, for acquirement of their Land by Defence Ministry

श्री महेश्वर सिंह (हिमाचल प्रदेश): उपसभाध्यक्ष महोदया, मैं आपके माध्यम से इस विशेष उल्लेख के द्वारा माननीय रक्षा मंत्री महोदय का ध्यान हिमाचल प्रदेश के कुल्लू जिले के दुर्गम क्षेत्र में बसे हुए किसानों की समस्याओं की ओर आकर्षित करना चाहूंगा।

महोदया, बुरुआ पंचायत हिमालय की गोद में रोहतांग पास के नीचे लगभग 8 हजार की बुलंदी पर बसी हुए