

**THE INDUSTRIAL DEVELOPMENT
BANK OF INDIA (AMENDMENT)****BILL, 1986— contd.**

SHRI LAKSHMI KANT JHA (Bihar): Mr. Vice-Chairman, Sir, let me first of all offer my felicitations and congratulations to you as, I believe, you are occupying this Chair for the first time today. It happens to coincide also with what would be called my maiden speech in this House. And here again I feel rather happy that the subject is one which relates to an institution with which I have had personal association in the past.

Sir, yesterday, Shri Nirmal Chatterjee made the point that the IDBI was created as a result of the financial crisis which the country faced in the 60's arising out of various factors, most notably among them, in my opinion, the Chinese invasion, the Pakistani conflict, the passing away of the Prime Minister the three successive droughts. But in actual fact, Sir—and this I know from personal knowledge—the setting up of the IDBI was in fulfilment of a promise held out in the Industrial Policy Resolution of 1956 in which it was clearly stated that Government will continue to foster institutions to provide financial aid to industries in the private sector. Now, the phrase is significant 'continue to foster'. It was not a new beginning. There were institutions in existence notably the Industrial Finance Corporation of India and some others like the ICICI in the private sector. But the reasons why it was felt that there should be a body like the IDBI was that it was meant to be an apex body not only to lend in its own right but also to support, sustain and strengthen the other institutions which were involved in long-term financing of industrial development. And, therefore, initially the IDBI was a wholly owned subsidiary of the Reserve Bank, and the Reserve Bank Board was the Board of the IDBI. And in that phase as the Governor of Reserve Bank for at least three years I presided over its affairs. Today when the Finance Minister has come to us with a Bill to

enlarge its scope and range of activities to give it a wider charter, I stand to lend my wholehearted support to it. It is very desirable that these amendments should be passed because—and this I attribute, perhaps, to the shortcomings of many including myself—when the draft of the Bill was made, we forgot that industrial development is not the same thing as development of industries. It is a much wider concept and to sustain industrial development you need to fan out into many other spheres and this is exactly what the amendment is trying to provide for.

Now, Sir, having said this, I would also say that the performance and achievements of the IDBI over the years have been creditable. Yesterday again Mr. Nirmal Chatterjee quoted some figure to suggest that the lending of the IDBI to large industries has gone up and in helping small industries it has not moved nearly as fast. But again, I think, this is, well, not an accurate reading of the situation because, by its very nature, the IDBI was meant to finance the larger industries and, therefore, it is important and inevitable that most of its lending should be for larger amounts and if the amounts have gone up it shows that the pace of development has gathered momentum. And also we must remember that what the IDBI does is supplemented by a large number of other institutions. There are institutions dealing only with small sector. Today banks are giving credit even to individual entrepreneurs as was referred to early in the afternoon. Therefore I for one am on the whole happy with the performance. But having said that I also want to say that there is no institution, however good, whose performance cannot be improved. This thought came to my mind repeatedly today, Sir, between 11 and 11-30 this morning.

Sir, having praised the IDBI for its achievements I should like to draw attention to two dangers. One is, and it is true not only of the IDBI but I am talking of all financial institutions as

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a whose, that in order to ensure that the loans are recovered, the attempt is to get from the promoters various guarantees and assurances. This is quite legitimate, but how far do we go in that direction? The other day the Finance Minister made the statement that what is important is not what you lend against, but what you lend for. This means it is not the security but the purpose and viability of the project which counts and this is what the IDBI and all financial institutions were supposed to harp upon. That is why they undertake evaluation of the viability of a project before they give a loan. They do not just go by a license given by the Government or anything else. But then when they begin to stipulate some personal guarantees from the promoters, I think they are introducing a very dangerous principle. It looks nice to say that the promoters should give a personal guarantee to fulfil the loans and whatever else is there, but then what are you asking. First of all, you are violating the principle of limited liability on which the corporate sector is based. Nobody is investing in the corporate sector should be expected to have a bigger liability than he is putting at stake. Second, by doing so, you are reviving the proprietorial concept in the industrial sector from which we have tried to do away with the tradition of industries being owned by anybody. Now we think in terms of who is managing the industry not who is owning it. And third, you are creating a situation in which only the bigger industrialists can fulfil the condition. It is not possible for a relatively small industrialist or a man who is just coming into the industrial field, apart from what he is staking in that enterprise, to produce collaterally security to satisfy the kind of demands which are made.

Now, I am not commenting on individual cases. Many have been brought to my notice. But I refuse to take notice of one-sided complaints and this is a matter where I feel we

could all exercise a lot of restraint. Many things are said even in newspapers which are not always true. What has been referred to or used to be referred to as investigative journalism is nowadays turning into investigative journalism. So, I do not want to quote any cases. But I do know for a fact that often if the promoter did comply with the terms and conditions laid down by the institutions he would be risking not only his own state in the company but all the assets that he may have. As many people do not have the kind of assets which they could risk the often got shut out. This is a trend which should, to my mind, be guarded against and I do hope that the Finance Minister will give the right guidelines, the right emphasis to the institutions.

The next point on which I would like to dwell on is the time taken in the disposal of applications, particularly in regard to sick industries. If a new project is delayed well we do lose something, production is lost, employment is delayed, imports continue longer; all that is there. But in the case of an industry, which is sick or threatened with sickness, it is losing money each month. So, the length of time over which you decide the case goes to make the situation worse and it often happens that a company has come to financial institution for a loan of X crores of rupees on a certain date; three years later when the case has at last been cleared by all concerned, the requirement is not X but X plus Y crores, and then you are back to square one I know of cases where it has happened but I do not cite cases. I only want to dwell on the general principle that this is a matter to which the Finance Minister should give very serious attention.

I know for a fact that he respects autonomy of institutions. He refrains and very rightly—from intervening in individual cases where the judgement of the corporate board, the management, must prevail. But this policy of autonomy must have a counterpart in terms of accountability. And how is this accountability to be ensured?

The technique used in the public sector in the past has, to my mind, been a wrong one, which is, asking it to seek government's approval to hundred different things before doing them. It only delays matters as the bureaucracy comes into play and inter-departmental notings and arguments follow. So much time is cost. So, you must have the kind of Directors on the board in whom you can repose confidence. Let them have the freedom to decide; let them also be answerable in terms of results the time taken in dealing with cases and the kind of conditions imposed. These are the general abstract matters on which I think directives from the Government to the institutions would be quite appropriate and called for.

I do not want to take more of your time and I want to say in conclusion that the Bill is certainly very desirable and a timely step and I support all its clauses. But having said that I, would express the hope that the legal changes must be accompanied by appropriate changes in emphasis and priorities in order that the country may get the results it expects. Thank you.

SHRI PUTTAPAGA RADHAKRISHNA (Andhra Pradesh): I am called to speak after a great luminary in banking Mr. Jha, has spoken. I have another relation with Mr. Jha. He is a former Governor of Reserve Bank of India and I am former employee of Reserve Bank of India. Anyhow, my case is different from that of Mr. Jha and I want to put it this way.

There are a good number of amendments proposed in the Act. I find very few important features out of these. And I find only four features and welcome one of them. Under Section 6 of the principal Act, provision has been inserted in the Act to make fixed term for Directors on the Board. I welcome it. Hitherto, Directors were to work at the pleasure or mercy of the Government; they were not certain of their term and so they could not exercise their mind and will on the matters while taking decisions. Now, a three-year term is pro-

vided and they will now have confidence at least that they will be there for three years. That is why I welcome this provision. Apart from this there are three other features; amendments proposed in the Bill. It is proposed to widen the definition of the term 'industrial concern'. This is very peculiar. The proposal is intended to concentrate the powers in the IDBI only. Sir, there are a number of institutions, financial institutions, working for the industrial development of the country. There are some corporations and institutions at the national level and similar corporations at the State level as well. For example, State Industrial Development Corporations are there and State Finance Corporations are there. The same is the case at the national level also. Leaving aside all these institutions, it is proposed to make a provision empowering the IDBI to provide finance directly to industrial units. It is not desirable and this will only result in concentration of powers in the IDBI. As far as my knowledge goes there are 27 Central Sector projects in Andhra Pradesh, including three projects in the pipe line and I do not know how many such projects are there in other parts of the country. How can a single institution finance all these industrial units? It will be a failure. Already, there are institutions like the Industrial Infrastructure Corporation, Industrial Finance Corporation, etc. which undertake these functions. Actually, there has been duplication—in fact, triplication—of functions by this Bank and other institutions. There are three or four types of institutions undertaking these functions.

Now, Sir, in section 2; for sub-clause (ix), the following sub-clause is proposed to be substituted, which says "the setting up of, or development of an industrial area or an industrial estate". This can better be done by the States and Union Territories themselves. Various State Governments are taking steps to develop industrial estates in their respective States so that there can be industrial growth. The Industrial Infrastructure Corporations are doing it. If you bring in this provision, it will act as a detriment to local initiative. This will only dampen the initiative of the State Governments and

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local institutions. There will be overlapping of functions.

In the same way, in section 2, a new sub-clause (xvi) is proposed to be added which says "leasing sub-leasing or giving on hire or hire-purchase of industrial plants, equipments, machinery or other assets including vehicles, ships and aircraft". These are all commercial functions. Direct investment is there. More surprising by, direct investment to industrial units. Mr. Jha is a highly learned person. He proposes that we should do away with personal security also. It is a very strange thing. This will only help the capitalists and big industrial houses who will take advantage of it if it is provided in that way. More particularly, Sir, the Bank is empowered to take over the functions of the commercial banks also. This is not a desirable thing. There are a number of nationalised and private banks engaged in this and, therefore, it is not good to have such a provision.

Another provision is in regard to increase in authorised capital. It is now Rs. 500 crores in the principal Act. It is proposed to increase the authorised capital to Rs. 1,000 crores, with an enabling provision to increase it to Rs. 2,000 crores as and when they think fit. It is nothing but a blanket power which they want from Parliament. I suggest, whenever there is necessity. They should come forward before Parliament so that it can have an opportunity to discuss the affairs of the Bank and then decide whether it should sanction the increase in the authorised capital. To do away with the opportunity that the Parliament can discuss the affairs of this Bill, they are trying to increase it to Rs. 2000 crores. Keeping all these things in view, I request the hon. Minister to think twice before taking up this Bill. He should remodel these amendments to suit the present economy in the light of the Government's declared industrial policy and the socialist pattern. I want the hon. Minister to withdraw this Bill and introduce another comprehensive Bill to provide for all these desirable things.

SHRI RAOOF VALIULLAH (Gujarat):
Mr. Vice-Chairman, Sir, I rise to support the Industrial Development Bank of India (Amendment) Bill, 1986. Sir, it is a welcome move that the IDBI Act, 1964, is being amended for two purposes. The first is to include new activities eligible for financial assistance and to enlarge the scope of business of the IDBI. Sir, the new provision for enlargement of capital base of this Development Bank from Rs. 500 crores to Rs. 1000 crores, which may be increased to Rs. 2000 crores is also a step in the right direction because IDBI will then fall in line with the other development banks in other countries.

Sir, I particularly welcome the new provisions for widening the definition of industrial concerns to include important sectors, like, storage of energy, medical health, and allied services, information technology, telecommunications and more particularly, electronics. Sir, it was surprising how electronic industry was not covered as an industry under the earlier definitions. Anyway, I am happy that it has been included now. But, Sir, there is another part of the industrial sector which, I think, the Minister should have included and that is tourism. Tourism has now been classified as an industry. Later on, when I give the figures of disbursement of loans to Jammu and Kashmir, Haryana and Himachal Pradesh, the Minister will realise that tourism would have been a very good sector in which IDBI could have given its assistance, because it is now an industry. Sir, IDBI claims to be one of the largest development banks in the world with Rs. 15,993 crores of loans sanctioned to 4,67,734 industrial units covering large, medium and small-scale units in the country. Sir, this has happened in last 21 years of loan inception. However out of this loan their direct finance is only Rs. 5267 crores, that is 33.1 per cent of the total amount. In other words, two-thirds of loan amount sanctioned, i.e. about Rs. 10,000 crores is by way of refinance of loans or rediscounting of bills, financed already by the commercial banks and the State Financial Corporations for which IDBI has to simply pass paper entries. In other words, out of 4,67,734 units which

are said to be financed by IDBI, only 3802 units are directly financed by IDBI. The remaining 4,64,000 units are those which are financed by commercial banks and State Financial Corporations. This means that 99.9 per cent of the amounts are sanctioned by the commercial banks and State Financial Corporations and only 0.8 per cent are the amounts in which direct loans have been given by IDBI. Sir, at this juncture I would like to suggest that when bulk of the work of IDBI is pertaining to small scale industries, including tiny and cottage industries, why should the Government not think of creating a bank exclusively for the small scale industries and tiny and cottage industries? A debate has been going on this issue for the last two years and I understand that the IDBI are not in favour of such a bank. Naturally they would not be interested in such a new bank because otherwise two-thirds of their figures will come down automatically. Only recently prominent newspapers in their editorials have commented that the IDBI need not impose upon itself the burden of extending assistance to the small units; it can go on with the large scale units only. Out of the Industrial Development Bank of India's directly financed 3,802 units, about 2,500 are for the direct loans and soft loan and the remaining are for underwriting and direct subscription. In other words, in the last 21 years, the IDBI has financed only about 120 units per year. The total finance by the commercial banks today in the country is more than Rs. 54,000 crores as direct loans covering 30 million accounts and shouldering other than this the implementation of poverty alleviation programmes under IRDP and Self-employment Programme for Educated Unemployed and the new scheme which was announced in the last Budget for the urban poor. Therefore as compared to them, the performance of the IDBI has been very dismal. I would like the hon. Minister of State for Finance to dispel my misgivings about these figures because I am quoting from the IDBI's Annual Report 1984-85. Out of the total loans sanctioned by IDBI of Rs. 15,993 crores, as I mentioned earlier, the actual disbursement of the Bank is Rs. 11,566 crores—i.e. 72.31 per cent only. Even if we analyse

this figure further, in the IDBI direct finance the disbursement of Rs. 3,364 crores is only 63 per cent of the sanctions whereas the disbursement under refinance and rediscounting scheme through commercial banks and State Financial Corporations is 76 per cent. Thus it becomes very clear that out of Rs. 100 disbursed by IDBI, they release only 63 Rupees. Similar is the case with the recovery position of IDBI. I would like the hon. Finance Minister to please give me his ears. Out of the portfolio including refinance to banks the recoveries at the end of June 1985 are 84.31 per cent and overdues are 15.71 per cent. However, from the direct loans IDBI recovery is only 57.7 per cent. And overdues are as much as 42.3 per cent. This shows that either the quality of loans sanctioned by IDBI is not good or that sincere efforts are not put in by them for recovery of their own loans.

Sir, again, out of the total sanctions of IDBI of Rs. 15,399 crores in the last two decades, Rs. 6,748 crores are sanctioned in backward areas. I would very much like the Minister to take the IDBI to task as to why they have not gone to the backward areas of this country. Here also the seven States which take away two-third of their total sanctions, the same seven States also take away two-third of IDBI's backward area sanctions. This the really backward States continue to be deprived of a fair share even today both in total sanction and backward-area sanction.

Coming to the direct finance sanctioned by IDBI, I would like to mention something about their sanctions State-wise and industry-wise. Out of their Rs. 5600 crores of sanctions as direct assistance in the last 21 years, they have sanctioned only Rs. 300 crores to 10 backward States, which is only 5.5 per cent of their total sanctions. The share of these backward States in IDBI's direct sanctioning and it is very revealing—is: Assam 1 per cent, Bihar 15 per cent, Haryann 1.6 per cent, Himachal Pradesh 0.6 per cent, Jammu and Kashmir 0.7 per cent, and for the four States of Manipur, Meghalaya, Sikkim and Tripura less than 0.1 per cent. Now I would like the Finance Minister to tell us how the IDBI is spending

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and how direct assistance and loans are given only to industrially advanced States like Maharashtra, Karnataka, Tamil Nadu, Gujarat, etc. The IDBI has only diverted the funds towards better States where there are industries and it has not cared to go to north-eastern States or States like Himachal Pradesh, Haryana, Jammu and Kashmir and some other States.

Similar is the position in the industry-wise direct assistance sanctions. Out of the Rs. 5,600 crores of direct assistance sanctioned by IDBI in the last 21 years, as much as 73.3 per cent has gone only to six industries and only those six major industries in this country have got 73.3 per cent of IDBI's direct loans. Which are these industries? They are, textiles, paper, chemicals, fertilizers, cement, iron and steel. Sir, the position of textiles is known to everyone in this country, and the capacity utilization of the paper industry—according to their own report and their own figures—is only 63 per cent during 1983-84. Sir, this is the position. whereas jute has a share of only 0.6 per cent, rubber products 1.5 per cent, metal products 0.9 per cent, electrical machinery and appliances 2.8 per cent and industrial estates only 0.1 per cent. This clearly shows that IDBI has concentrated resources, which are very scarce in the country, only in a limited number of industries and all other industries are totally starved of funds, particularly from the IDBI. Can this not be a reason for sickness in industries in these sectors which I have just mentioned? Sir, even in the soft-loan assistance scheme operated by the IDBI, the sanctions during 1984-85 are Rs. 143 crores. However, the disbursements are only Rs. 36 crores. That is only 25 per cent of their sanctions. Between the disbursements and the sanctions, look at the gap. Sir, when the soft loan are sanctioned for modernisation and diversification, I do not know what the reason is why the funds are not disbursed by the IDBI. Surprisingly, out of the disbursements of Rs. 36 crores, as much as Rs. 24 crores, that is two-thirds of the total disbursements, have been disbursed to cotton textiles as against the sanction of only Rs. 16.7

crores. This is the report, and I would like the hon. Minister to clarify.

Sir, it is also ironical that against the sanction of soft loans of Rs. 79 crores towards electricity generation, not a single paise has been released during 1984-85. This has been in the report.

Sir, in a nutshell I would like to point out that the IDBI has been created for a homogenous development of industries and for removal of industrial backwardness amongst all the States in the country. However, in the last 21 years they have put up neither justifiable efforts for removal of the industrial backwardness of all the areas, nor have they, at the same time, played a catalytic role for development of all industries. Sir, it appears that the major work done by the IDBI in these 21 years is only enlarging the refinancing of loans and rediscounting of bills which could have been done easily by the commercial banks and the State Financial Corporations even without refinancing from the IDBI.

Sir, I will conclude. I am also like the hon. Minister.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Conclude in a short time now.

SHRI RAOOF VALIULLAH: The actual role played by the IDBI for the last two decades in the country is of a very small nature. I would call it only a drop in the ocean. Like the commercial bank and State Finance Corporations, the IDBI could have played a better and a more important role. Sir, unless, therefore, drastic steps are taken for improvement of this institution, I do not think that it will make much difference in the uniform industrial development of all the States and of all the industries in the country.

One last point, Sir.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): How many points are left?

SHRI RAOOF VALIULLAH: Last point.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Sure?

SHRI RAOOF VALIULLAH: So far the IDBI has open only 17 offices in the country, including five regional offices. But still there are State headquarters like Luknow, Trivandrum, Srinagar etc. where the IDBI has so far not opened its office. Sir when we talk about industrial development and diversification of industries, at least I would plead with the Government that the IDBI should open its offices in State headquarters in the same way as last year when the Unit Trust of India Bill was introduced I had pleaded that the Unit Trust of India which is a financial institutions of an all India nature should open its offices in State headquarters.

With this, Sir, I command and support the Bill.

Thank you, Sir.

SHRI M. KADHARSHA (Tamil Nadu): I rise to support the Industrial Development Bank of India (Amendment) Bill and I would share my experience for the better use of the IDBI in building up modern India.

The Industrial Development Bank of India is financing many projects of various nature and dimension for rapid industrialisation. I am also grateful to IDBI as a Director of a State-owned Corporation namely Tamil Nadu Minerals, to have provided finance to set up a 100 per cent Export-Oriented Granite Cutting and Polishing Industry at Madras which is on today the most sophisticated and advanced industry of its kind in whole of India. Similarly I.D.B.I. also lends money to many new projects of national and regional level and also refines for the existing units to diversify or develop their projects. Large sum of money is also being made available to private entrepreneurs by IDBI for their industries and projects. The role of IDBI becomes much more significant during the Seventh Plan period inasmuch as all assisted companies and firms will deposit the money of profit to avail income-tax benefits etc., as per 1986-87 Finance Bill.

Though such gigantic business is being transacted by I.D.B.I., the technocrats and entrepreneurs of all shades have a common opinion that the methodology and procedures followed by I.D.B.I. in lend-

ing money are cumbersome and very long drawn processes. In a few cases involving a project cost of Rs. 300 lakhs to Rs. 4400 lakhs it takes nearly eight to ten months' time to apprise the project and issue letter of intent to finance the project. It is furthermore delayed in actual disbursement of money as the entrepreneurs have to fulfil certain pre-disbursement conditions many of which are very severe and stringent and superfluous and time-consuming processes. Thus by the time the entrepreneurs get the money, it is likely that the project cost has to be revised due to price increase of raw material, machinery etc. Again the entrepreneur once again has to undergo another similar exercise in getting additional finance to meet the increased cost. This procedure tells upon the viability of the project however prudent is the management and promising is the industry. It is pitiable to know that I.D.B.I. enforces lot of rules more vigorously in the case of public sector companies especially when they are fully owned by Government in respect of guarantee for the repayment of principal and interest there—on due time even after Bank guarantee to that effect. Whereas in the case of private sector I.D.B.I. is satisfied with self-certificate by the management with Bank guarantee. I do not know why this discrimination.

It is surprising to me to note that I.D.B.I. is not strictly adhering to the definite Debt Equity ratio irrespective of the project managed by public or private section companies. In most cases the discretionary power vested with them go in favour of certain individual companies and more so to private companies. This trend I am afraid is not in keeping with socialistic pattern of our life. Because of this disparity to the public sector, the unit becomes sick and ultimately even the existing operation comes to a grinding halt. From this experience I understand why public sector undertakings become sick. It is because of the partisan attitude of the financial corporations. If the same attitude is shown to a private sector, the unit will become sick, but the individual will become healthy.

One more deficiency I have come to know about the I.D.B.I. is its method of ap-

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praisal of the project. Generally junior level officers consisting of one or two engineers and one or two finance people are entrusted with the job of appraising the cost viability and technical aspects of the project. In their valuation they prune the project cost in spite of the strong recommendations of technically competent in the field concerned with the project from the management side for due allocation on machinery, buildings and other capital items and pre-operative expenses. Further the Detailed Project Report prepared by experts in the relevant field may also categorically recommend to include certain equipments and machinery for optimum utilisation of the processing machinery. Yet the appraising team for the sake of pruning the cost of the project will not include these items in the project cost. The big irony of appraisal of the project is manifested by the further cut in the project cost by the higher authorities of IDBI without taking into consideration of the needs of the project. With this non-professional approach of officials some of the projects find it very difficult to take off or suffer of sickness in the first year of operation due to paucity of funds.

To remove such deficiencies I moved like to suggest certain operational changes in IDBI to play more meaningful and purposeful role in the industrialisation of India:

Firstly, the application for financial assistance must be appraised within 5 to 8 weeks from the date of its receipt. Inordinate delay should be avoided.

Secondly, the unnecessary guarantee clauses for repayment of loan and interest may be removed in respect of Government Corporation and it should be made sufficient if the Board of Management mostly consisting of Government officials gives guarantee on behalf of Government.

Thirdly, the financial assistance to the Government Corporations at least in part should be released within six weeks from the date of issue of Letter of Intent to enable the company to make advance payment for the machinery, raw material and

civil construction to avoid cost escalation.

Fourthly, the appraisal team and the authorities who recommend for the sanction of loan must be alive to the Government policies and priorities envisaged in the Plan document and rise to the occasion in timely correct appraisal and disbursement of money. IDBI can prepare panels of professionals of attainments for various industries that is engineering, consumer, food textile, pharmaceutical electrical, electronic and chemical industries for correct appraisal of the project inasmuch as the personnel in IDBI may not be authority and possess current knowledge and development in these fields. The professionals may be drawn from any of the agencies who have expertise. For instance, to appraise a mineral based industry any of the authorities from Geological Survey of India, Mineral Exploration Corporation, National and State level Laboratories, Professors from University and Premier Colleges, ONGC, SAIL, Coal India, etc. may be inducted as the case may be.

Fifthly, IDBI should set up Data bank and update the details frequently for various industries so that assisted Companies will have the benefit of the advice of latest technology available in the field and correct estimation of the project. This is very important objective in the industrial growth.

Sixthly, IDBI should encourage captive generation of power and installation of water recycling plants by Management which are essential infrastructures for industries by any allocating sufficient funds at concessional rate of interest. Many of the projects are stalled for want of these facilities. Water recycling plant not only conserves the quality water but also promotes environmental protection.

Seventhly, for export oriented Corporations, IDBI should expedite all the process of sanction of money and charge low interest, because they earn valuable foreign exchange for the country. Therefore, interest rate should be low.

Finally for assistance upto Rs. 25 crores for a project of Government Corporations, IDBI should make the procedures simple for quick disbursement of money. If the project is taken cognizance by the planning body no time lag should be allowed for its implementation by way of delayed appraisal or very slow disbursement of fund.

IDBI should be necessarily biased in favour of public sector companies as the core industries are implemented by Public Sector Companies alone for the benefit of the society. Further while allocating funds more than 75 per cent of its funds should be earmarked for Public Sectors in as much as ICICI is biased to lend money for Private Sectors.

In regard to recovery of overdues from the assisted units the IDBI has not taken earnest steps to ensure receipt of repayments, interest, etc. The present tendency among at least some entrepreneurs seems to be to default want only citing reasons like recession, labour problems, power cut and so on. IDBI should take steps at least in hard cases so that this would be a warning to such others.

Sir, the IDBI's assistance is indirect, that is through State level bodies and Banks. This way its role is very limited in that direct supervision/monitoring is not being done due to non-availability of its own branches and staff at nooks and corners. Though this is an onerous task, either IDBI should undertake this expansion on massive scale or a separate body should be set up and this job entrusted to it. Unless this is done, effective implementation of projects and expansion, prevention of incipient sickness, various other needs of such small scale group cannot be ensured.

Finally, in regard to big projects where IDBI assists directly, its monitoring leaves much to be desired. One of the measures for the purpose envisaged was appointment of nominee directors and creation of an exclusive department with officers of very senior rank to attend only to this. It is not clear whether this was done at

all and that too meaningfully so far. At least, if this is taken up now, prevention of sickness, payment of duties to Government, proper implementation of projects could be ensured. I hope that the Govt. give consideration to the suggestions made by me and with these words, I conclude my speech.

SHRI SANTOSH KUMAR SAHU

(Orissa): Sir, I wholeheartedly support the Industrial Development Bank of India Amendment Bill which has been brought by the hon. Finance Minister because it contains many welcome features. Though in logic, we know, proper names are not connotative, this name, the Industrial Development Bank of India, when it was actually formed in 1964, it connoted something and naturally while the criticism was there either from this side of the House or from that side of the House, it is expected from the name that it would play, a very vital role in the industrial development and growth of the nation. This Industrial Bank is only a financial institution to help the industrial growth of the country. We have to see how it has discharged its functions and what role should it play in the future to have a healthy growth of industries throughout the country together with different core sectors of the industry so that India march forward with the other developed and the developing countries of the world. The first welcoming feature of the Bill as it has been told in the objects is that the scope of the Bill is to broaden the sphere of the activities of the Industrial Development Bank and it has been the felt need. In the definition, many new things have been incorporated. Instead of all the minings, the air lifting, the transport and other means have been included and special emphasis has been given on this which the need of the hour today. Special emphasis has also been given on the generation of energy, distribution of energy and storage of energy. As you know, India would be facing energy crisis by the end of the Seventh Plan and power is the source of development. This fact has been acknowledged by all. So, until we give special emphasis on new sources of energy, it will be very difficult to have

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development in this country. So, it is good that these portions have been incorporated.

Now, coming to the other spheres, they have incorporated many engineering, technical, financial and management things. Also the consultancy services have been included in this Bill. These are very important things to me, the most important thing is research and development for which there is a cry in the country and which we discussed many times in the House. Though we have marched ahead in many fields, though green revolution has been possible and we have achieved self-sufficiency in certain sectors like agriculture and made considerable progress in science and technology, yet in the industrial sector, in research and development, we have not developed at least to the extent to which we should have developed today. So we have to give a lot of emphasis on research and development, for which also we need financial aid. This has been incorporated in the Bill. The other welcome feature is that the authorised capital has been doubled to Rs. 1,000 crores. It is also acknowledged that unless we have rapid industrialisation, we cannot solve our unemployment problem and we cannot increase our per capita income. We are still lagging behind in industrial growth. It is necessary to provide for more financial outlay. So it is being given power to increase, by a notification, the authorised capital to Rs. 2,000 crores, if necessary, in future. These are the welcome features which are seen in this Bill. And as has been pointed out by hon. Members, the director's tenure has been limited to three years, even if it is a nominated director. New persons should come with new visions and they must try to incorporate certain new things. At the same time, I would like to emphasise two or three things which the hon. Minister may please clarify. The IDBI should see that sectors which they have neglected are taken care of properly. It has been rightly pointed out by my friend that the IDBI has failed to give special emphasis

to the backward regions in the growth of industries there. The majority of its investment had been in the textile sector and in two or three other sectors. The other sectors had been neglected. So whatever may be the pious wishes, we have not been able to fulfil our aim of all-round development. In the industrial sector, they should set the pace and become a pioneer in the development of industries. I would like to mention one more important factor. In his budget speech this year, the Finance Minister was kind enough to initiate certain proposals for the development of the small scale sector. And after discussion in the television programme "Janavani", he has given certain concessions and tax rebates. It was rightly pointed out by Mr. Kadharsa that because of the procedural difficulties, many of the small scale sector people are not able to get the benefit of the IDBI assistance, though it is channelised through the State Finance Corporations. The procedure is cumbersome. The bigger industries have been benefited to a larger extent than the small sector people. So, with the new thinking of the Prime Minister, with the new approach of the Finance Minister as indicated in his budget, with new tax concessions, with the introduction of MODVAT, the IDBI must also have a new mental horizon, a new outlook. They must have dialogue and discussion. Why should we make a secretive provision? It is public money. After all, the total contribution is from the Government of India. Why not have a dialogue with the small scale entrepreneurs as to how the procedure can be made easier, how they can get refinance and how they can get the benefit, so that the country can benefit and many people can get employment? The number of educated unemployed is soaring. So young entrepreneurs who do not come from rich families, who are trying hard to survive by their entrepreneurship, must be given proper scope. And for that, the financial institutions have to play a dynamic role. For that, the IDBI has to set the pace. If you go to Clause 7(dc) on page 3, it says—"granting loans and advances to any person for purposes of investment in any industrial concern;"

In Section 9, clause (ix), earlier it was stated:

"the development banks shall function as the principal financial institution for coordinating the working of the institutions engaged in financing, promoting on developing industry or for assisting ... of such institution in such manner as it may deem fit and appropriate to carry on the transaction of business..."

That was the whole objective of Section 9. This is a totally new element. It might have been thought of as a good objective. It may be sometimes pernicious. Today we were discussing in the Call-Attention how bank frauds have occurred. This is a new modality. A blanket clause should not be put in a Bill authorising any person for any investment. You should examine carefully whether the person, the entrepreneur, has really set up an industry, whether he is a capable entrepreneur, what his interest in the industry is, whether he can directly do something in the industry, and so on. What his relationship to the industry, what his relationship could contribute to the industry, has not been defined. It is a blanket clause which does not fit in here and it is totally out of tune with your objective.

Then I come to the other point. I have discussed with many small scale entrepreneurs. They were not getting the facilities which the IDBI since its inception in 1956 was supposed to be giving. It has been giving many incentives. But the small scale entrepreneurs were telling me that they were not getting the facilities. They were told they had not the financial strength. Let us compare one thing. The Finance Minister knows it better. They get credit from State Financial Corporation and they have to pay a rate of interest higher than what the medium scale people pay. They are at a disadvantage. If you want to get the IDBI loan, this credit guarantee scheme is compulsory and you have to raise the interest rate by 1 per cent more credit guarantee. So it creates a lot of bottlenecks if you have

to fulfil all these things. Of course, I agree nothing can be perfect in a Bill. I welcome the measures brought in the Bill. There are some new measures that we are introducing in this changing world. We have to emphasise the new types of industry, we have to emphasise the new sources of energy. So, in any provision you make there must be scope for discussion and dialogue to improve the situation. All of us know there is great scope for improvement in the small scale sector. In fact as indicated in your Budget Speech, a fund has been created to develop backward regions. This is the responsibility for the Government of India, the Planning Commission and the financial institutions. They have to put their heads together. Yesterday Mr. Nirmal Chatterjee was saying—of course, he was putting it in a political language—in the inter-departmental thinking there are inner contradictions. Let me give you an example. Jute industry is one of the best organised industries. It is based on agriculture. Lakhs of people in Eastern India live on jute. But great injustice is being done there. Instead of using the hessian type bags, they are going in polythene and other substitutes, without knowing what is happening to the jute industry. What will happen to the jute growers? What will happen to their families? Therefore, we should keep this aspect in mind. There should be a comprehensive planning, there should be more coordination in the planning process. Please keep the common man in mind. The small scale people are not so organised. They cannot fight. I welcome this Bill, this measure. It has brought a new horizon. There is a lot of scope for development. I request the honourable Minister through you, to lay greater and greater emphasis on the small scale sector, to bring in a dialogue, to ensure that they are not at a disadvantage in comparison with the other industries, in comparison with the major industries. Otherwise, you will be doing an injustice to the small sector in the country.

Then, Sir, I come to the third thing. The backward areas must be given special attention by the Industrial Development Bank of India. Sir, it is a premier institution and it is only next to the Reserve

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Bank and its responsibility should be to see to the promotion of development of industries in this country so that more employment can be generated and more industrial development can take place in the country and, ultimately, the welfare of the nation can be ensured. Only then we can achieve the level of industrial growth which has been declared by the Government in their Industrial Policy and in the Plans.

Finally, Sir, I would like to conclude by saying one more thing. I would like to congratulate the Finance Minister because he has been telling always that the Government wants to improve the customer service in the banks. It should be so in the case of the IDBI also. They have provided in the Act that consultancy services should also be rendered. They should promote consultancy services and they must offer consultancy services to the entrepreneurs. In marketing also, they should try to help. The IDBI should try to help in a practical way. Then only we can achieve the necessary industrial growth in the country.

With these words, Sir, I support the Bill.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Now, Mr. Babul Reddy.

SHRI P. BABUL REDDY (Andhra Pradesh): Mr. Vice-Chairman, Sir, I thank you for having given me the opportunity to speak. Sir, I support this Bill.

On analysing the various provisions of this Bill, Sir, I find that there are three objectives to be achieved through these amendments.

The first objective is to widen the field of operation by including new activities for assistance by the Industrial Development Bank of India. Some of the important things which are worth mentioning are assistance to medical and health services and also assistance to activities of establishing, maintaining and developing industrial estates, and the other things many honourable Members who have

spoken earlier have referred to and I need not repeat them. This is a very laudable objective indeed.

The second objective is only a consequence. When you are widening the field of operation and when the project costs have gone up, due to inflation or some other factor, necessarily the capital base of the Industrial Bank of India has got to be enlarged. This is the second objective. It was hitherto five hundred crores of rupees, that is, the maximum authorised capital. Now it is going to be increased to two thousand crores of rupees. It is but necessary and, for that reason, I support this objective also.

Then, Sir, the third objective is to provide more operational flexibility to the IDBI. Hitherto they were only contributing to the shares and debentures of the financial institutions and they were unable to give loans directly. Now, due to this operational flexibility that is sought to be given, the IDBI is enabled to give loans to these financial institutions. More than that, Sir, with a view to encouraging industrial development in the country, the IDBI would now be authorised, when the present amendment comes into force, to lend money to the individuals to invest in the industrial sector and also to open letters of credit. This is also a very wholesome measure.

Having said that I am extending my support to this amending Bill, I would like to make a few observations with regard to the working of the Industrial Development Bank of India. Sir, there is no denying the fact that the Industrial Development Bank of India has done a very commendable work. Our country today is slowly going on to the map of industrialised countries of the world and no mean share of contribution is made by the Industrial Development Bank of India. But much more is desirable. For a vast country like ours, what we have achieved, if I am allowed to put it in terms of percentage, is only 20 per cent of what should be achieved. There is much more to be desired. We have to show 80 per cent more progress. Sir, the Industrial

Bank's direct operation should be enlarged for this purpose. This is my first suggestion.

Today, the Industrial Development Bank can assist large and medium industrial concerns. But the small scale industries get loans only through the banks and other financial institutions. Many of my friends may not have known that giving loans through these banks or other institutions is called refinancing. In refinancing, the person who takes loan has to pay up to 2-1/2 per cent interest by way of commission to the institution that comes in between. I will call them middlemen. So the result is that large scale and medium scale sectors which are managed by big people get loans directly and they get them at a concessional rate. But the small man for whom all of us shed tears gets loans at higher rate of interest. The common man is still in the street. We don't care of him. We are encouraging the unemployed educated people to start small scale industries. They do it because they are attracted by the advertisements, etc. But the experience shows that if one man prospers by this scheme, 5 people are ruined. This is from my personal experience. I am not laying my hands on any statistics. I live in Hyderabad. Thousands of people who have gone in for small scale industries have been ruined. (Interruptions) We have to support the industries. Now, Sir, this has to be looked into. This refinancing involves increased rate of interest by 2-1/2 per cent for the small man. The small man has to pay more interest and the big man gets even 20 crores or 50 crores at lesser rate of interest. The smaller man who goes in for Rs. 40,000/- has to pay more.

There is another aspect about interest which I want to point out. There is what is called 'penal interest'. Now, thousands of industries have gone sick in this country. Rs. 4000 crores of public funds are involved in the sick industries. This is the estimate. I have read it somewhere. This has to be recovered. There is no doubt about it. But this levy of penal interest on sick industries without knowing the reason

for sickness is unjust. Supposing there is a fraud and the Directors who are at the helm of affairs have committed fraud and as a result of that, the industry has become sick, then it is justified to levy penal interest. But if small unemployed educated people have suffered losses due to genuine causes and burnt their fingers, then it is different. Here you are punishing sickness instead of showing sympathy. If there is feigned sickness, of course, you can punish them. But you must show sympathy if the sickness is genuine.

Now, thousands of industries have gone sick. The Industrial Development Bank has to play a very vital role. They must evolve plans to resurrect them. It is not only in the interest of those persons who have sponsored these industries, but it is also in the interest of workers. Already there is unemployment. There are 3 lakh graduates who are unemployed. Engineers and doctors are also unemployed.

SHRI RAOOF VALIULLAH: IDBI has earmarked 750 crores of rupees for helping the sick textile units, under textile modernisation plan.

SHRI P. BABUL REDDY: The original IDBI policy was different even six months back. They did not look at the sick textile industries at all. Now they have changed it. This is a good change. Mr. Valiullah has rightly pointed it out. These sick industries must be taken care of.

Then I would like to say one more thing. I am glad that now the Government or the financial institutions have taken a stand that they will no more finance five-star hotels. My suggestion is that you should not advance even for these three-star hotels who are charging Rs. 200 or Rs. 300 per day. When they are collecting such heavy amounts, let them invest their own funds. They are not serving the country. When they are serving persons who are paying Rs. 200 or Rs. 300 for a stay of few hours, if such people are to be served, then those who are anxious to serve them, let them serve them with their own funds, not with public funds. You concentrate on small hotels who charge Rs 20 or Rs. 30 a

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day. Everyday we say that we all believe in socialism. But we encourage only big people. Sir, I would also like to suggest that just as we encourage industries which are exclusively meant for exporting manufactured goods to earn foreign exchange, likewise if industrialists come forward to produce goods exclusively for poor people, they should be encouraged. What is required by the poor people? They require clothes, janata sarees and janata dhotis. When they produce these things, you please lend them money at the concessional rate and encourage them. For those who produce luxury items like Cadbury's chocolates and perfumes, why should anybody give them assistance? Does the country need this? If they manufacture luxury goods and goods for the elite, the IDBI should not lend. Sir, following up my suggestion, this refinancing should be done away with. IDBI can have a subsidiary if it is becoming too unwieldy. There are subsidiary companies. There can be a subsidiary bank for the IDBI through which they can directly give loans to the small scale industries. This subsidiary company can be thought of.

Lastly, Sir, I want to make one more suggestion. But this requires a bold action. People like Mr. Vishwanath Pratap Singh, who is our Finance Minister and Mr. Janardhan Poojari whose integrity and credibility is beyond question, can take bold steps. Sir, we have got black money menace. It is estimated to be nearly Rs. 40,000 crores. This black money is really undermining the economy of this country. Sir, some steps must be taken to attract this money. My suggestion is that if persons come forward to advance money to the IDBI as deposits for ten years or seven years, say for 6 per cent of interest...

AN HON. MEMBER: You give premium to black money.

SHRI P. BABUL REDDY: This is one way of saying. That is how a timid man would be afraid. If you are a realist, you must take stock of the situation of what is happening and meet the situation.

You don't give them back the money for 10 years or seven years of whatever may be the reasonable period. Then they can take a loan on that because some of these big businessmen want money for their business. So, 80 per cent of the money they can take. But for that, they have to pay 17 per cent or 18 per cent. You must be practical. You must see that the money really comes out. I have no sympathy for those who have got black money. But we have to meet the menace. How to meet the menace? For that a bold step is required. Mere slogans will not solve the problem. So, Sir, they can be asked to deposit for seven years. But they will get only a nominal interest of 4 per cent or 6 per cent. But they are afraid that their money will be locked up. You give them some right to raise loans on the money deposited because they should have money for their circulation. All these big people are more worried about the circulation. There was some thinking that if the people invest in industries they would not be questioned. My suggestion is like that to attract the black money and put an end to the menace.

Sir, there is one more point which I would like to mention. It is said that 20 families in this country have got the control of Rs. 40,000 crores of public funds. This is a very sad thing. You must try to see that this concentration is not there. Your total investment in public sector is Rs. 40,000 crores. But these 20 families have control over Rs. 40,000 crores of public funds. What a sad state of affairs? Some genuine thinking should be done in this direction. These are the few suggestions that I have made. I thank you once again, Sir, for the opportunity given to me to speak on this Bill.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Now we will have another Mr. Sahu. I am sorry for the mistake earlier.

SHRI RAJNI RANJAN SAHU (Bihar): Mr. Vice-Chairman, Sir, I rise to support the I.D.B.I. (Amendment) Bill, 1986. Sir, the object of the Bill is very laudable. I congratulate the Finance Minister for

bringing this amendment, as it is high time to bring certain modifications in the original Act, Sir, I join with our learned colleague, Shri L. K. Jha जिन्होंने ग़ागर में सागर भर दिया है in his short speech he has put everything. I also join with Raoof Vallahsahib who has also given so many figures which I will utilise some time later. I will not repeat those figures again here. But, at the same time, I feel pity on our learned colleague, Prof. Chatterjee, who has been uncharitable yesterday to compare the present economic condition with that of 1960 and also compared the economy of industrially developed China with that of India. Sir, he might be knowing how the industrial development in China took place and under what circumstances our economy and industry are developing.

Sir, as the very name indicates, the Industrial Development Bank of India has been set up as a principal financial institution for assisting the working of the financial institutions in the country engaged in financing, promoting and developing industries and also for assisting in the development of such institutions and for providing credit and other facilities required for the development of the industry. Sir, the problem of development of industries has been the subject matter of serious concern since fifties. Targets for achieving certain growth at a specified rate have been fixed from time to time by the Planning Commission and those engaged in the promotion of industrial development, both at the centre and at the State level commensurate with the resources available. Sir, so far it has been noticed that the targets of growth fixed for the promotion of industries by and large have been satisfactory in spite of several unpredictable circumstances, despite famine, floods, hostilities, internal strikes etc. Sir, one of our learned friends and colleagues, Shri Jha, has said that it is meant for medium and large scale industries. But I feel that one of the objectives of the IDBI should be and is to organise country's small scale industry to the utmost extent possible with a view to give a thrust to the economic growth by exploiting the available resources for sub-

serving the common people and to raise their economic level to keep pace with the rising trend of the economy at the national and international level. But here the primary object has been, or rather, is being frustrated to some extent not only by the IDBI but by all national financial institutions by neglecting the growth of small scale industries. I will not hesitate to say that they have not been able to contribute to the orientation and growth of small scale industries to the extent required by them. Sir, they have employed more of their resources to the assistance of medium and large scale industries, as I said earlier, which in turn have not been able to have their impact on the growth and development of small scale industries in the ratio in which other sectors of the economy have achieved their development. Recently, broad schemes like seed capital assistance, refinance, reduction of promoters' minimum contribution etc., have been introduced by IDBI and other national level financial institutions. But in the light of enormous potentiality, the various measures so far taken in helping small-scale industries, are not adequate and they need to be further supplemented and augmented.

Now I come towards amendments in various sections and clauses. It is appreciable to amend the section 2 of the Original Act, in sub-section (c) 'mining' word is being replaced or substituted by 'mining including development of mines'. I feel the reason for this substitution is because of IDBI being a development bank established under IDBI Act of 1964, with the main object of the principal financial institution. As a development bank, it provided or direct financing to large and medium scale industries through banks and State level financial institutions. The present definition as it is in the Act, does not include many important activities. Therefore, through this amendment, it is proposed to widen the definition of industrial concerns so as to provide financial assistance to certain sectors, like storage of energy, development of mines, etc.

Now, coming again to another section, i.e. section 4, it has also been amended

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and the base has been extended from Rs. 100 crores to Rs. 1000 crores. I feel this is still less and it should be Rs. 1500 crores.

SHRI P. BABUL REDDY: You can go up to Rs. 2000 crores.

SHRI RAINI RANJAN SAHU: At least, at present, the amendment should be Rs. 1500 crores. Sir, Rupees one hundred crore was decided as the authorised capital in 1964. Keeping in view the multiplying ambit and scope of working of IDBI and its pace of activities which have magnified manifold, the sum of Rs. 1000 crores passed by Lok Sabha is not adequate to meet the requirement of assistance during the Seventh Five-Year Plan and, therefore, to achieve the desired growth as envisaged by our Hon. Prime Minister to give a thrust to the economy of the country to usher in the 21st century, thus it is desirable to increase to Rs. 1500 crores immediately.

In the proviso also, there should be corresponding increase to Rs. 2500 crores, instead of Rs. 2000 crores as passed by the Lok Sabha.

Clause 6 and 6A have also been suitably amended by proposing to enlarge the scope of business which the development bank can undertake by empowering it to grant lines of credit or loans and advances, other than by way of subscription. Hence, by amending section 6 and 6A there is a proposal to cater to the needs of Industrial Reconstruction Bank of India (IRBI) which has been recently established. Formerly, this section was applicable to only (a) Industrial Credit and Investment Corporation of India Ltd., formed and registered under Indian Companies Act 1930; (b) Industrial Finance Corporation of India established under Section 2 of the IFCI Act, 1948; (c) The IRCI Ltd.; (d) The LIC of India, etc.

Section 9 has also been suitably amended by inserting clause 6(c)(a) specifically providing that IDBI should while granting loans and credit and advances to IFCI, SFC or any other financial institution as

notified by Central Government for purposes of business of the Corporation or the financial institution should also subscribe to or contribute to the share capital of those institutions and corporations to the extent not less than 10 per cent of loans and other credits granted by IDBI to the concerned corporation or institution. Sir, I am laying more emphasis in respect of the working of the State Financial Corporation and SIDC to whom the IDBI is sanctioning only re-finance facilities at concessional rate of interest which is also limited to 80 per cent of the loans sanctioned by the concerned State Financial Corporation and SIDC to its borrowers. With the result, the remaining 20 per cent becomes the stake of lending State financial institutions. This way the resources of the State Financial Corporation are involved in granting term loan and adequate funds are hardly available with them for granting assistance to their borrowers in the shape of subscribing and contributing to their equity capital. Thus, the entrepreneurs and promoters of small-scale and large and medium-scale industrial units are required to contribute more than the prescribed minimum towards promoters' contribution. Instead of encouraging the entrepreneurs particularly in a backward State like Bihar, where, apart from the resource crunch with the financial institutions, the entrepreneurs also suffer with the same infirmity. Obviously, they find themselves incapable of contributing more than the minimum as promoters' contribution. This also is an impediment to the fast growth of industries in Bihar and a number of States fall in the same category. Other amendments are more or less intended to give certain amount of flexibility in the powers of the Central Government to be exercised according to necessity.

I would, in brief, say a few words here in regard to simplification of procedure. IDBI has adopted a procedure that re-financing of the loans sanctioned by SFCs and SIDCs are limited to 80 per cent of the loans so sanctioned. I strongly feel that re-finance of the loans sanctioned by SFCs and SIDCs should be hundred per cent for obvious reasons that before grant of re-finance, the scheme and appraisal of

the concerned State financial institutions are scrutinised in greater detail at the level of the IDBI. In that event, once IDBI is satisfied that the total viability of the project requiring refinance is established, there is no cogent reason that IDBI should not grant hundred per cent refinance facilities in respect of such loan sanctioned by the State level financial institutions. This apart, hundred per cent refinance will augment the resource position of the State-level SFCs and SIDCs to afford larger scope of granting assistance and their disbursement at a quicker pace. I have got some experience being associated with the SIDC. I feel, hundred per cent refinance is a must for all financial institutions. IDBI feels that at the State-level financial institutions, like State Financial Corporations and SIDCs are not able to recover the instalment of term loan sanctioned by them on due dates due to various practical and technical constraints, and the State-level financial institutions grant reschedulement thereby resulting in non-payment of the instalment due to IDBI by the concerned State-level financial institution. In such cases, the latter deduct/adjust all such amounts out of disbursement of refinance which is meant for the promotion of new industrial units. This is highly improper on the part of the IDBI.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Please conclude.

SHRI RAJNI RANJAN SAHU: This not only results in a serious resource crunch with the State-level financial institutions but also hampers the progress of implementation of the new units for which loans have been sanctioned by the IDBI and refinanced. This, in fact results in a chain of reactions, such as delay in project implementation, result in cost escalation of those projects requiring further loans and assistance from the State-level financial institutions.

Sir, with these words, I support the Bill.

श्री कलश पति मिश्र (बिहार) : उप-सभाध्यक्ष जी, पहले तो आई.डी.बी.आई. के व्यवहार से चिंता हो रही थी। अब इस

विधेयक में संशोधन देख कर चिंता हो रही है।

महोदय, 1964 में इंडस्ट्रियल डेवेलप-मेंट बैंक आफ इंडिया की स्थापना हुई। उस समय धन की अधिकार सीमा एक सौ करोड़ की थी, बीच में बढ़ा कर उसे पांच सौ करोड़ रुपये किया गया। अभी कई माननीय सदस्यों ने इतने लम्बे काल का इतिहास, उसका चित्र, आंकड़ा रखा। आंकड़े तो हैं, लेकिन अब दोहराने की इच्छा नहीं हो रही है। अब हम एक हजार करोड़ की अधिकार सीमा पर जा रहे हैं और आवश्यकता पड़ी तो एक हजार से लेकर दो हजार तक की वृद्धि होगी।

आई.डी.बी.आई. एक ऐसी संस्था है जिसमें पब्लिक सब्सक्रिप्शन से पैसा नहीं आता, सीधा लगाव जुटा है रिजर्व बैंक आफ इंडिया से, भारत सरकार की अनुमति लेकर आई.डी.बी.आई. रिजर्व बैंक आफ इंडिया से कितनी भी राशि लेकर उपयोग कर सकता है। एक बात की चिंता सब से पहले यह होती है कि आखिर देश का औद्योगिकरण किस रास्ते से हम करना चाहते हैं, किस रास्ते पर हम ले चलना चाहते हैं। एक बार चर्चा यहां पर हो गई है कि आखिर तीन क्षेत्र हम स्वीकार करके चलते हैं, बड़े उद्योग, मध्यम उद्योग और लघु उद्योग।

आज इस विधेयक को हम पारित करने जा रहे हैं और इसी मदन के अंदर सरकार की ओर से आंकड़ा आया है कि एक लाख से अधिक छोटे उद्योगों की इकाइयों में ताला लग चुका है, एक लाख से अधिक अभी भा जी बोल रहे थे, प्रशासन के इतने ऊंचे स्तर पर रहे हैं, लेकिन मैं समझता हूँ कि राज्य की कई चीजें अभी उनके ध्यान में नहीं आई होंगी। केवल बिहार के अन्तर्गत 36,000 से अधिक लघु उद्योगों की इकाइयां बंद पड़ी हुई हैं। देश की आनापरी बेकार हाथ, इक्कीसवीं शताब्दी में जाने की घोषणा—अगर हर नौजवान के हाथ में हम काम सौंपना चाहते हैं, तो पहले तो हमें प्राथमिकता के बारे में विचार करना पड़ेगा कि इस रास्ते से हर नौजवान के हाथ में काम आ सकता है और याद रखिये, मट्ठी भर लोगों की जब अगर मोटी होती चली

[श्री कैलाश पति मिश्र]

गई, लाखों-लाख, करोड़ों-करोड़ हर दिन ऐसी व्यवस्था चलती रही और बेकारी बढ़ती चली गई, तो यह हमारी सारी योजना और सारे ढांचे में एक दिन ऐसी आग लगेगी कि यह ढाक में मिल जाएगा। हिसाब यह करना चाहिए था कि एक तो भारत की आबादी आज कहां रहती है, कितनी रहती है, कितनी ऐसी आबादी है, जिसके हाथ में आज कुछ भी काम नहीं दिखाई दे रहा है और अगर काम उसके हाथ में मिलेगा, तो बड़े उद्योगों के माध्यम से मिलेगा, मझौले उद्योगों के माध्यम से मिलेगा, या लघु उद्योगों के माध्यम से मिलेगा? स्वीकार करने में आपत्ति नहीं होनी चाहिए कि बड़े उद्योग भारत के बेकार हाथों को काम नहीं दे सकते हैं। मध्यम उद्योग नाम के लिए मध्यम उद्योग है, वह धीरे-धीरे बड़े उद्योग की ओर बढ़ता चला जा रहा है। एकमात्र छोटे उद्योग, कम पूंजी की लागत के उद्योग, उन्हीं का यदि हम विस्तार करें, तो बड़े पैमाने पर बेरोजगारी की समस्या का हल निकाला जा सकता है। अभी तक क्या होता रहा है, आपने संशोधन किया? मैं एक बात और उल्लेख करना चाहता हूँ। दो संस्थाएँ आपने बनायी हैं। एक इंडस्ट्रियल री-कंस्ट्रक्शन बैंक आफ इंडिया, काफी पूंजी उसके हाथ में ही है। लेकिन वह किसकी रक्षा करता है? छोटे उद्योगों के पास वह नहीं पहुँचता है और न ही कभी पहुँचेगा। बड़े-बड़े उद्योगों के लिए व्यवस्था बनी हुई है। आपने दूसरी व्यवस्था बनाई थी क्रेडिट गारंटी सिस्टम, छोटे उद्योगों की रक्षा करने के लिए छोटे उद्योगों को फाइनंस करने के लिए, उनका विस्तार करने के लिए और उनको जीवित करने के लिए, लेकिन आपन उससे लिए कितनी राशि इंग्लैण्ड की है? फिर उसकी प्रक्रिया में आपने परिवर्तन किया है। उसके लिए जो आपने फीस रखी थी क्रेडिट गारंटी सिस्टम के लिए वह पहले फीस थी उद्योगों के ऊपर जितनी लागत है उस लागत के एक प्रतिशत का 1/10, यह उसकी फीस थी। जब पूरी लागत थी उद्योगों को उसमें 17.5 परसेंट की राशि केवल लगानी पड़ती थी। उसे बदल दिया आपने। जो उसे पूंजी लगानी

है अब वहां 17.5 परसेंट से बढ़ाकर आपने 22.51 परसेंट पर लाकर खड़ा कर दिया है। आप कहां जा रहे हैं? एक हजार से लेकर दो हजार करोड़ का लंबा विस्तार तो आपने कर दिया है और जो फाटक खोल दिया उससे देख कर आश्चर्य लग रहा है। माइनिंग अपरेशन ले लिया, कंसलटेंसी ले लिया, लीजिंग बिजनेस ले लिया। लीजिंग बिजनेस को आई.डी.बी.आई. से फाइनंस करने की क्या आवश्यकता पड़ी है। अब यह एक हजार करोड़ से लेकर दो हजार करोड़ की राशि कहां जाने वाली है? छोटे उद्योगों में जाने वाली है? एक लाख से अधिक छोटी इकाइयाँ आज देश की अंदर बंद पड़ी हैं। यह उनके पास पहुँचेंगी। अभी एक माननीय सदस्य ने बिल्कुल ठीक कहा है। बोर्ड आफ डायरेक्टर्स में किसके प्रतिनिधि बैठे हुए हैं? जो घर में बैठकर एक छोटा करघा चलाता है, गांव में झोंपड़ी के अन्दर जो चमड़े का छोटा उद्योग चलाता चाहता है, क्या उसका कोई प्रतिनिधि है? मझे कहने में कोई हिचकिचाहट नहीं है कि कहीं उसका कोई प्रतिनिधि नहीं दिखाई दे रहा है। क्या इसी से देश की रचना बनने वाली है। एक हजार करोड़ रुपये से लेकर दो हजार करोड़ रुपये की आपने सीमा निर्धारित की मझे प्रसन्नता होती इसमें अगर आप एक निश्चित राशि तय करते कि यह राशि केवल छोटे उद्योगों पर ही जायेगी और मझौले तथा बड़े उद्योगों में नहीं जायेगी। यह राशि सिर्फ छोटे उद्योगों में ही जायेगी। मैं माननीय मंत्री जी से आप्रह करूंगा कि वे इसमें प्रावधान बनाएं और इसका ध्यान में नहीं छोड़ें और एक निश्चित राशि छोटे उद्योगों के लिए तय करें। इसके बाद अब मैं एक चीज और कहना चाहता हूँ कि इसमें आने वाला धन किसका धन है? पब्लिक इन्वेस्टमेंट से इसमें एक पैसा नहीं आता।

On the approval of the Government, only the Reserve Bank of India is authorised to give funds to IDBI.

अब यह देश की एक-एक नागरिक का गरीब में गरीब नागरिक जो कि कहीं पर नौकरी करता है और वह 50/- रु. महीना जमा करता है, तो उसकी पूंजी जमा है। यह

सम्पत्ति केवल बड़े घराने में लगे, मझौले घराने में लगे, यह बात ठीक नहीं है और इससे किसी देश का विकास नहीं होगा। और यह बड़े घराने करते क्या हैं, एक बार नहीं तीन बार उठा चुका हूँ, बिहार के अन्दर रोहताश लिमिटेड फैक्टरी काम कर रही है, उसमें 20 हजार कर्मचारी हैं और पत्थर तोड़ने वाले, जंगल काटने वाले 6 हजार आदिवासी कर्मचारी हैं, तीन साल से इस फैक्टरी में ताला लगा हुआ है। मैंने यहां आंकड़े दिए थे, सौ से अधिक ऐसे कर्मचारियों की, काम करने वालों को मृत्यु हो गई है, जिनको खाने को अन्न नहीं मिला, भिखारी बन कर रहे। केन्द्रीय उद्योग मंत्री से, उस समय के केन्द्रीय वित्त मंत्री से एक बार नहीं, आधा दर्जन बार डेलीगेशन आकर मिला। बिहार के मुख्यमंत्री, बिहार के उद्योगमंत्री, दर्जनों बार आश्वासन दिए। लेकिन आज भी फैक्टरी उसी प्रकार से बंद पड़ी है। फैक्टरी घाटे की नहीं थी, फैक्टरी अच्छे मुनाफे की थी। हाँ, इतना था कि इलीक्ट्रिसिटी का जो चार्ज देना है, वही नहीं देना है और जब मन में आए सरकार से लोन ले लेना है। उस पर 6 करोड़ रुपये इलीक्ट्रिसिटी बोर्ड का था, जिसकी अदायगी पड़ी हुई है। अभी तक एक प्रकार से इलीक्ट्रिसिटी बोर्ड को चुकाया तक नहीं है। यह पैसा इनके पास जाता है एक उद्योग से दूसरे उद्योग में और दूसरे उद्योग से तीसरे उद्योग में। आश्चर्य लगता है, टाटा फैक्टरी को अभी कुछ साल पहले आधुनिकीकरण के नाम पर एक हजार करोड़ रुपये की स्वीकृति दी गई है और आधुनिकीकरण के नाम पर जो धंधा खड़ा कर रहा है, 12 हजार कर्मचारी छुटनी की लिस्ट में आकर खड़े हुए हैं। पता नहीं बिहार सरकार ने किस चक्कर में आकर इतना बड़ा पाप किया है, समझ में नहीं आता है।

महोदय, जमशेदपुर बहुत बढ़िया नगरी है। साढ़े छह लाख से अधिक उसकी आबादी है। टाटा की मजौदारी, बहुत बार उसकी चर्चा हो चुकी है, कैसे नीचे से आते-आते सुप्रीम कोर्ट में आ गया था और सुप्रीम कोर्ट में बिहार सरकार जीतने वाली थी, इसका

मतलब जमशेदपुर में रहने वाले साढ़े छह लाख नागरिक जीतने वाले थे, अचानक अंधेरी रात में समझौता करके सुप्रीम कोर्ट से वह कैसे वापस कर दिया गया और अगर एक शौचालय बनाना हो तो टाटा के सामने जाकर कहना पड़ेगा—माईबाग, आज्ञा दीजिए शौचालय बनाएं, आज्ञा दीजिए तो भोपड़ी बनाएं। इस प्रकार का खेल देश के मूठठी भर तोगों के हाथों में आज खेला जा रहा है। कई बार लगता है कि इस प्रकार के विधेयक उन्हीं के लिए बनते हैं, ऐसे कानून उन्हीं के लिए बनते जा रहे हैं।

महोदय, मैं आग्रह करूंगा, जरा दरिद्र देश को देखें, दरिद्र हाथों को पहचानें और उनके लिए नियम बनाएं। ऐसे नियम न बनाएं कि उनका उल्लंघन तो किया जाय, लेकिन उसी नियम के द्वारा उनकी छाती पर बैठकर बड़े-बड़े पूंजीपति उनको जड़-मूल से साफ करके समाप्त कर दें। सुनकर आश्चर्य नगा, एक कांग्रेसी ने हमको बताया (समय की घंटी) ...

उपसभाध्यक्ष (डा. बापू कालवार्ते): कृपया समाप्त करें।

श्री कौलाश पीत मिश्र : मैं समाप्त कर रहा हूँ, बताया कि बिहार को मात्र 1.5 प्रतिशत लोन मिला। क्या हो रहा है, यह देश का चित्र बन रहा है, देश का नक्शा बन रहा है, देश का विकास हो रहा है, जहाँ मालूम है कि 1/10 भाग पूरी आबादी का बिहार में है, पूर्वांचल की वही हालत है, छोटे-छोटे राज्यों की वही हालत है। इसलिए मैं कहना चाहता हूँ आदर के साथ, मैं जानता हूँ कि आपका बहुमत है, विधेयक पास होगा और विरोध करने से कोई रुकने वाला नहीं है, लेकिन आदरणीय पूजारी जी से यह कहना चाहता हूँ कि देश के अन्दर लघु उद्योग मरने नहीं, इसके लिए अगर कोई ठोस कदम उठाकर जो राशि है, उसके अंदर इयर-मार्क करके अपनी घोषणा करें, तो मुझे बड़ी प्रसन्नता होगी। धन्यवाद।

PROF. CHANDRESH P. THAKUR (Bihar): Mr. Vice-Chairman, it is the tail end of the day. So much has

[Prof. Chandresh P. Thakur]

been said by such eminent people. And then to make some last moment remark on a topic which is not sexy or juicy but serious is a really difficult task.

Nevertheless, I rise to support the Industrial Development Bank of India (Amendment) Bill which has two principal thrusts, first, to expand the scope of its coverage, and second, to increase the magnitude of financial accommodation to its clients.

I think, at this stage of our industrialisation the definition of "industry" must be inclusive, also the required financial accommodation must reflect the escalated cost, keeping in view the economics of scale in operation. I think we have to look at the Industrial Development Bank of India in the context of the expectations we have in the Seventh Five-Year Plan from the industrial sector. We have planned a rate of growth of 8 to 9 per cent from the industrial sector. The share allocated to the private corporate sector is to the extent of 17 per cent. The new Government policy is giving a welcome thrust to technical progress and productive efficiency. To the extent the IDBI operations relate to the private corporate sector, it has an onerous responsibility. The private corporate sector has contributed substantially in the process of industrialisation. It has the repository of entrepreneurial and managerial capability.

At this stage of our economy we are looking for demonstrated efficiency in capital use. Our economy has become cost heavy, and the capital-output ratio has substantially deteriorated. There have been signs of industrial deceleration, obsolescence of industry technology is a fact, and the cost disadvantage in the international market place to our products is a familiar feature.

Therefore, we should be looking for all the levers of cost efficiency. the

private corporate sector has a demonstrated track record and the IDBI can take advantage of this. Nevertheless, any stock-taking of a body like the IDBI, after a good spell of its operation, will leave a lot of things to be talked about both on the plus and the minus sides of its operation.

I think I would like to draw the attention of the House to the context in which the Industrial Development Bank of India was set up. India had an ill-developed capital market. The entrepreneurial base of the country was weak. In fact, it has remained weak. Even the available entrepreneurial talent is not evenly distributed across regions of the country. These put handicaps in a balanced spread of the industrial growth. Some areas are land locked. They have had a feudal economic set-up. Their exposure to stimuli of industrialisation has been poor. Even the infrastructural facilities which help the development of industrialisation did not develop uniformly across regions. It is in this context that we expect the IDBI and its affiliates to contribute substantially. It can help by promoting the development of the backward areas, through concessional finance, technical consultancy services and through the development of entrepreneurial facilities as well as through the rehabilitation of sick units in certain regions.

I think, since its inception the Bank's status and capabilities have been strengthened substantially. It is today an apex body to oversee, to monitor and to coordinate the functioning of several agencies involved in helping one or the other segment of the industrial economy. I think the House must take note of some of several of its innovative strategies adopted from time to time. I would like to take note here of its role in helping the industry to get out of the recessionary consequences through re-discounting of bills. Its soft-loan scheme aided several major industries, cotton textiles, jute, sugar,

cement and certain engineering units. Its lending policy fortunately 6 P.M. now is trying to improve the financial and physical performance. I take note of its Technical Development Fund. It helped in capacity utilisation of the industrial sector in the country. Its Seed Capital Scheme was designed to help such people who have the talent, but not the resources, to go into the process of industrialization. It has tried to develop certain areas, and promote entrepreneurial capabilities. Particularly, one has to take note of the special assistance programme directed to help the economy of Punjab recently. These are on the plus side of the balance sheet of the Industrial Development Bank. But, I must draw the attention of this House, and particularly of our competent and very sensitive Finance Minister and the Minister of State for Finance on other aspects too.

I think the dependence of the private corporate sector on external sources remains high. In fact, with 33 per cent share, banks have a very dominant role in the external source of fund. In absolute terms, their borrowing from the financial institutions has increased ten-fold during the period 1968-84. And the share of the paid up capital has gone down. The fund at the disposal of the financial institutions is a national resource. Its allocation and utilisation should conform to the leading national concerns they evolve over the period.

In the mixed market economy of our country, I realise, the private sector has a major role to play. As a result, it is appropriate that this sector should have reasonable access to financial accommodation through the term lending agencies coordinated by the Industrial Development Bank of India. But the locational dispersal of its operation must reflect the need for balanced economic growth across regions. The private corporate sector must respond with a greater degree of enthusiasm in this regard. To the

extent the term lending agencies have been able to encourage them to do so. They deserve our commendations. If not so far they should be trying move vigorously in this regard.

Mr. Vice-Chairman, Sir, I am not alluding to the logic of inter regional and intra-regional equity, which is very important in our country. What I am trying to draw the attention to the national and macro-economic considerations involved. Large regions of this country have been deprived from making contributions to the development of the economy as a whole to their fuller potential. I have just to suggest that the heartland of India—Madhya Pradesh, most of Uttar Pradesh, the whole of Bihar, a substantial part of rural Bengal, or for that matter Orissa—have been deprived of their critical complementary sources which stimulate growth. I am not suggesting that this region of the economy has been deprived; what is worrying me is that the deprivation of this sector of the economy is a drag on the national growth and a large part of the potential for development remains unutilised, under-utilised or mis-utilised in the absence of critical complementary sources which an institution like the IDBI can substantially contribute.

I am talking in terms of finances, in terms of the development of the entrepreneurs and in terms of development of infrastructural facilities. I would like the House to appreciate that sponsored industrialisation in some of these regions of the country is a critical requirement for accelerated development. Without that we will continue to get a secular rate of growth of 3.5 per cent against the planned rate of growth of 5 per cent. IDBI's responsibility is to manage the turn-around sick mills. A large magnitude of national reserve is locked in them. Much more is being sunk in the name of rehabilitation. I think what is required is a much greater care in monitoring, in consultancy

[Prof. Chandresh P. Thakur]

services for helping an expeditious and healthy turn-around of the sick mills. I think IDBI capabilities need to be augmented in this regard. There is disturbing evidence of sickness even in no so old units. I am not sure whether these cases are of engineered sickness? Or do they reflect an inadvertent neglect or a possible technical inadequacy in examining the economic viability of bank supported projects? I leave this question to the Minister of Finance and his IDBI colleagues to answer.

Sir, successful development banking requires recycling of funds. My hon. colleague Mr. L. K. Jha has mentioned about that. It can be looked at in a variety of other ways. I would like to draw the attention of the Minister: are there cases of over-capitalisation of certain projects? I think, some cost escalation is justified. But I suspect the capitalisation is more than what is justified by honest costs considerations. A check is called for in this regard. What I am trying to suggest here is that, among other things, IDBI has to provide competent escort services to its clients, its new client and its sick clients in need of assistance. I am not sure if the quality of escort service is provided is good enough and the responsibility and energy behind that are sufficient. The economy of the country needs efficient use of capital resources.

I think Sir, technical services constitute one of the major roles of the IDBI. I would like that many more new entrepreneurs, first generation of entrepreneurs and successful among them should come on the industrial scene of India. Now to the extent we have paucity of that, we are not finding many such cases, it reflects the inadequacy on the contribution of the IDBI in the development of entrepreneurial talent in this country and its balanced dispersal.

Mr. Vice Chairman, Sir, entrepreneurs are no more only born. They are encouraged. They are fostered and for that we need a competitive agency. IDBI is one such agency. I do not know whether its competence is demonstrated well? I leave it to the Finance Minister to answer it.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): Thank you very much.

PROF. CHANDRESH P. THAKUR: There is an advantage to a tail-ender. I may tell you, on the other side of the city where I was working. There is an incentive to speak longer.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): It is question of time.

PROF. CHANDRESH P. THAKUR: The IDBI is a coordinating agency at the apex level. Many more institutions have come as its affiliates and very correctly so. This is a specialised function. There are variety of functions which have to be performed for supporting industrial process in the country. But as the number of agencies multiplies, the role of co-ordinating becomes much more onerous, and as a result it requires much greater competence. I have to draw the attention of the House to one set of institutions like the State Finance Corporations. I know that the IDBI does not have a direct responsibility there, but as an apex body it has some contribution to make. But I suspect the State Finance Corporations today are emerging as one of the major sick units in this country. And the sickness of financial institutions has a multiplier of reverse kind, and that is precisely what is happening in several of the States. This requires urgent attention in improving the consulting services of the IDBI or its coordinating function in relation to financial institutions like the State Finance Corporations.

Mr. Vice Chairman, Sir, I must take note of several encouraging and positive features, too. Careful steering.

has brought welcome buoyancy in the Indian capital market. There is a shift in corporate borrowing from the financial institutions to capital market. The relative share of large and medium enterprises in the financial accommodation from the public financial institutions has gone down.

I think the proposed amendment Bill is a welcome measure. What I have said relates to several parts of this Bill. All said and done, the IDBI is a key institution designed to steer the course of expeditious and efficient industrialisation in the economy. It has performed its task somewhat well. But it can contribute a lot more and a lot better. Before I end, Sir, I must take note of the two points made from the other side of the House about this time yesterday. One was with regard to the facts of history during the sixties. I think, the facts of history are varied and they are open to varying interpretations, too. Sixties, and I should say late sixties, and particularly the year 1969, has a special and historical significance in the banking industry in general and the usage of bank finance in particular. I think, Mr. Chatterjee took note of sixties for a different reason. I would like to draw the attention of the House in the context of banking history of the late sixties for entirely different reasons. It was not privatization, to which a reference was made, but it was a courageous act of nationalisation of the banking sector which saw this country moving entirely on a different course. This has led to a big push to the process of development banking because today all commercial banks are nearly development banks also. It was a welcome move of the late sixties. On privatization Sir, its different incarnations have appeared in different

parts of the world. As a student or a teacher of Development Economics, particularly the Comparative Economic System, we are at a cross-road. Our text books have been rendered obsolete as a result of new forms of privatization in unsuspected lands and we are at a stage of reviving them. Thank you, Mr. Vice-Chairman and I support this Bill.

SHRI NIRMAL CHATTERJEE (West Bengal): Sir, this is his maiden speech. I must congratulate him for that.

MESSAGE FROM THE LOK SABHA

The Commissions of Inquiry (Amendment) Bill, 1986

SECRETARY GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary General of the Lok Sabha:

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose the Commissions of Inquiry (Amendment) Bill, 1986, as passed by Lok Sabha at its sitting held on the 30th July, 1986."

Sir, I lay a copy of the Bill on the Table.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): I congratulate Mr. Thakur for his maiden speech.

The House now stands adjourned till 11.00 A.M. tomorrow.

The House then adjourned at twelve minutes past six of the Clock till eleven of the Clock on Friday, the 1st August, 1986.