

Establishment of Central Registry

42. SHRI KAMAL AKHTAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that there is no such mechanism to check charges/encumbrance created by Individual, Hindu Undivided Family (HUF), Association of Persons or other entities;

(b) if so, whether Government proposes to establish a Central Registry under SARFAESI Act to maintain data relating to charges created on any asset by any person;

(c) whether some builders like Unitech, Supertech, DLF, BPTP, etc., have sold same flats to more than one person and also got these financed from PSU banks in connivance of bank officials; and

(d) if so, the steps taken to check these malpractices and to investigate bank finance to projects of these companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) There is a provision under the Companies Act 1956 for registration of charges/encumbrances on the assets (Movable/Immovable properties) of a company with the Registrar of Companies. However, there is no such similar provision for registration of charges on movable properties belonging to non-corporate such as Individuals, Partnership Firms, Hindu Undivided Families (HUFs) etc., under any law.

Government has since decided for setting up of Central Registry which will initially extend to mortgage by deposit of title deeds created by any person, *i.e.* corporate and non-corporate. After the establishment of Central Registry, the issue relating to encumbrances/charges on movable properties belonging to Individuals, Partnerships, HUFs etc. will be sorted out by the Government.

(c) and (d) There are some instances of frauds being reported wherein loans have been obtained from multiple Banks on the security of the same flat/apartment. The Hon'ble High Court of Judicature at Bombay observed that the Bank granting finance to housing/development projects should insist on disclosure of the charge/or any other liability on the plot. Following the observation of Hon'ble High Court, RBI have advised the Banks to stipulate as a part of the terms and conditions that the builder/developer would disclose the names to the Banks to which the property is mortgaged and publish the same in the advertisement of the scheme/project and would provide NOC/permission of the mortgage Bank before sale of the property, if required. Banks are also advised to ensure compliance of the aforesaid terms and conditions and funds should not be released unless the builder/developer/company fulfills the above requirements.

Compensation for Central Sales Tax

43. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has received any proposal from the State Government of Andhra