

[Shri Ravi Shankar Prasad]

appointment again. We have taken initiative ourselves. I know that regardless of the reservation of the House, there is a judgement of the Supreme Court which we have accepted in all humility and we are working according to the parameters set by them. Sir, I am deeply grateful to you for providing me this opportunity.

MR. DEPUTY CHAIRMAN: Thank you. I actually congratulate every Member who participated in the discussion. The discussion was of high level. It was very informative for me also. I congratulate the Minister on explaining it very well.

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### GOVERNMENT BILL

#### **The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016**

MR. DEPUTY CHAIRMAN: Now, we will take up the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. Shri Arun Jaitley to move.

THE MINISTER OF FINANCE, AND THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY): Sir, I move:

That the Bill further to amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, and for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration.

*The question was proposed.*

DR. T. SUBBARAMI REDDY (Andhra Pradesh): Mr. Deputy Chairman, Sir, I rise to speak on the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, which was passed by Lok Sabha on 1st August, 2016. Earlier, it was referred to a Joint Committee of both Houses for examination, and the Committee submitted its Report in July, 2016.

I am very happy in welcoming this Bill. The Bill aims to strengthen the hands of the banks and financial institutions to recover the money from the debtors, to whom they have given loans, making the banks strong and also taking the initiative to facilitate new investments, which will ultimately lead to higher economic growth. We appreciate that.

Sir, before that, I would like to say that today the banking industry is in a very difficult situation. Stressed assets amount to ₹ 8,00,000 crore. It is actually 5.6 per cent of the GDP. So, the Recovery of Debts due to Banks and Financial Institutions Act was passed in 1993 and, through this Act, Debts Recovery Tribunals were set up for recovery of loans. But, you must be aware that about 70,000 cases are pending in the Debts Recovery Tribunals.

[THE VICE-CHAIRMAN (SHRI SUKHENDU SEKHAR ROY) *in the Chair*]

I would like to draw the attention of the hon. Finance Minister that the banks are in a bad shape and are in dire need of capital infusion from the Government. No doubt, recently, the Government has infused some capital. But, actually, that is not sufficient. Every day, we see that the Government is very much interested in economic growth and the growth of Indian industries. For this, banks should be strong, sound and stable, and should be able to finance new industries. But, since there are high NPAs, they need more capital. So, now, I expect the Government to give such infusion of capital so that in future, all banks become self-sufficient and strong, and play the important role in building the Indian industry. I am also very happy that because of this Bill, there will be exemption of stamp duty on loans advanced by banks and financial institutions to Asset Reconstruction Companies. This is a very important point. To make the hands of banks more strong and recover the assets and loans from the people, they must have the registration system. Stamp duty is very costly. Therefore, I am very happy that you are amending this and giving exemption in respect of stamp duty and levying of charges. Amendment will also enable non-institutional investors to invest in security receipts by Asset Reconstruction Companies. I also welcome this, which is a really good point.

Then, I come to those who are issuing debentures. Even the Government issues debentures. Debenture trustees will also have same rights as secured creditors. It is also a very good point. Then, there are five changes in the DRT Act. In Section 13 of the SARFAESI Act, you went in for serious changes. First, I am very happy to see that they will have to enforce security interest for NPA without intimation to Tribunals. If an asset was declared as non-performing asset, under the SARFAESI Act, they could directly go to an asset reconstruction company. Also, the amendment of the Indian Stamp Act and amendment of the Depositories Act, 1996 will help the banks and financial institutions to recover the bank loans faster. The banks have failed to take notice of early signs of stress on the loans disbursed.

Sir, here, I would like to say that the banks also have to play a very important role. Sir, I draw the attention of the hon. Finance Minister that the banks must take initiative on stressed assets, guide them to a one-time settlement and actually give

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that to them. Regarding these stress loans, what I would like to say is that it is due to circumstances. There are wilful defaulters and there are defaulters because of the circumstances. For instance, there are some industries like steel, sugar, cement and textiles, which are temporarily sick. Therefore, infrastructure also, today, is in bad shape. They are in bad shape and, because of this, NPAs are going up. So it is the banks which should come forward, guide these borrowers, see that they do quick settlement and make the NPA go down. The Amendment also empowers the Reserve Bank of India to regulate the ARCs (Asset Reconstruction Companies) to carry out audit and inspection of the ARCs and to impose penalty on the ARCs. This also is a very good step and I appreciate the fact that the Reserve Bank has, actually, been empowered now to have control on the ARCs. The RBI is the regulator according to the amendment. What happened earlier is that a lender used to take loan from different banks showing the same property. That is why, a Central Registry has been created, and now, to prevent multiple loaning from different banks on the same immovable property, the Central Electronic Registry has been set up, and I welcome it.

Sir, in the whole Bill, there are four Acts which are being amended. The SARFAESI Act is being amended. The Recovery of Debts due to Banks and Financial Institutions Act is to be amended. The Indian Stamp Act is to be amended. In the Indian Stamp Act, there should be a clarity. Actually, for registration and stamps, the borrower and also the banker must agree. There is no clarity as to whether the banks can straightaway register the assets or both must do. I seek a clarification on this. The Depositories Act also has to be amended. The amendments made in the legislation deal with the following points. One is, expeditious disposal of all applications. Second, it is an important change that there can be electronic filing of applications. Third, priority of secured creditors is enforced through DRT amendment. Fourth, debenture trustees will be treated as financial institutions. Fifth, empowering the Central Government to provide for uniform rules for conduct of proceedings of the DRTs.

Sir, there were a number of changes in the DRT Act. Now, in SARFAESI Act, Section 13 is being amended to enforce security interest for NPAs without intervention of tribunals. That is a very good point, which we welcome and support. There is one more important thing. The entire nation wants economic growth. If industrial growth is there, there may not be frustration among the youths, and employment potentiality will increase. For that, banks and financial institutions have to play a very important role. As on today, the banks are in a difficult stage as they are having NPAs worth ₹ 8,00,000 crores. They are, actually, in a very, very embarrassing stage and they are not coming forward to give loans even to genuine entrepreneurs. Therefore, it is the

duty of the Government to ensure that they do it. I would also like the hon. Finance Minister, to clarify at the time of his reply, as to what efforts they are making to strengthen the banks. On the one side, through this Bill, they are giving strength to the banks to actually recover all these debts from the debtors. Besides that, for the growth of the industry, how are we going to give confidence to the banks, how we are going to enable them to give more loans to new and genuine enterprises?

Sir, another most important point is, today, the banks have a lot of NPAs and they are in bad shape. We have to look at it in two parts. The NPAs have come about because of some wilful defaulters. The NPAs have also come about because, as I already said, some industries became sick temporarily. Sometimes, these industries became sick permanently. So, for those industries which have become temporarily sick, which are going to recover in future, the Government should have a mechanism to see to it that the banking institutions are properly guided and directed in this regard. They should be directed to give a helping hand to those industries which have become temporarily sick. They should, in fact, segregate such NPAs instead of putting everything together and saying that the banks are in bad shape. In the new amendment, there will be registration of creation, modification or satisfaction of any security interest over any property of the borrower by all secured creditors and the provision of integration of the security system. Everything will be registered together in one registry so that, at the push of a button, the authority will know what the properties are which have been given to the bank as a security. This is really a wonderful amendment; we welcome it. It is really going to help the banks and the industry.

Then, Sir, creating central database on security interest over the properties of borrowers is also very good. Then, the Reserve Bank of India is going to have control over the ARCs which I have already mentioned. Then, there will be an exemption of Stamp Duty on loans which is also very important and helpful.

I want to draw the attention of the hon. Minister to one more important thing. Today infrastructure is in a very bad shape. The Parliamentary Standing Committee has given a suggestion to develop a vibrant bond market to finance infrastructure projects. Is it possible to have a vibrant bond market to strengthen the infrastructure sector? Of course, this is not an easy task, and public must also accept to invest in this market. But still I want to mention this thing.

The Parliamentary Standing Committee has also said that banks are not coming forward to guide the borrowers in time and settle the things. I also want the Government to direct the banks to be more alert and take necessary steps to guide the borrowers who are actually struggling. Even though I welcome the Bill and

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the amendments, there is one more thing which I want to mention. It is mentioned that cases would be disposed of by the Tribunal in 60 days. As on today, the Debt Tribunal is given six months time to dispose of a case. But they are taking years together to dispose of a case because of adjournments and so many other things. In this Bill, you have put the timeframe as 60 days. In this connection, I want to say that if it is beyond 60 days, and if they go to the High Court or the Supreme Court, the Government should make an effort to ensure that the High Court or the Supreme Court gives priority in dealing with bank's request so that they can recover the money from borrowers.

THE VICE-CHAIRMAN (SHRI SUKHENDU SEKHAR ROY): Two more speakers are there from your party. Please conclude.

DR. T. SUBBARAMI REDDY: I want to draw the attention of the hon. Finance Minister to the challenge on industrial development front, on the one side, and recovery of loans on the other side. So, this is a big challenge before him. I want to know from the Minister what efforts the Government is making on industrial development front. Regarding recovery of loans, this Bill is going to help the banks.

In conclusion, I welcome the Bill and the amendments. The hon. Finance Minister is cool. He can speak for a long time with a smile. But I do not know whether he will respond to our questions. However, I am drawing his attention to some of these questions. This is a big challenge for him. With all his skill, dynamism, intelligence and buoyancy he can take up the challenge and ensure how the economy grows, how the industry grows and how banks are going to recover the loans. Both are going together. You are recovering bad loans. Of course, you are giving teeth to the banks through these amendments which are really going to help. You have to see that banks are tutored that they should not simply worry and afraid to participate in the development of new industry. They must participate, make an effort to study whether a new industry is genuine or not and then come forward to give loans. The Government has infused some capital into public sector banks. That is not sufficient, still, banks are struggling. You must infuse more capital because they are Government banks. Even if you infuse more capital into Government banks, it is your money. Once again "लोकोत्तरायणाः संगठनः निरूपमानः सन्निवेशः नद्वितीयः" That means, the economy should be spectacular, phenomenal, matchless and unparallel and hats-off to you. Sir, granting 'Special Category' status to Andhra Pradesh is not the subject of discussion now, but still, I would request the hon. Finance Minister to consider giving Andhra Pradesh the 'Special Category' status. Thank you very much.

THE VICE-CHAIRMAN (SHRI SUKHENDU SEKHAR ROY): Shri Bhupender Yadav.

SHRI BHUPENDER YADAV (Rajasthan): Sir, the present amendment of the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, is another step towards economic reforms by the present Government towards facilitating the 'Ease of Doing Business'. The present Bill was examined by the Joint Select Committee of Parliament and, being the Chairman of that Committee, I would like to thank all my colleagues who had deliberated on it in great detail in the Committee. We were able to suggest 21 Amendments to the Bill. I also thank the Government for accepting those Amendments.

Today, we are creating an environment to encourage entrepreneurship in our country for better economic growth. Ease to do business should begin with an easy process to start business; as it goes through the process of getting credit, the procedure should be easy and simple. It should give protection to investor provide an effective process of enforcement of contracts; and lastly the ease of doing business should ensure easy procedures for resolving insolvency.

When the present Government came to power, the financial institutions were suffering due to NPAs and bad loans. The present position being there are 70,000 cases pending in the DRTs, with NPAs worth five lakh crores of rupees, and these have been affecting the economy adversely. The Government realized this fact and started identifying the existing problems in the system. The Government recognized the importance of the regulatory environment in promoting entrepreneurship and undertook the objective of making India one of the easiest places to do business. Undoubtedly, there was scope for improvement in achieving this target. Therefore, the Government started working towards it. Last week, the GST Bill was passed; before that, the Insolvency and bankruptcy Bill was passed. Then, the Benami Transactions Bill was passed. These were the steps that were taken by our Government for introducing economic reforms in the country.

Sir, I want to say that, presently, one of the biggest problems is that of NPAs and bad loans. In order to resolve that issue, the SARFAESI Act empowers secured creditors to take possession of assets against which loans were taken, in case of payment defaults. It is supposed to ensure fast recovery of bad loans, which affects the credit market in the country. The present Bill has made provision for the timely disposal of cases. Earlier, we saw that the CMM used to take a long time for recovery. In the present Bill, we are providing a limit of thirty days. The Bill has also proposed creation of a central database of records, which is to be maintained so that the information is not lost in the plethora of intra-State reports.

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Sir, the Amended SARFAESI Act empowers the RBI to conduct audit and inspection of Asset Reconstruction Companies (ARC). We know that the ARCs buy NPAs from the banks. So, it is very necessary to create a mechanism for the regulation of ARCs. The ARCs buy the NPAs from the banks on discount and recover the money. It may penalize the non-complying companies. We have also given powers to the RBI to examine the statements and information about ARCs. The RBI is also allowing banks to absorb their written-off assets in a staggered manner, which would help them in restoring their balance sheets to normal health.

Sir, the present Bill also seeks to empower DRT in the light of the Supreme Court judgement. Recently, the Supreme Court had given a judgement in a tenancy case. The question was whether the third party tenancy right will be decided by the DRT or not. Sometimes, we know that when a recovery process is started against a secured creditor, they immediately create a tenancy. But, sometimes, the recovery gets delayed. For that purpose, in the present law we have provided a mechanism to take care of that. There is one question, Sir. What would be the cause of action? Sir, for debt recovery, we are providing for a time-bound procedure. The Bill also makes provision for restoring possession of secured asset to any aggrieved party, if the action of the bank is invalid. With an amended provision, DRTs can decide the third party rights including tenancy and leasehold right in secured assets. The present Bill has made changes in the jurisdiction as well as also in Section 17. Now banks and financial institutions can file cases within the local limits of the bank, which maintain records of that loan. It is one of the good steps to reduce time of disposal as the record verifications etc. as the lack thereof used to be the reason for adjournments. The Bill also provides for certain procedures, which are to be done electronically; this will save time and money. It will also bring transparency and create an atmosphere of accountability.

Any law requires some time to show its effect and, I believe, in due course of time, the laws enacted for economic reforms, will show the commitment of the Government to make India a strong economy at global platform for the investors also.

The Insolvency and Bankruptcy Code is now enacted, but, it will take some time when complete infrastructure will be ready to enforce the Code. The Code could achieve its target of providing one-stop solution for all insolvency-related issues, or problem of non-payment of debt, and the Government is committed to do so.

A very recent advertisement for the members for the Insolvency Board by the Finance Ministry shows that we have not stopped after passing the law; we are working step-wise to achieve the purpose as soon as we can.



Everyday, the Government is proving its commitment to achieve the goal of becoming a business hub. The prime focus of the Government is to make laws and policy, which ensures higher accountability, transparency and makes access to information easy and delivers of services fast by making best use of the technology.

We also know that the DRT faces the shortage of judges. So, in the present Act, we are enhancing the age of the judges in the DRT, that is, 65 years, and for the DRT, it is of 70 years. You know, sometimes, the vacancies are not filled because the person is not available. So, earlier, there was an amendment made in the Airports Authority Act also that for the Appellate Tribunal, if a person is not there, but a similar-situated Tribunal is there, so, the similar-situated Tribunal Judge will also work in an *ad hoc* capacity in the same Tribunal also. So, that provision is provided in the DRT court also so that our cases do not suffer because the judges are not there. So due to this provision, we will not suffer in future also.

Pending cases in the DRT has been a matter of concern for the Government, and therefore, the Government is concerned with strengthening the DRT in every possible way. Shifting work load towards the NCLT after implementing the Bankruptcy and Insolvency Code is one such step, which will reduce huge work pressure of the DRT because, as per the Insolvency Bankruptcy Code, the NCLT is an adjudicatory authority for cases related to non-payment of debt by a company and an LLP for the default amount notified by the Government, and once application is admitted there, the proceedings in any other court will be stayed for the same cause. Sir, the time-frame is also necessary because if we are not able to dispose of the cases in a time-frame manner, especially, the financial matters, then, it will be a huge loss to the country because investors will not be ready; those who are investing the money, sometimes, may feel that system is not with them. So, a time-frame procedure we are providing by the present amendment also.

I want to say that these amendments made by the Government in the SARFAESI Act as well as the amendment moved by the Government in the DRT Act, is also in harmony with the earlier Bankruptcy and Insolvency law also. In the Bankruptcy and Insolvency Code, we provide one major structure or major institution for resolving the insolvency and all these problems.

I would like to conclude with the firm belief that while identifying the loopholes and simplifying legal procedures, making provisions to assure accountability, transparency and security of investment, India has taken steps to become a place to be one of the few choices to do business. The aim of ease of doing business is to empower competent people to venture out, encourage them to take risks and



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facilitate them to compete in the global market. Further, it will provide employment to people at all levels. Again, I would congratulate the Government for attracting the investors, and the multinational companies by providing simple and effective adjudicatory mechanism. It is successfully achieving the dream of Make in India, Start-up India, Digital India, Stand-up India, so on and so forth, which is the vision of our hon. Prime Minister. I congratulate the hon. Prime Minister and the hon. Finance Minister for putting in best efforts to achieve this target at a greater speed and in a committed manner.

SHRI JAIRAM RAMESH (Andhra Pradesh): Sir, economic reforms इस मायने में नहीं हैं कि भुपेंद्र जी अंग्रेजी में बोले। ...**(व्यवधान)**...

THE VICE-CHAIRMAN (SHRI SUKHENDU SEKHAR ROY): Shri Naresh Agrawalji, not there. Now, Shri Ravi Prakash Verma.

**श्री रवि प्रकाश वर्मा** (उत्तर प्रदेश): उपसभाध्यक्ष महोदय, प्रतिभूति हितों का प्रवर्तन और ऋण वसूली विधि तथा प्रकीर्ण उपबंध (संशोधन) विधेयक, 2016 बहुत महत्वपूर्ण बिल है। इसमें Enforcement of Security Interest के issues पर चर्चा हो रही है।

सर, आज की तारीख में पूंजी की कमी सभी जगह पर महसूस हो रही है। यह जानकर हैरत होती है कि हिन्दुस्तान के बैंकों का लगभग 7 लाख करोड़ रुपया bad loans में, खराब loans में फंसा हुआ है। बैंकों के पास अपना पैसा नहीं होता है, वह पैसा पब्लिक का होता है, लोग उसमें पैसा जमा करते हैं और बैंक या financial institutions उस पैसे को आगे बढ़ाते हैं, जिससे कि उसे कारोबार में इस्तेमाल किया जा सके। जो परिस्थितियां सामने हैं, जैसे कि मेरे सामने कुछ फिगरर्स हैं कि सितम्बर, 2015 तक 6.2 per cent of total loans of public sector banks have been categorized as bad loans or non performing asset, यह बड़ी चीज़ है। इसमें एक चीज़ और लिखी हुई है कि State run bank's portfolio जो write off किया गया है, वह कुल लोन का लगभग 17 परसेंट था।

सर, debt recovery एक बड़ा issue है और इसका आर्थिक विकास पर असर पड़ता है, इसलिए इस कानून की जरूरत पड़ी कि जो वित्तीय बाजार है, उसको रेगुलेट कर सके। जो debt recovery का प्रोसेस है, उसको promote कर सके। यह एक अच्छा कानून है। इससे पहले ज्यादातर मामले अदालतों में जाते थे। मैं एक बात बताना चाहता हूँ कि यह कानून, जो अदालतों में समय बरबाद होता है, उसको बचाने के लिए, अदालतों के बाहर settlement करने के लिए ही प्लान किया गया है। ऐसे प्रकरण हैं, जिनमें अदालतों के माध्यम से settlement करने में पांच साल, दस साल, पंद्रह साल या कहीं-कहीं बीस साल भी लगे हैं। हिन्दुस्तान जैसी विकासशील अर्थ-व्यवस्था में, जो financial institutions हैं, जो बैंक्स हैं, वे बीस साल तक afford नहीं कर सकते कि उनका पैसा bad loan में फंसा रहे, वह productive न रहे और यही कारण है कि कभी-कभी तो लाख-लाख करोड़ रुपया write off करना पड़ा है। अब इस कानून से इसमें मदद मिलने की संभावना है।

सर, insolvency के issues पर भुपेंद्र यादव जी बात कर रहे थे। ये बड़े प्रश्न हैं और insolvency पर भी एक कानून बनाया गया है तथा यह दूसरा कानून बनाया गया है। जो insolvency के issues हैं, उनमें भी जो संस्थाएं हैं, जो कम्पनियां हैं, जो काम नहीं कर पा रही हैं, जो stress assets बन गए हैं, उनके disposal के लिए सरकार ने प्लान बनाया था, लेकिन उसमें जो waterfall है कि कौन-कौन से stakeholders हैं, उनको कैसे-कैसे पैसा मिले और किस तरीके के stakeholders हैं, जिन्होंने पूंजी लगाई है, उनकी पूंजी के हितों की सुरक्षा हो सके। मुझे लगता है कि सरकार ने उस दिशा में भी एक अच्छा काम किया था और यह काम भी लगभग उसी दिशा में आगे बढ़ रहा है। सरफेसी कानून में संशोधन किए गए हैं, जिससे कि जो assets फंसे हुए हैं, जिन assets में प्रॉब्लम्स हैं, उनका जल्दी से जल्दी disposal किया जा सके।

सर, जो खराब loans हैं, जो bad loans हैं, उनके बारे में आज सुबह प्रश्न काल में चर्चा हो रही थी। जब यह बात कही जा रही थी कि बहुत बड़ी तादाद में कई लाख करोड़ रुपया, जो financial institutions का है, वह stressed assets बन चुका है, वह NPA बन चुका है और उसको retrieve करने की जरूरत है, बहुत बड़े पैमाने पर restructuring भी की जा रही है, लेकिन जो बड़े बैंक हैं, जो बड़े ऋणदाता हैं, जो बड़ी-बड़ी कम्पनियां हैं, अभी कुछ समय पहले माल्या जी की चर्चा चल रही थी, वे हमारे सदन के सदस्य भी रहे हैं और एक बड़े बिजनेसमैन भी थे। सर, यह tendency बन रही है कि बड़े-बड़े बिजनेसमैन के जो ब्रांड होते हैं, वे उन ब्रांड्स का मूल्यांकन करा लेते हैं, रेटिंग करा लेते हैं, उसके against जो लोन लेते हैं, उसका हथ्र हमारे और आपके सामने है। कहीं न कहीं वित्तीय संसाधनों को भी ...(समय की घंटी)... सर, मैं अपनी पार्टी से अकेला बोलने वाला हूं।

**उपसभाध्यक्ष (श्री सुखेन्दु शेखर राय):** नरेश जी नहीं बोलेंगे?

**श्री रवि प्रकाश वर्मा:** सर, वे नहीं बोलेंगे, I am going to conclude. सर, वित्तीय संसाधनों को retrieve करने के लिए यह जरूरी है कि जो भी assets इसमें लगाए जा रहे हैं, उनका सही मूल्यांकन हो सके। खासतौर से SMEs, जो छोटे और मध्यम दर्जे के उद्योग हैं, यह तर्जुबा है कि उनको बैंक का लोन लेने में या financial institutions से लोन लेने में बहुत दिक्कत होती है। बहुत सारे ऐसे केसेज हैं, जिनमें लोग दौड़ते रहते हैं और छोटा कारोबार लगाना चाहते हैं या मध्यम दर्जे का कारोबार लगाना चाहते हैं। जब तक वे 10 per cent पैसा देकर नहीं आते हैं, उनको लोन मिलता ही नहीं है। सवाल यह पैदा होता है कि जो financial institutes हैं, क्या वे अपना behavior भी बदल पाएंगे या नहीं बदल पाएंगे या उनका ढर्रा ऐसे ही चलता रहेगा या किसी क्षेत्र विशेष के लिए उन्होंने कोई blueprint बनाया हुआ है? कौन-कौन सी इंडस्ट्रीज वहां लगनी हैं और लोग वहां कौन-कौन से कारोबार खड़े करने वाले हैं, कितने बड़े पैमाने पर SMEs के माध्यम से रोजगार पैदा होने वाले हैं— इन लोगों के पास कोई blueprint नहीं है, लेकिन उसके बावजूद भी यह प्रक्रिया चल रही है और कम्पनियां ऋण ले रही हैं। जैसे कभी-कभी अर्थव्यवस्था में मंदी भी आ जाती है, तो उससे भी कम्पनियां गड़बड़ कर रही हैं और वे pay off नहीं कर पा रही हैं। जो बिजनेस हैं, वे फ्लॉप हो रहे हैं और stressed assets बन रहे हैं।

सर, इसमें जो stressed assets हैं, उसमें financial institutions DRTs को अपील कर सकते हैं और वे प्रार्थना कर सकते हैं कि उनके जो collateral assets लगे हुए हैं, उनको बेचने की अनुमति दी जाए। उसमें समय-सीमा कम करने का प्रावधान किया गया है। कोर्ट के माध्यम

[श्री रवि प्रकाश वर्मा]

से बहुत समय लगता था, लेकिन अब DRT आदेश कर देगा तो जिला अधिकारी एक महीने के अंदर ही जो stressed assets हैं, उन्हें बैंक के हवाले कर देगा और बैंक जो ARCs हैं, उन्हें उन stressed assets को बेच देंगे। फिर ARC उनको आर्गेनाइज करने का काम करेगा। जो ड्यूज हैं या तो वह उनको equity में convert कर देगा या फिर अपने खर्च निकालकर, उसको बेचकर के जो भी पैसा मिलेगा, उसको सैटल करने का काम करेगा। यहां एक सवाल पैदा हो रहा है। अभी भूपेंद्र यादव जी भी इस बात का जिक्र कर रहे थे कि जो DRTs तय की गई हैं, उनमें जजेज की कमी है। वहां भी वही स्थिति आ रही है और कई-कई सालों से मुकदमे लम्बित हैं। एक तरफ सरकार यह तय कर रही है कि कम से given time में ये सारे के सारे सैटलमेंट हो जाएं और दूसरी तरफ साल भर से ऊपर हो चुका है, वे DRTs खाली पड़ी हैं। अभी इस बात का प्रावधान किया गया है कि उम्र बढ़ा दी जाए, लेकिन यह तो कोई समाधान नहीं है। इस type के issues को address करने के लिए एक पूरा cadre अलग से होना चाहिए। जो judicial experience रखता हो और इन केसेज का जल्दी डिस्पोजल करने की कोशिश कर सके।

सर, मैं एक बात और कहना चाहता हूं कि कितनी ARCs हैं, मुझे लग रहा है कि इन्डिपेंडेंट ARCs भी इसमें आएंगी, लेकिन जो financial institutes हैं, उनके द्वारा sponsor की हुई ARCs भी आएंगी। यानी एक हाथ से पैसा दो और दूसरे हाथ से उसका डिस्पोजल करो। कभी-कभी मुझे डर लगता है कि हिन्दुस्तान के वित्तीय बाजार में एक किस्म का कोई माफियाकरण तो नहीं होने जा रहा है? मुझे लगता है कि सरकार को इस चीज पर बड़ी गहरी निगाह रखनी पड़ेगी कि पूरा का पूरा सिस्टम एक transparent तरीके से चलता रहे और जो stressed assets हैं, निश्चित रूप से वे सारे कारोबार खराब हो चुके हैं। उसमें जो allied issues हैं, उससे संबंधित जो दूसरे मुद्दे हैं, जिनमें policy का भी issue है और agricultural land issues हैं, कई ऐसे issues हैं, जिन पर बहुत ही गहराई के साथ निर्णय किया जाना जरूरी है। सर, stressed assets की जो एक बड़ी समस्या चली आ रही थी मुझे उम्मीद है कि इस कानून के माध्यम से वह हल हो जाएगी। लगभग 7 लाख करोड़ के stressed assets का समाधान हो सकेगा। सर, यह बहुत जरूरी बात है कि assets का पंजीकरण होगा, जब एआरसीज stressed assets खरीदेगी तो उन्हें स्टाम्प ड्यूटी से मुक्ति मिलेगी, लेकिन जैसा मैंने बताया, संपत्तियों की over invoicing एक बड़ा इश्यू है। जब भी ऋण लिए जाते हैं, जहां कहीं मिलीभगत होती है, वहां पर संपत्तियों की over invoicing होती है। एक वह खेल होता है या फिर एक ही संपत्ति से अलग-अलग बैंकों से अलग-अलग कर्ज ले लिया जाता है। इस तरह की irregularities भी आती हैं, जिस कारण इन्हें recovery में बहुत दिक्कत आती हैं। सर, मुझे लगता है कि यह एक महत्वपूर्ण इश्यू है, जिसे address किया जाना जरूरी है।

सर, इस के अलावा मैं सरकार से एक बात और कहना चाहता हूं कि बहुत से हिन्दुस्तानी रिटायर्ड सिटीजंस हैं या वृद्ध सिटीजंस हैं, जिन्होंने अपनी बचत का पैसा एजेंट्स के माध्यम से financial institutions में लगाया है, जोकि सेबी में लिस्टेड हैं। यह personally मेरी जानकारी में है कि टाइम पूरा होने के बाद भी वे कंपनियां उन लोगों को पेमेंट नहीं कर रही हैं, जिस कारण वे individuals बहुत परेशान हैं। सर, यह प्रकरण भी वित्तीय बाजार का ही है। मुझे लगता है कि ऐसे प्रकरणों पर भी बहुत गहराई से विचार करने की जरूरत है और सभी किस्म की

जालसाजी, जो वित्तीय बाजार में चलती हैं, उन्हें पहचानते हुए समाधान करने की दिशा में आगे बढ़ने की जरूरत है। इस से आम आदमी जो चार पैसे बचाता है, वित्तीय संस्थानों के माध्यम से वह हिन्दुस्तान की restructuring की प्रक्रिया में उसकी भागीदारी सुनिश्चित कर सकेगा। इसके साथ ही मैं इस बिल का समर्थन करता हूँ और आशा करता हूँ कि सरकार मेरे द्वारा उठायी गयी चीजों का ख्याल रखेगी।

SHRI A. NAVANEETHAKRISHNAN (Tamil Nadu): Sir, I thank hon. Amma. This Bill, the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, has made very good provisions to recover debt. I would like to draw the kind attention of the hon. Finance Minister and the Central Government, subject to correction, that this Act popularly known as the SARFAESI Act is made applicable to all loans which are secured. They have defined what is secured debt and what is secured creditor. So, the definition of secured debt and secured creditor is playing a vital role. I want to raise one doubt with regard to death of a student named Lenin in Tamil Nadu. He has committed suicide. That is why I am raising this issue. Now, as per the details available in the newspapers, he has borrowed a sum of ₹ 1,90,000 which is an educational loan and as per the bank he has to pay with interest a sum of ₹ 2,40,000. But this loan was assigned to ARC. They call it Reliance Asset Reconstruction Company and this loan was obtained from the State Bank of India. Definitely, he is a very poor student. He could not have given any property as security for the loan that he has availed because the amount which he has availed is ₹ 1,90,000 only. So, without any security the loan could have been dispersed to that student, but the loan was assigned to the Asset Reconstruction Company and they have taken coercive steps and they have threatened the student that your educational certificates will be ceased. It will not be given to him. They said that certificates will not be given to him. That is why he had committed suicide. My submission would be: Without being secured debt, how come it was assigned to an ARC—Reliance Company in this case – and my further search on internet reveals that the NPAs were sold for 45 per cent of the outstanding amount! So, bank is not collecting the entire amount from ARC; it is collecting only a certain portion of loan amount. It is not collecting the entire loan amount. So, while ARC is making a partial payment and forcing defaulter to make payment by adopting coercive methods, I think, it is not fair. It is not a fair procedure. Also, the SBI's action, which is definitely a 'State' as per definition under Article 12 of the Constitution, cannot be arbitrary and unreasonable. The loan might have been disbursed by bank to a student. He might have committed a default. There is nothing wrong in it because he was not able to secure employment; whereas, very big defaulters run away from the nation. Of course, that is a different story. So, my humble submission would be: Without being a secured debt, how was it

[Shri A. Navaneethakrishnan]

assigned to M/s Reliance's ARC? And, because of the unreasonable, arbitrary and coercive steps taken to collect money, he committed suicide. So, my submission to the Central Government is that the SARFAESI Act cannot be made applicable to all kinds of loans. There must be some threshold limit. If loan exceeds ₹ 1 crore, then the SARFAESI Act can be made applicable. What is the speciality of the SARFAESI Act? Sir, the speciality is, without intervention of judicial process, property can be taken possession and it can be sold. That is the main objective of the SARFAESI Act. So, that kind of harsh action need not be made applicable to small loans *i.e.*, below ₹ 1 crore. Also, the SARFAESI Act cannot be made applicable to educational loan and loans given to small and medium enterprises. So, you must limit application of the SARFAESI Act depending upon the quantum of loan or quantum of amount defaulted by borrower. So, depending upon the quantum of amount which is in default only then the SARFAESI Act must be made applicable. Otherwise, you are treating unequals equally. A small borrower cannot be equated with a very big borrower. Of course, it is correct that secured creditor, secured debt, mortgaging, immovable property or pledging movable property are very nice principles. And, you have created a Central Registry. It is good; nothing wrong in it. But educational loan and loans given to small and medium enterprises cannot be equated with very big companies which have availed very huge amount as loan from banks. So, the SBI, being a 'State', as per Article 12 of the Constitution, given loan to a student cannot be assigned to any ARC. I think, it is, *per se*, illegal. What had happened to a small boy? He felt that he will not be able to repay the amount, because everybody feels that once money is borrowed it must be repaid. But, in this case, the boy was made to commit suicide, because of coercive, unreasonable and mindless action on the part of bank. Why I am repeating it is: The Central Government must bring an amendment that the SARFAESI Act will not be made applicable to educational loans and also loans given to small and medium enterprises. And, Sir, they must fix the quantum. Suppose, if the default amount exceeds ₹ 1 crore, the SARFAESI Act can be made applicable. So, small borrowers should not be brought under the purview of the SARFAESI Act.

THE VICE-CHAIRMAN (SHRI SUKHENDU SEKHAR ROY): You have made a very good point. Now, please conclude.

SHRI A. NAVANEETHAKRISHNAN: I am deeply obliged, Sir. The concept of NPA should also not be made applicable to the educational loans, the agricultural loans and the loans given to the small and medium enterprises.

Thank you.

**श्री विवेक गुप्ता** (पश्चिमी बंगाल) : वाइस-चेयरमैन सर, आपका बहुत-बहुत धन्यवाद कि आज आपने मुझे इस बिल पर बोलने का मौका दिया। मैं थोड़ा सा समय लूँगा, आपका indulgence चाहूँगा कि आज हम लोग इस बिल पर क्यों बोल रहे हैं, ऐसी क्या समस्या है, जो हम लोग address करना चाह रहे हैं? सर, मई, 2016 तक 76,300 केसेज pending पड़े हुए हैं और अलग-अलग कोर्ट्स में बैंकों का करीब 2 लाख करोड़ रुपए का कर्ज फँसा हुआ है। जो बड़े कॉर्पोरेट्स होते हैं, जिनका मैं बराबर नाम सुनता रहता हूँ, उनके एक-एक केस में 500-500 hearings होती हैं, जिसके कारण पूरा process delay होता है। शायद हम लोग इन बिल्स में इन्हीं सब चीजों को address करना चाह रहे हैं, जहां तक मुझे समझ में आया है। इसके अलावा, जैसा हमारे माननीय वित्त मंत्री जी ने पिछले सेशन में कहा था, जब Insolvency Act पास हुआ था, कि ये चारों एक्ट्स आएँगे, जो enabling and continuous legislations हैं। एक और problem बताई गई थी कि Judicial Authorities में जो Recovery Officers काम करते हैं, उनकी ट्रेनिंग कम है। सर, मुझे समझ में नहीं आता है कि problems ये थीं, मगर यहां पर solutions कुछ और दिखाए गए हैं। मैं चाहूँगा कि वित्त मंत्री जी कभी हम लोगों को भी इसके बारे में समझा दें, जब वे भाषण दें।

सर, मैं सबसे पहले उनकी एक quotation पढ़ना चाहूँगा। "The DRT will become country's first online court." यहां गांव में बिजली नहीं है, इंटरनेट नहीं है और हम लोग केवल online, online कर रहे हैं। हमें उन लोगों के बारे में भी सोचना चाहिए, जिनके पास बिजली, online या इंटरनेट की सुविधा नहीं है। मुझे इसके बारे में इस बिल में कहीं देखने को नहीं मिला। हमें उन लोगों को नहीं भूलना चाहिए, क्योंकि जो defend करने वाला होता है, हमेशा उसको victim कहा जाता है। ...**(व्यवधान)**... मैं DRT के बारे में बोल रहा हूँ। DRT में जाने वाला गरीब आदमी है। एक बड़ा बैंक एक गरीब आदमी पर जो attack करता है, मैं उसी के लिए बोलना चाह रहा हूँ। बैंक के पास तो online सुविधा है, DRT के पास online सुविधा है, पर जो victim वहां जाएगा, उसके पास online सुविधा नहीं है। आप इसके बारे में सोचिए।

**उपसभाध्यक्ष (श्री सुखेन्दु शेखर राय):** आप बाकी points बोल लीजिए, आपके पास टाइम कम है।

**श्री विवेक गुप्ता:** सर, यहां पर एक जो दूसरी problem आई है, वह यह है कि रिसर्व करते-करते मुझे समझ में आया कि बैंक directly guarantors पर चले जाते हैं और borrowers को छोड़ देते हैं। इसलिए बैंक को जो selective powers मिल रही हैं, इसके बारे में भी सोचा जाना चाहिए।

सर, हम बैंक का इतना ख्याल रख रहे हैं, हमें थोड़ा ऐसे private businesses के बारे में भी ध्यान रखना चाहिए, जिनको बैंक से या किसी सरकारी संस्था से चेक मिलता है और cheque bounce होता है। ऐसे जो 3 करोड़ केसेज pending हैं, उनमें से कितने सारे cheque bouncing के cases pending पड़े हुए हैं। उनके बारे में इसमें कोई निवारण नहीं है। जब Insolvency Act पास हुआ था, उस समय Finance Minister साहब ने कहा था कि वे Negotiable Instruments Act में भी amendment लाएँगे, ताकि लोगों को cheque bouncing के case से राहत मिल सके, लेकिन वह भी नहीं आया।

[श्री विवेक गुप्ता]

सर, इसे पढ़ते-पढ़ते मुझे यह समझ में आया कि Asset Reconstruction Company के लिए बहुत जगह इस बिल में address किया गया है। यह एक coincidence है कि जैसे ही उनमें 100 per cent FDI किया गया है, जो भी उनकी मांगें हैं, उनको इस बिल में शामिल कर लिया गया है। आप करिए, ARC जरूरी है, देश में प्रगति होनी चाहिए, हम उसके खिलाफ नहीं हैं, मगर हम एक चीज चाहते हैं। जब बैंक्स का NPA होता है, तो आप इतने चिन्तित हो जाते हैं, ऐसे ही हमारी सारी स्टेट गवर्नमेंट्स में इतनी debts की problem हो रखी है, आप थोड़ा उनके बारे में भी सोचिए कि उनका कर्ज कैसे ठीक हो सकता है। हमारी वेस्ट बंगाल गवर्नमेंट 3 लाख करोड़ के कर्ज से गुजर रही है। अगर आप इसके ऊपर थोड़ा ध्यान दें, जितनी आप बैंक्स के बारे में चिन्ता कर रहे हैं, तो बहुत अच्छा होगा। बैंक्स का हल्का सा NPA होता है, तो आप तुरंत उसको recapitalize करने के लिए दे देते हैं, 4-4 Bills modify करने के लिए ले आते हैं। आप थोड़ा सा हमारी स्टेट गवर्नमेंट के बारे में भी सोचिए। क्या स्टेट गवर्नमेंट्स आपकी नहीं हैं? बैंक्स तो profit के लिए, पैसा कमाने के लिए काम कर रहे हैं। उन्होंने पैसा कमाने के लिए लोन दिया था, ब्याज कमाने के लिए लोन दिया था, इसलिए उनको यह घाटा हुआ, जबकि स्टेट गवर्नमेंट्स तो development का काम कर रही हैं। आपका तो स्टेट्स के साथ 100 per cent relation है। बैंक में तो फिर भी 50 परसेंट हिस्सेदारी है, 70 परसेंट हिस्सेदारी है, लेकिन स्टेट्स के साथ तो आपकी 100 per cent Constitutional हिस्सेदारी है। जब स्टेट्स को तकलीफ हो रही है, तो आप स्टेट्स के debt के ऊपर ध्यान क्यों नहीं देते हैं? आप उनको थोड़ी सी मदद क्यों नहीं करते हैं और उनको recapitalize क्यों नहीं करते हैं? सर, मैं आपके माध्यम से माननीय वित्त मंत्री जी से इसका जवाब चाहूंगा।

सर, स्टेट्स का सारा खर्च development और country की growth में होता है, स्टेट्स overall development and social growth करती हैं, लेकिन बैंक जो पैसा देते हैं, उससे industrial growth होती है, इसके बारे में सोचना चाहिए।

सर, हमारे वित्त मंत्री जी का एक भाषण था, जो उन्होंने कुछ दिन पहले इसी सदन में दिया था। मैं उस भाषण की कुछ लाइनें यहां क्वोट करना चाहूंगा। "States have to solve their own problems because of some previous problems they had." Sir, States cannot solve their problems on their own. एक तरफ आप cooperative federalism, federalism, federal structure, Constitution इत्यादि की बात करते हैं, तो क्या जेटली जी के भाषण के बाद हम लोग यह मान लें कि यहां oneway federalism होने वाला है या फिर इसे हम convenient federalism or fake federalism मानें? यह कौन सा federalism है? Spirit of federalism में इस तरह का भाषण तो नहीं होना चाहिए कि स्टेट्स अपनी समस्याओं का समाधान खुद करें। अगर सेंट्रल गवर्नमेंट स्टेट गवर्नमेंट से इस तरह पल्ला झाड़ लेगी, तब तो हो लिया federalism.

सर, in fact, इन सब नीतियों को देखकर, मुझे तो कभी-कभार यह लगता है कि ये camouflaged centralism न हो।

**उपसभाध्यक्ष (श्री सुखेन्दु शेखर राय):** क्या आपका कोई और प्वाइंट बचा है?

**श्री विवेक गुप्ता:** सर, बैंक्स को जो पावर्स दी जा रही हैं, तो उनमें Debt Recovery Tribunals



की बात आई है। जब हम लोग बैंक्स के साथ डील करते हैं, तो उससे संबंधित normal problems को डील करने के लिए एक Banking Ombudsman होता है।

(उपसभापति महोदय पीठासीन हुए)

मुझे लगता है कि जिस तरह बैंकों का Ombudsman होता है, उसी तरह DRT का भी एक Ombudsman होना चाहिए। बहुत बार यह देखा गया है कि बैंक्स अपने रिकॉर्ड्स को ठीक नहीं करते हैं और आगे चले जाते हैं। Sir, recently कोलकाता में एक केस आया है, जो अभी भी कोलकाता हाई कोर्ट में पेंडिंग है। बैंक ने एक प्रॉपर्टी को नीलामी के लिए निकाला, लेकिन उसका inspection नहीं करवाया और उसको नीलाम कर दिया, लेकिन बाद में पता चला कि उसका पैसा बैंक के पास आया हुआ था। सर, इस तरह के और भी मामले हो सकते हैं, तो इस बिल में इसका safeguard कहाँ है, वह हमें नहीं मिला है। सर, आपके माध्यम से अगर वित्त मंत्री जी हमें इसके बारे में बताएंगे, तो हमें बहुत खुशी होगी।

सर, मेरे कुछ सुझाव भी हैं। इसमें DRTs बढ़ाए जाएं, Appellate Tribunals बढ़ाए जाएं और उनमें जो vacancies हैं, उनको भी आप भरिए, लेकिन पहले उनकी proper training करवाइए। इसी तरह जो कर्ज लेने वाला है ...(समय की घंटी)... उसके बारे में भी सोचिए, उसको भी विचार-विमर्श के लिए बुलाइए। कर्ज लेने वाले की भी कुछ genuine तकलीफें हैं, आप उन सबको भी on board लेकर काम करिए। Thank you.

MR. DEPUTY CHAIRMAN: Now, Shri Harivansh. You have six minutes. Stick to your time.

श्री हरिवंश (बिहार): सर, पीछे बैठे लोगों को तो आप कभी-कभी टाइम देते हैं।

MR. DEPUTY CHAIRMAN: That is why, you have been given six minutes.

श्री हरिवंश: मैं कहना चाहूंगा कि बाकी लोगों को आप अधिक टाइम देते हैं। कभी-कभार आप पीछे वालों को भी समय दे दिया करें।

MR. DEPUTY CHAIRMAN: Nobody will be given more time. Everybody will be given only their Party time.

श्री हरिवंश: धन्यवाद माननीय उपसभापति जी ...(व्यवधान)... आपने मुझे बोलने का मौका दिया, इसके लिए धन्यवाद। हाल के दिनों में कई महत्वपूर्ण बिल इस सदन से पास हुए हैं, जिनमें, CAMPA Bill, GST Bill, बेनामी संपत्ति बिल इत्यादि शामिल हैं। इसी क्रम में "The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016" भी है पहले यह Joint Committee of Parliament के पास गया, अब modified रूप में हमारे सामने है। सामान्य भाषा में कहूं, तो यह डूबे ऋणों की वसूली का बिल है। मैं इसके वैधानिक पक्ष पर बात नहीं कर रहा कि किस तरह इसे comprehensive बनाने की कोशिश हुई है, ताकि बैंकों के ऋण हजम करने वाले लोग, loopholes का फायदा न लें। आप इस कानून को चुस्त बनाने के लिए चार कानूनों में बदलाव कर रहे हैं। हर पहलू के बारीक मुद्दों, बदलावों या कानूनी प्रावधानों पर चर्चा के बजाय, मैं कहना चाहूंगा कि बैंकिंग उद्योग को बचाने के लिए यह बहुत जरूरी था।

[श्री हरिवंश]

5.00 P.M.

फरवरी, 2015 में आरबीआई गवर्नर, श्री रघुराम राजन ने कहा था कि balance sheet ठीक करने के लिए banks need deep surgery and not mere bandage. महज एनपीए या bad and doubtful का provision करना ही पर्याप्त नहीं था। हमने बैंकों का डूबता लोन देखा, जिसमें crony capitalism का चेहरा दिखा। किस तरह के लोन bad and doubtful हुए? मैं मानता हूँ कि कई उद्योगों की स्थिति genuinely खराब थी, इस कारण उनकी स्थिति खराब हुई, लेकिन crony capitalism के तहत बैंकों के पैसे का दुरुपयोग किस तरह हुआ, यह भी हमने देखा। इस कानून को लागू करने के पहले मेरा आग्रह होगा कि इसका इस्तेमाल बड़े घरानों, बड़ी पूंजी, बड़ा उधार लेने वालों के खिलाफ हो, मामूली कर्ज लेने वाले किसानों, छोटे उद्यमियों और छात्रों इत्यादि पर इसका इस्तेमाल न हो।

दिसम्बर, 2015 में Economic and Political Weekly में मैंने एक लेख पढ़ा था, "Indian Insolvency Regime in Practice." उस लेख के तीन निष्कर्ष थे। पहला, अलग-अलग कानूनों के होने से सिस्टम में मौजूद अंतर्विरोध, inefficiency in system. दूसरा, अलग-अलग कानूनी प्रावधान, कमजोर संस्थान, लम्बी अवधि के बाद भी पैसे नहीं मिल पाना और तीसरा, Debt Recovery Tribunals द्वारा कानूनों की अलग-अलग व्याख्या। इन तीन वजहों से ऐसी हालत बनी। अगर यह कानून दशकों पहले बन गया होता, तो शायद आज बैंकों का पैसा लेकर वापस न करने की...

MR. DEPUTY CHAIRMAN: Mr. Harivansh, just one second. See, we have an Half-an-Hour Discussion to be taken up. If the House agrees, we will take it up after this Bill is disposed of. ...*(Interruptions)*...

THE MINISTER OF STATE OF THE MINISTRY OF MINORITY AFFAIRS; AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI MUKHTAR ABBAS NAQVI): Let the discussion be over. ...*(Interruptions)*... After the Railway Convention Resolution, we can take up the Half-an-Hour Discussion.

MR. DEPUTY CHAIRMAN: Okay; the House agrees. Mr. Harivansh, you may proceed. ...*(Interruptions)*...

THE MINISTER OF STATE OF THE MINISTRY OF POWER, THE MINISTER OF STATE OF THE MINISTRY OF COAL, THE MINISTER OF STATE OF THE MINISTRY OF NEW AND RENEWABLE ENERGY, AND THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI PIYUSH GOYAL): Sir, it is an important issue. On 'Rural Electrification', the whole nation is very concerned. So, why don't have it just now and we can continue this...

MR. DEPUTY CHAIRMAN: Pardon.

SHRI PIYUSH GOYAL: Sir, we can have the five o'clock discussion and then continue this.

MR. DEPUTY CHAIRMAN: Why? ...(Interruptions)...

AN HON. MEMBER: Sir, Harivanshji's time must not be counted in this. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: Why is the Minister putting me in ...(Interruptions)...

**श्री हरिवंश:** सर, इसमें मेरा समय जा रहा है।

MR. DEPUTY CHAIRMAN: Don't worry. I know your time. So, the House has agreed to have it after the Bill. After the Bill, I will again put the question.

SOME HON. MEMBERS: Yes; yes.

MR. DEPUTY CHAIRMAN: Mr. Harivansh, proceed.

**श्री हरिवंश:** सर, मेरा दो मिनट का समय चला गया, आप मुझे दो मिनट का समय और दें। मैं यह कह रहा था कि अगर यह बिल कई दशकों पहले बनता, तो शायद बैंकों का पैसा लेकर वापस न करने की ऐसी प्रवृत्ति या संस्कृति देश में नहीं पनपती। साल 1990 में 15 लाख से अधिक ऋण वसूलने के मामले बैंकों व वित्तीय संस्थाओं ने अलग-अलग कोर्ट में दायर किए। ...(व्यवधान)... सर, यह तरीका ठीक नहीं है, या तो हमें बोलने दिया जाए या बैठने के लिए कहा जाए।

**श्री उपसभापति:** बोलिए, बोलिए।

**श्री हरिवंश:** सर, हाउस ऑर्डर में नहीं है। मैं चाहता हूँ कि मैं जो कहूँ, उसे हाउस सुने। सर, मैं डिस्टर्ब महसूस कर रहा हूँ।

MR. DEPUTY CHAIRMAN: Let him speak. ...(Interruptions).. No, no; you should not be disturbed.

**श्री हरिवंश:** सर, मैं यह उल्लेख कर रहा था कि यह बिल अगर कई दशक पहले बना होता, तो शायद आज बैंकों का पैसा लेकर वापस न करने की यह प्रवृत्ति या संस्कृति नहीं फैलती। 1990 में 15 लाख से अधिक ऋण वसूलने के मामले बैंकों व वित्तीय संस्थाओं ने अलग-अलग कोर्टों में दायर किए थे, जिनमें महज 6,000 करोड़ रुपए involved थे। आज बैंकों के तकरीबन आठ लाख करोड़ रुपए ऋण बाजार में फंस चुके हैं। अदालतों में वित्तीय संस्थाओं ने रिकवरी के सत्तर हजार मामले दायर किए हैं, पांच लाख करोड़ रुपए से अधिक की राशि डेट रिकवरी ट्रिब्यूनल्स में फंसी है। इस नए कानून से वसूली की प्रक्रिया तेज होगी, ऐसी संभावना बनती है। 27 सार्वजनिक क्षेत्र के बैंकों ने मार्च, 2016 तक 59,547 करोड़ रुपए राइट ऑफ किए हैं, यह सरकारी आंकड़ा है। यह वह पैसा है, जिसे बैंक वसूलने में फेल हो गए। इनमें से अधिसंख्य ऋण कॉर्पोरेट घराने के हैं। तीन वित्तीय वर्षों, यानी 2013, 2014 और 2015 में लगभग दो लाख करोड़ रुपए बैंकों को राइट ऑफ करने पड़े हैं। डिपॉजिटर्स के ये पैसे कहाँ गए? मैं उल्लेख करना चाहूँगा कि कानून पहले भी थे, लेकिन व्यवहार में चीजें इम्प्लीमेंट नहीं होती थीं, इसलिए हालात बिगड़े।

[श्री हरिवंश]

सर, मैं यहां यह भी उल्लेख करना चाहूंगा कि बैंकों के पास जब बड़े घराने के लोग लोन के लिए जाते थे, तो उसमें बैंकों के अधिकारी लोग प्रोपर्टी लोन डॉक्युमेंटेशन प्रोसेस को सही ढंग से नहीं देखते थे, पर्सनल गारंटी नहीं लेते थे, बड़े घराने के लोग पर्सनल गारंटी नहीं देते थे, स्टॉक मॉनेटरिंग सही ढंग से नहीं होती थी, उन्होंने जो एफिडेविट में स्टॉक पोजीशन दे दी, उसको बैंक स्वीकार करते थे, एंड यूज ऑफ फंड्स की अच्छी तरह मॉनेटरिंग नहीं होती थी, डिस्बर्समेंट स्टेज पर भी उसकी मॉनेटरिंग नहीं होती थी। इसलिए स्थिति यह बनी कि बड़े पैमाने पर लोन, बैंड एंड डाउटफुल होने लगे।

सर, अब मेरे जैसे लोगों के लिए इस कानून की कसौटी क्या होगी? यह सही है कि इसमें सरफेसी एक्ट के माध्यम से आप कई महत्वपूर्ण चीजें कर रहे हैं, जिसमें कॉलेटरल संपत्ति को डीएम के माध्यम से आप तीस दिनों के अंदर ले सकते हैं, पूरे देश की सिक्योरिटी असेट्स का आप डेटाबेस तैयार कर रहे हैं, एसेट रिकंस्ट्रक्शन कंपनीज के ऑडिट और इंस्पेक्शन का आरबीआई को अधिकार दे रहे हैं। RDDBFI Act में भी आप कई महत्वपूर्ण बदलाव कर रहे हैं, प्रिंसाइपल ऑफिसर और चेयरमैन की उम्र बढ़ा रहे हैं, उनके रिअपॉयंटमेंट करने का प्रोसेस भी आपने किया है, लेकिन इसकी कसौटी तब होगी, जब इस देश में किंगफिशर की जो घटना हुई, वैसी दुबारा नहीं हो। वह घटना क्या थी? मैं बहुत ब्रीफ में कहकर अपनी बात खत्म करूंगा। किंगफिशर सिर्फ विजय माल्या की संपत्ति नहीं थी, इसमें देश के बैंकों की संपत्ति लगी थी, मामूली शेयर-धारकों की संपत्ति लगी थी और इसमें दस हजार कर्मचारी काम करते थे, किंगफिशर का नेटवर्क इतना बड़ा तैयार हुआ कि इसका काम करने का क्षेत्र एअर इंडिया और जेट से लगभग दो गुना था। किंगफिशर एयरलाइंस की फ्लाइट 30 ऐसे regional airports पर पहुंचती थी, जहां और कोई फ्लाइट नहीं जाती थी, लेकिन आज विजय माल्या बहुत अच्छी तरह से विदेश में है। देश का पैसा डूबा, इसमें काम करने वाले सारे लोग बेरोजगार हो गए और यह कब हुआ? उसके Board of Directors में former Finance Secretary, Government of India, former Air India Chairman, former SEBI Chairman, an internationally renowned Surgeon and a former tennis player थे।

सर, अंत में मैं यही कहना चाहूंगा कि इस कानून की परख का एक ही मापदंड होगा कि यह कानून पास हो, उसके बाद बड़े लोगों के पास जो पैसे डूबते हैं और खास तौर से सरकार उनके खिलाफ कोई कार्रवाई नहीं करती, अब वे पैसे वापस आ पाएंगे या नहीं? धन्यवाद।

MR. DEPUTY CHAIRMAN: Now, Shri Ritabrata Banerjee; five minutes.

SHRI RITABRATA BANERJEE (West Bengal): Sir, the latest RBI Financial Stability Report has once again highlighted the precarious situation of our banking sector. As of March-end, 2016, the Gross Non-performing Assets of all Scheduled Commercial Banks are at ₹ 5,60,822 crore, 7.71 per cent of their gross advances of ₹ 72,73,927 crore. In addition, the restructured standard advances are at ₹ 2,94,729 crore, 4.05 per cent of the gross advances. This means that more than eight-and-a-half lakh crore of rupees of the loans given by our banks have not been returned by the borrowers. Going by their response and the action taken by our Government so far,

it is highly unlikely that these monies will be returned anytime soon. Needless to add, this is every single Indian's money, which has been misappropriated by these borrowers, who are mainly big corporates.

Sir, the asset quality of our Public Sector Banks (PSBs) is even more critical, with a stressed advances rate of 14.5 per cent in March 2016. The provision for doubtful and loss assets of PSBs is also huge, that is, ₹ 1,85,840 crore, resulting in all nationalized banks reporting a net loss of ₹ 20,590 crores. Now, according to a recent report published, the Suisse Report, the top ten corporate houses in our country owe a staggering amount of ₹ 7 lakh crores to PSBs and financial institutions. As per a report last year, the Adani Group had a debt of ₹ 96,031 crore, Essar Group, ₹ 1.01 trillion, the GMR Group, ₹ 47,976 crore, the GVK Group, ₹ 33,933 crore, Jaypee Group, ₹ 75,163 crore, JSW Group, ₹ 58,171 crore, Lanco Group, ₹ 47,102 crore, Reliance, ₹ 1.25 trillion, Vedanta Group, ₹ 1.03 trillion and Videocon Group ₹ 45,405 crore.

Now, Sir, the question which I would like to pose before the hon. Finance Minister is: Who are the real defaulters contributing to these huge Non-Performing Assets in our country? Kindly note that the bad loans in the banks are increasing day by day. Wilful defaulters and other defaulters are entirely different, Sir. Now, herein lie the main questions. My request to the hon. Minister is that wilful defaulters should be treated as criminal offenders. I repeat, Sir, that wilful defaulters should be treated as criminal offenders. That is because they are cheating the country. They are having the money, but they are not paying it. 'Wilful default' means defrauding the bank, misusing the public money, abusing the loan and diverting the money. These kinds of transactions are known as 'wilful default'. So, instead of considering this as a civil liability or a civil dispute, a wilful defaulter should be treated as a criminal offender and it should be treated as a criminal offence.

Sir, coming to the Act, most of the points that have been made here is were in regard to two Acts, that is, the SARFAESI Act and the DRT Act of 1993. Both these Acts have already been discussed. The point is that even after the legislation of these two Acts we are not able to check the increase in Non-Performing Assets and we are not able to recover bad loans.

Sir, I now come to the statistics of the performance of Debt Recovery Tribunals and Debt Recovery Appellate Tribunals. You may kindly see the percentage of realization of amounts through DRT. In the year 2010-11, the money which was recovered compared to the number of cases referred and the money in bad debts was 27 per cent; in 2011-12 it was 17 per cent; in 2012-13, it was 14 per cent; in 2013-14, it was 10 per cent. It is gradually decreasing. Now, here is a request that I would like to make to the hon. Minister. By virtue of the 1993 Act, the banks and

[Shri Ritabrata Banerjee]

financial institutions are having the easiest remedy to recover their loans. However, there are more than 10 lakh cases that have already been transferred to the DRTs and the Appeals Commission. Now, Sir, the point has already been mentioned by Shri Navaneethakrishnan while speaking. He spoke about the suicide of a student called K. Lenin in Tamil Nadu. Sir, it is the poor students who are being punished. The SARFAESI Act is being implemented not against the rich people. It is being applied against farmers, students, and on MSME loans, housing loans, etc. The SARFAESI Act, as well as the DRT Act, has to be implemented in a stringent manner. They should be applied against the rich and the corporate entities. I would again like to know from the hon. Minister whether a list of wilful defaulters will be published and whether he will have the will power to control and check corruption as also contain NPAs by addressing them. Sir, the Government has not put the big business houses under any pressure to return the loans. They continue to flash their lavish lifestyles. That was also seen in Parliament. I don't want to name the person. And their personal wealth remains unaffected. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Now, please conclude. ...*(Interruptions)*...

SHRI RITABRATA BANERJEE: Sir, I crave your indulgence; I will take a minute maximum, not more than that. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No; please conclude. ...*(Interruptions)*...

SHRI RITABRATA BANERJEE: Sir, through you, I will urge upon the Finance Minister to put into practice an urgent action plan to start recovery of pending loans from the top 100 borrowers as quickly as possible. To conclude, Sir, I once again urge the hon. Finance Minister to consider initiating an action plan to monetize the assets of all defaulters beginning with making their names and amounts public. ...*(Interruptions)*... Sir, today is the 24th day of *shravan*. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: All right. ...*(Interruptions)*... All right. ...*(Interruptions)*... Please, sit down. ...*(Interruptions)*...

SHRI RITABRATA BANERJEE: Sir, just a minute. ...*(Interruptions)*... Today is the 24th day of *shravan*. Two days ago, it was the 22nd day of *shravan* that happened to be the death anniversary of a multifaceted genius called Rabindranath Tagore. Babul Supriyo is not here today; today is his marriage ceremony. In a recent Bengali film, Babul had sung that fourth stanza in our National Anthem. On 25th January, 1950, we adopted *Jan Gan Man* as our National Anthem. It is a five-stanza poem.

The extract of fourth stanza that Tagore wrote is given in the following lines:

'Oh Loving Mother, you protect the Indians in your lap from every sort of destruction.'

I urge upon the Government to act as a loving mother, not to the fat cats and the corporates but to the suffering millions. Thank you.

SHRI A. U. SINGH DEO (Odisha): Sir, a lot has been said about this particular Bill. So, I won't repeat the matters. The Finance Minister's introductory speech of the Bill in the Lok Sabha mapped out some of the key objectives of the Bill. The Bill, among other things, seeks to enable banks and financial institutions to enforce their securities, simplify procedures. The Bill also provides for changes in various Asset Reconstructions Companies. Sir, this is a welcome Bill and a welcome step taken by the Government. Nobody has any problem with it, except, Sir, there are certain concerns. Much of these concerns have been highlighted by the hon. Members before me.

[THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN), *in the Chair*.]

But I will just touch upon two or three points. The first being, Sir, this Bill somehow gives an impression that we are giving some sort of a bailout to the banks, which had so far been ridden with irresponsible management and bad decisions of giving loans to the companies which are largely defaulters. The question remains यह होता कैसे है, हम करते क्यों हैं, बैंक करते क्यों हैं? इसके पीछे क्या है, इसे हमें देखना चाहिए। What are the points and how can we stop the banks from taking these decisions? This is a matter of great concern and needs to be looked into. There obviously are pressures on the banks from various quarters for these decisions, but we need to get to the core of these problems to solve them. Sir, up till now, banks have declared 7.6 per cent NPA on the total borrowings. This is likely to rise to 8.5 per cent by March, 2017. Sir, this is a method of erasing these errant methods of banking by removing bad loans from the books altogether by paying the taxpayers' money for the financial irresponsibility of the financial institutions. Sir, the core reasons for this need to be identified and people responsible need to be booked.

The idea of the Asset Reconstruction Companies taking over the collaterals from the defaulting companies and not having to pay anything to the banks, including the Stamp Duty, helps in wiping out the records from the books. The banks, after doing this exercise, don't have any liabilities left. They are transferred to the Asset Reconstruction Companies. Further, Sir, when the ARCs take over the land from the Government, where is this land likely to go? Land is also a State subject. The State Government is involved in any way. There is also a loss of revenue on account of the Stamp Duty. So, all these issues need to be clarified in the Bill, in which the hon. Finance Minister has brought up his Amendments.



[Shri A. U. Singh Deo]

Sir, another important point to be noted is the power vested in the RBI to appoint or remove members of the Boards of Asset Reconstruction Companies on grounds of public interest. इसमें favoritism हो सकता है, इसमें करप्शन हो सकता है। हमारे पास इसको सम्भालने के लिए, इसको कंट्रोल करने के लिए, इसको डायरेक्शन देने के लिए क्या मैकेनिज्म है, ताकि ऐसी कोई चीज़ न हो? How do we ensure neutrality in this particular issue? Sir, the Debt Recovery Tribunals, that are required to hear and dispose of the cases under this Act and the ambit of whose functions has been expanded, are highly understaffed and are known to have arrears already. इसे भी हमें ठीक करना पड़ेगा। सर, मैं समझता हूँ कि मेरे कहने से पहले ऑनरेबल मेम्बर्स ने इसमें बहुत कुछ कह दिया है, उसे मैं रिपीट नहीं करना चाहता। मैं चाहता हूँ कि फाइनेंस मिनिस्टर के सामने मैंने जो ये दो-चार concerns रखे हैं, इन्हें ये देखेंगे और इनमें सुधार लाएँगे।

Naturally, Sir, this is a step which is needed to be taken and it is a very welcome step. I am sure, the hon. Finance Minister, who is extremely capable, will remove all the anomalies that have been pointed out today. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Now, Shri Veer Singh, you have four minutes.

**श्री वीर सिंह** (उत्तर प्रदेश): महोदय, प्रतिभूति हितों का प्रवर्तन एवं ऋण वसूली विधि तथा प्रकीर्ण उपबंध (संशोधन) विधेयक, 2016 पर आपने मुझे बोलने का मौका दिया, इसके लिए आपका धन्यवाद। इसी के साथ-साथ, हमारी पार्टी की आदरणीय नेता, बहन कुमारी मायावती जी ने मुझे इस महत्वपूर्ण बिल पर बोलने के लिए समय दिया, इसके लिए उन्हें भी बहुत-बहुत धन्यवाद।

महोदय, प्रस्तावित विधेयक चार अधिनियमों, सरफेसी अधिनियम, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, इंडियन स्टाम्प अधिनियम, 1899 एवं डिपोजिटरीज़ अधिनियम, 1996 में संशोधन करने का प्रस्ताव करता है, जिससे देश में बढ़ते हुए एनपीए के कारण हमारा बैंकिंग जगत, जो लगातार घाटे की तरफ बढ़ रहा है, उस पर रोक लग सके। महोदय, वर्ष 2008 में एनपीए 56,606 करोड़ रुपये था, जो कि वर्ष 2015 में बढ़कर 3,22,216 करोड़ रुपये हो गया है, जो कुल ऋण राशि का 4.27 प्रतिशत है।

महोदय, स्टैंडिंग कमिटी ऑन फाइनेंस की रिपोर्ट के अनुसार, कुल एनपीए का 21 परसेंट, यानी 64,335 करोड़ रुपए उन लेनदारों की वजह से है, जो स्वेच्छा से अपना ऋण वापस नहीं कर पा रहे हैं। कमिटी के अनुसार DRA के माध्यम से रिकवरी में लगातार कमी आ रही है। जो रिकवरी वर्ष 2010-11 में 21.55 प्रतिशत थी, वह वर्ष 2013-14 में घटकर मात्र 9.83 परसेंट रह गई। इसी तरह से सरफेसी एक्ट, 2002 के माध्यम से रिकवरी 2010-11 में 36.46 प्रतिशत थी, जो कि 2013-14 में घटकर 25.56 प्रतिशत रह गई है। इन्हीं कारणों की वजह से हमें यह संशोधन करने की जरूरत पड़ी है।

उपसभाध्यक्ष महोदय, जब बैंकों का राष्ट्रीयकरण हुआ था, तब बैंकों की संख्या बढ़ी तथा देश

में इनकी असंख्य शाखाएं खोली गईं। उस समय ऐसा लगने लगा था कि सूदखोरों से अब जनता को राहत व मुक्ति मिल जाएगी। परन्तु अनेक कारणों से जैसे कार्यक्षमता की कमी, उत्पादकता की कमी और खराब पोर्टफोलियो आदि के कारण बैंकों की मुनाफा दर कम होती चली गई और सरकारी एवं गैर-सरकारी बैंक अनेक समस्याओं से ग्रस्त होते चले गए तथा इनका आरक्षित नकदी निधि अनुपात बढ़ता चला गया। इससे बैंकों पर अवांछित दबाव बढ़ता चला गया और बैंक अपनी साख बचाने में लगे रहे।

उपसभाध्यक्ष महोदय, वर्ष 2002 में जब सरफेसी अधिनियम आया था, तब उसके माध्यम से इस बात की अपेक्षा की गई थी कि बैंक इतने सक्षम होंगे कि वे अपने पास रेहन रखी सम्पत्तियों को प्राप्त करने के लिए, उनको बेचकर उनसे अपने ऋणों की वसूली कर पाएंगे, परन्तु आज क्या हुआ? दिनों-दिन बैंकों पर एन.पी.ए. का बोझ बढ़ता गया। बड़े-बड़े पूंजीपति और उद्योगपति अभी भी इस कानून के दायरे में नहीं हैं। केवल छोटे देनदारों पर बैंकों का शिकंजा निश्चित रूप से कठोर हुआ है। जैसे छोटे किसान हैं, छोटे व्यापारी हैं, जो छोटे-छोटे लघु उद्योग लगाते हैं, शिक्षित बेरोजगार हैं और कुछ ऐसे व्यक्ति हैं, जिनकी आय का कोई जरिया नहीं है। ऐसे लोग अपने कारोबार के लिए छोटे-छोटे लोन ले लेते हैं, बैंक और सरकार उन पर इतना दबाव डालती है कि उनकी सम्पत्ति की नीलामी होती है, उनकी सरेआम बेइज्जती होती है। मैं माननीय मंत्री जी से कहना चाहूंगा कि जो छोटे ऋणदाता हैं, उनके ऋण की एक मियाद होनी चाहिए, जिन्होंने 50 लाख या एक करोड़ रुपये का लोन ले रखा है, उन ऋणदाताओं को परेशान न किया जाए। उनके बजाय हमारे देश में जो बड़े-बड़े उद्योगपति हैं, जो देश का करोड़ों रुपया लेकर भाग गए हैं, माल्या जैसे लोगों पर शिकंजा कसा जाए। मैं माननीय मंत्री जी से निवेदन करूंगा कि जो छोटे-छोटे व्यापारी हैं, किसान हैं, उनको राहत दी जाए। आज किसान बाढ़ से जूझ रहा है, पहले वह सूखे से जूझ रहा था, तीन साल से उसकी फसल चौपट हो रही है, उसको गन्ने का दाम तीन साल से नहीं मिला है, उन पर जो छोटा-मोटा कर्ज है, जैसे किसी किसान ने ट्रैक्टर लिया है या खेती करने के लिए कुछ पैसा ब्याज पर लिया है, तो उनका कर्जा माफ किया जाए और उनको परेशान न किया जाए। यह मेरी माननीय मंत्री जी से अपील है। **...(समय की घंटी)...** देश के बैंकों पर बैंड डेट और बैंड लोन्स का बोझ लगातार बढ़ता जा रहा है। DRT एवं DRAT के अधिकरणों में मुकदमों की संख्या और बोझ लगातार बढ़ता जा रहा है, लेकिन कोई ठोस परिणाम सामने नहीं आ रहा है। आज करीब 70 हजार से ज्यादा मुकदमे DRT एवं DRAT में लम्बित हैं और लगभग 4 लाख करोड़ से ज्यादा का एन.पी.ए. है, जिसमें से 90 प्रतिशत राशि सिर्फ 7,000 लोगों के पास बकाया है। यह अति शोचनीय है। मैं माननीय मंत्री जी से जानना चाहूंगा कि अब तक सरफेसी अधिनियम, 2002 के तहत बैंकों ने कितने ऋण वसूल किए और अगर ऋण वसूली हुई, तो इतना एन.पी.ए. कैसे बढ़ गया? क्या बैंकों द्वारा विलफुल डिफाल्टर्स के नाम उजागर किए जा रहे हैं? यदि हां, तो उनका विवरण क्या है? सरकार बड़े ऋणों की वसूली को तेज करने के लिए क्या विशेष प्रयास कर रही है?

उपसभाध्यक्ष महोदय, मैं अब सदन के माध्यम से इस विधेयक की कुछ महत्वपूर्ण बातों पर चर्चा करना चाहता हूं। **...(समय की घंटी)...**

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Please conclude.

**श्री वीर सिंह:** उपसभाध्यक्ष महोदय, बैंकों द्वारा अपने पास रेहन रखी सम्पत्तियों को कब्जे में लेने के लिए पहले डी. एम. या चीफ मेट्रोपॉलिटन मजिस्ट्रेट द्वारा अनुमति मिलने में लम्बा समय लगता था।

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Please conclude.

**श्री वीर सिंह:** सर, मैं conclude कर रहा हूँ। अब उसके लिए प्रस्तावित कानून में 30 दिन की समय-सीमा निर्धारित की गई है, जो कि एक अच्छी पहल है। साथ ही डी.आर.टी. के क्षेत्र को निर्धारित कर उसे ऑनलाइन करने का प्रस्ताव है। इससे त्वरित कार्रवाई होने, डाक्युमेंट्स को भेजने, उनकी प्रोसेसिंग आदि में कम समय लगेगा तथा वादों के निष्पादन में भी कम समय लगेगा। यह डाटाबेस की कल्पना की एक सार्थक पहल है। इससे देश भर में ऋण के विरुद्ध, जो सम्पत्तियाँ बैंकों में रखी गई हैं, उनका ट्रैक रखना आसान हो जाएगा और एक बैंक दूसरे बैंक या वित्तीय संस्थानों के सम्पर्क में रहकर आपस में जानकारी हासिल कर सकेगा।

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Please conclude.

**श्री वीर सिंह:** उपसभाध्यक्ष महोदय, मैं सरकार का ध्यान DRT और DRAT में प्रेजाइडिंग अफसरों व रिकवरी अफसरों के खाली पदों की ओर दिलाना चाहूँगा। मैं चाहूँगा कि वहाँ खाली पदों को शीघ्रातिशीघ्र भरा जाए, जिससे कि DRT में मुकदमों की संख्या को कम किया जा सके।

उपसभाध्यक्ष महोदय, मैं आशा करता हूँ कि इस विधेयक के पारित होने के बाद सरकार बैंकों के एन.पी.ए. को घटाने और बड़े उद्योगपतियों से ऋण वसूली करने में सक्षम होगी।

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Please conclude.

**श्री वीर सिंह:** इससे आर्थिक जगत में वांछित परिणाम सामने आएंगे। आपने मुझे बोलने का समय दिया, धन्यवाद।

SHRI PRAFUL PATEL (Maharashtra): Mr. Vice-Chairman, Sir, I will be very brief. I will honour the sentiments of the Finance Minister.

Sir, I was a Member of the Select Committee, so I would not want to spell out too many things except that I feel that this is also one of the continuous, progressive and enabling legislations in the true sense to ensure that our banking sector, our financial services sector remains healthy and strong.

Sir, the problems of our banking sector have been many. Almost all the Members talked about the huge NPAs. It is a genuine concern. It has caused a big stress on the entire sector. We have typically two types of borrowers. One is, of course, the honest borrower. There is the small borrower. He goes for a student loan or a farmer loan. It may be a small MSME. Even a big industrialist who borrows money ...*(Interruptions)*...

SHRI ARUN JAITLEY: Student loan category has high NPAs.

SHRI PRAFUL PATEL: I am saying that these are the kinds of borrowers who one would classify as genuine borrowers who go to the banking sector out of necessity and need. Even in industry, there is a class of borrowers, which can be termed as genuine borrowers. They have contributed greatly to the economic activity, the industrial activity in the country. On the other hand, there is another class of borrowers amongst the biggest borrowers, especially those who have basically *ab initio* treated the entire banking sector as their fiefdom and tried to, I would say, goldplating of funds and projects. It has been very predominant in the banking sector. The Finance Minister need not be told about it because he would have checked by now that for the same type of project of a comparable nature, costing is different. One person sets up a power project at ₹ 5 crore per MW. Another person sets up a power project at ₹ 6 crore per MW. Somebody sets it up at ₹ 7 crore per MW. That itself reflects the intent of the borrower. I may not attribute only *mala fide* but even the lender in a way willy-nilly supports the borrower to borrow at such high rates. We have very high interest rates in the country. If we combine these two things, I am sure that *ab initio* the project is set out to be an NPA. I don't want to name anybody. But the fact is that the Finance Minister is well aware of such class of borrowers. Therefore, strengthening of these laws was very important and it needed to be taken to its logical conclusion.

One of the interesting things which we noted when we were part of the Committee, and the Chairman is sitting here, was this. We asked the RBI officials whether personal guarantees are required for the people who borrow ₹ 10,000-50,000 crore. At the end of the day, the personal guarantees are meaningless when such large amounts of moneys are involved. The answer which we got from the RBI was that personal guarantees are not at all insisted by the RBI. In fact, there is no direction to any bank to have personal guarantees. I would not want to talk about personal guarantees in the context of big borrowers. But when we talk about small farmers or small borrowers in terms of student loans, all I think is that personal guarantees would actually be meaningless. Because whatever little that kind of borrower really has, the bank or the institution can take away his asset in one stroke. But in the case of a big borrower, who has access to innumerable legal options, he can keep on dragging these proceedings for years and years. That is the background. And that is why this legislation is important. It will ensure that the people who have borrowed money are brought to book and moneys can be recovered from them in due course of time. But, Sir, the only limited point that I would like to make is that while all this is fine – though the Finance Minister just mentioned that that is a very large category of NPAs – some consideration, especially, for small entrepreneurs, small businesses, farmers and students need to be given while framing the guidelines once this Act is passed. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Thank you. Now, Shri K. T. S. Tulsi, not here. Then, Shri Anil Desai.

SHRI ANIL DESAI (Maharashtra): Sir, I rise to support the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. Sir, it seeks to amend four laws the SARFAESI Act, 2002; the Recovery of Debts Due to Banks and Financial Institutions Act, 1993; the Indian Stamps Act, 1899; and, the Depositories Act, 1996. All that is done by way of amendments, which have been brought forward in this Bill, to these four major Acts, has strengthened the legislation than what it was earlier. There is a need to strengthen the banks, obviously, as has been said by all the speakers, considering the position of our nationalised banks, banks and the financial institutions, and the kinds of debts which have come up, debts amounting to ₹ 8,00,000 crore. The Government is doing its best to infuse capital into the banks to see that they do not cross their credit line – otherwise, it would affect the economic activity, which would come to a standstill – and to see to it that efforts are being made. But the things need to be seen in the light of different aspects.

Sir, I would dwell upon one aspect which needs to be stressed upon. It is the implementation and application of the new legislation in letter and spirit. As of today, Sir, Indian insolvency regime has complexities in handling of the cases by various institutions, whether it is a High Court or BIFR or even official liquidators. The institutional infrastructure, that is, insolvency professional tribunals, and other related agencies need precise mandate, sufficient resources and training to ensure that this new legislation is effectively implemented and the timelines provided in it are followed. The legislation is certainly a step in the right direction towards minimising the delays and providing greater predictability for debtors and creditors in both process and outcomes. We have the RBI. Even the RDDBFI Act, which is being amended, under which Debt Recovery Tribunals and Debt Recovery Appellate Tribunals have been set up, provides that banks and financial institutions will be required to file cases in tribunals having jurisdiction over the defendant's area of residence or business. The Bill allows banks to file cases in tribunals having jurisdiction over the areas of bank branch where the debt is pending. The Bill also provides that certain procedures under the Act will be undertaken in electronic form. That is a very good thing. That is online procedure which will come after the enactment of this legislation.

Sir, another good thing is that the Bill creates a Central database to integrate records of properties registered under various registration systems with the Central Registry. This includes integration of registrations made under the Companies Act, the Registration Act and the Motor Vehicles Act. The Bill provides that the secured

creditors will not be able to take possession over the collateral unless it is registered with the central registry. Further, these creditors, after registration of security interest, will have priority over others in repayment of dues.

Sir, another thing is about the amendment which has been brought forward in respect of stamp duty. Stamp duty will not be charged on transactions undertaken for transfer of financial assets in favour of Asset Reconstruction Companies. Financial assets include loans and collaterals. The investment in ARCs has also been provided for. The Bill will allow a sponsor of an ARC to hold up to 100 per cent stake in the ARC, that is, the Asset Reconstruction Company. It will also enable non-institutional investors to invest in security receipts issued by ARCs and lays down a time-line for possession of secured assets. By amending the Stamp Act, no Stamp Duty will be levied where transactions undertaken involve transfer of financial assets in favour of ARCs. And for the exemptions to apply, such transfers must be for the securitization or reconstruction purposes only. This Bill also seeks to amend the Depositories Act, 1996. Amendments in Depositories Act have been proposed for facilitating transfer of shares held in pledge or on conversion of debt into shares in favour of banks and financial institutions. Supplementing the aims of Bankruptcy Code has been also provided in this Bill. The Bill aims to support the Bankruptcy Code and several amendments are in line with its objective. Debenture trustees are accorded same rights as that of security creditors, which aid in a level-playing field for creditors. Banks and financial institutions are permitted to transfer financial assets to ARCs, prior to them they being declared as non-performing assets, which aid in early debt detection and resolution of distress. So, overall, this legislation will help the economy to grow faster. The faster the mechanism is, it would be beneficial in the entire economic activity. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Shri Bhubaneswar Kalita.

SHRI BHUBANESWAR KALITA (Assam): Sir, I rise to support the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016. As has been explained, the main object of the Bill is expeditious recovery of loans of banks and financial institutions. Sir, there are approximately 70,000 cases pending in Debt Recovery Tribunals. My first point is that these DRTs have to be strengthened. I have been informed that the number of DRTs has been increased. Six more DRTs have been created but, long pendency in the DRTs or adjournments is creating delay in the process of recovery. Then, there is the issue of shortage of judges which has been already mentioned by some hon. Member. I had the opportunity to be a member of the Joint-Committee headed by Shri Bhupender Yadav. We had discussed these points in the Committee threadbare

[Shri Bhubaneswar Kalita]

and came to conclusions which are incorporated in the amended Bill. The age of the judges of DRT and DRATs had been a problem because there is a shortage of judges and they are not getting judges. Hopefully, the increase in the age bar will help in getting some more judges for speedy trial and speedy recovery process. Sir, the main objective besides the recovery is to facilitate investment leading to higher economic growth and development. This is a broad idea. We have discussed quite a few points on that. Most of them have been resolved in the Committee itself. But there are a few things which I want to mention here. I will not touch upon the long points and restrict myself to the short points. First is the asset or the property. In the Bill, immovable property like land has not been resolved and there were some issues on that. So, I think, that issue has to be addressed by the Government while finalising this Bill. The 'property' has been defined in this Bill as 'immoveable property and moveable property'; and land being a State subject, there have been some issues, I hope the Government while making rules, will look into them. One of the main issues was intangible assets. The intangible assets are like knowhow, patent, copyright, trademarks, licence, franchise which include the brand. There was an issue relating to intangible assets. Of course, brand is an intangible asset. We have come across, at least, one case where the brand was self-valued at ₹ 4,000 crores. The recovery process has started. Now the value that has come for the same brand is totally negligible. So, while determining the intangible asset as collateral or asset – since it is self-valued — I think, the banks have to devise some mechanism so that this area is covered or fully secured.

We had an issue of the ARC. In ARCs, the small loans and corporate debts are equated as one. Sir, small loans means loans given to the students which have been mentioned by the hon. Member, Shri Navaneethakrishnan in detail, I will not go into that. Loans to the small industries are not big amounts. These are small amounts. When you equate these before the ARCs, we see some injustice in that. The issue of loans to the students has already been mentioned. You see in one of the ARCs, the student loans of more than ₹ 800 crore has been given for recovery, with a concession of 40 per cent and repayment in 15 years. As has already been mentioned, if 15 years' period is given to a student for repayment, I think, he will be able to pay that loan. So, I think, the Government must review the recovery of student loans and also recovery of loans from the small industries.

Sir, so far as small industries are concerned, there is no collateral asset. They are given collateral free loans up to ₹ 1 crore. But, I think, we have to make a review on that also because there is a demand that this collateral asset free loan should be increased to ₹ 5 crores. The area of student loans and the area of loans



to the small industries should be reviewed by the Government. Today morning, the hon. Finance Minister has informed the House ₹ 4.70 lakh crores as gross NPAs of the public sector banks which is about 9.32 per cent. That is besides the NPAs of other financial institutions. Here, there are genuine cases. There are cases which have been detected, which have been in the public domain, and those NPAs which are wilful. The Government has to differentiate, as has been mentioned by some other hon. Members also. Wilful defaulters should be tried under the criminal law and not under the civil law. When we talk of wilful defaulters and NPAs of public sector banks, public sector banks have, in many cases, developed vested interests. There are vested interests of loanees; there are vested interests in banks; there are vested interests in allied fields. Altogether, they defeat the very purpose of a loan for which it had been taken; otherwise, this loan could have gone to some other sector and it could have added to the prosperity of the country.

While concluding, Sir, I would request the hon. Finance Minister to look into these two areas, namely, student loans and loans to small industries. I would also request you to devise some measures to bring wilful defaulters under the law. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Thank you. Shri T. K. S. Elangovan.

SHRI T. K. S. ELANGOVAN (Tamil Nadu): Thank you, Mr. Vice-Chairman, Sir, for giving me this opportunity.

Sir, this amendment enhances recovery procedures in regard to an NPA. In that sense, just as the SARFAESI Act was made simple earlier, and there were more facilities through other Acts relating to recovery of loans, this amendment too ensures the same in this Bill.

Sir, before taking up the recovery of a loan, the role of bank managers, that is, the lenders, should be monitored to see what they are doing. Now, an NPA is classified as a loan for which neither the payment nor the interest is forthcoming for three consecutive months. That should not be the parameter for assessing an NPA.

Sir, in Tamil Nadu, during the recent floods, about 150 small-scale units were inundated, not because of the failure of the SSI units to protect them, but because of the failure of the administration to take precautionary measures. But these units...

SHRIMATI VIJILA SATHYANANTH (Tamil Nadu): Excuse me, Sir, this is utterly baseless. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): He is making his point. ...*(Interruptions)*... No, no. Please sit down. ...*(Interruptions)*... Please sit down.

SHRI S. MUTHUKARUPPAN (Tamil Nadu): Sir, he is accusing the administration of Tamil Nadu. ...*(Interruptions)*...

SHRI T. K. S. ELANGOVAN: I am not yielding. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): He is not yielding. ...*(Interruptions)*...

SHRI T. K. S. ELANGOVAN: I am not yielding. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): You speak when your turn comes. I will allow you. ...*(Interruptions)*...

SHRI T. K. S. ELANGOVAN: Now, owners of SSI units, who have been in business for more than... ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): He has got the right to say what he wants to say. ...*(Interruptions)*...

SHRI T. K. S. ELANGOVAN: Those who have been doing good business.... ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): Nothing will go on record. ...*(Interruptions)*... Nothing will go on record. ...*(Interruptions)*... Please sit down. ...*(Interruptions)*... Please sit down. ...*(Interruptions)*... Nothing is going on record. Please sit down.

SHRI T. K. S. ELANGOVAN: Sir, proprietors of these 150-odd industries had been in business for more than 20-25 years. It was their livelihood. But after this inundation, they had to reconstruct their industry. Now, before the reconstruction of their industry, if the Asset Reconstruction Company came into action, what would happen to them? Now, bank managers don't use their wisdom and apply their mind. Simply because of this rule of NPA that if no payment is made for three consecutive months, it becomes an NPA, they become inactive and they conveniently transfer these loans to the recovery line-up.

But earlier, they would go to the unit, they would see their past record and ascertain whether this industry could come back; whether the intention of the borrower was to repay the loan because this industry alone is helping his livelihood. So, any small scale industrialist will not allow his industry to be closed down or will not stop payment, both of loan and interest to the bank. These things were decided by the wisdom of the bank managers. Now, these bank managers don't use their wisdom.

They conveniently hide themselves under this rule and make borrowing of all SSI units or small units as Non Performing Assets, borrowing of these units as Non Performing Assets, which has increased the volume of the Non Performing Assets. So, the application of mind by the Bank Manager before transferring borrowing to the recovery line-up should be there. The Bank Manager should be held responsible for the fast recovery, making their own efforts to recover the loan. What had happened in Tamil Nadu? My dear colleague, Shri Ramakrishna Rangasayee, from Tamil Nadu, was also mentioning about the suicide by a student. Likewise, there are many incidents. Sir, in fact, the shameful thing is that the students who had borrowed money from banks for their education, their photos were made big posters and pasted near the bank. What will happen to the life of such a student? What will happen to his future? Banks were resorting to such activities which put the student in great difficulty. The stigma attached will never go. Such things should not happen. So, before taking up any loan to the recovery line-up, you see, the Managers of all lending institutions, who had given loans, based on the merit of the company or the borrower, should ensure that the banks themselves, the lending institutions themselves, try to make attempts to recover the loans. If they could not do it, then it should come to the SARFAESI ACT. So, it is not just bringing all loans to the NPAs and trying to recover the same. There should be some human element in it; there should be some efforts by the lenders to approach the borrower and convince him to repay the loan. With these words, I support the Bill. Thank you.

SHRI VIVEK K. TANKHA (Madhya Pradesh): Sir, thank you for giving me this opportunity. Mr. Finance Minister, I may be new to this House, but, possibly, I am not new to the field of law. There was a comment made earlier that I am new to this House, and somebody with 17 years' experience is also there. But let me say something about the legal aspect.

THE VICE-CHAIRMAN (SHRI T. K. RANGARAJAN): That was a friendly comment. That also you said.

SHRI VIVEK K. TANKHA: Yes, Sir. Now, the point I am making today is three-fold. I am going to talk a little about the DRT, and most of those things must be in your knowledge because these are matters which the Bar Associations have taken up with the Finance Ministry. I am going to speak a little bit about the Securitisation Act and the role of the Reserve Bank. Three issues which I would commend to yourself because, maybe, some improvement in the times ahead, would be good for the system. The first point I want to say about the DRT is, you have power to remove them, you have power to accept their resignations, but you don't have power to transfer them. This has been an issue in the past. I am personally aware of it also.

[Shri Vivek K. Tankha]

It has travelled to the High Court, to the Supreme Court, there were representations. Sometimes, these presiding officers have problems in a particular place, and that I will be transferred under the law. So, they have either to be removed or they have to resign, or if they decide to stay, there is a stalemate with the Bar, and then, it is non-functional DRT. I am personally aware. That is why I am telling this also.

Number two, this situation may have been of some days back that out of the five DRATs, four didn't have the Chairman. These are operational issues. I don't know the situation today. It may have improved but we must ensure that these authorities and appellate bodies have full composition if we want our systems to work well. Thirdly, there was a PIL in Supreme Court in which — I was the Additional Solicitor General at that time and I was appearing at that time — various directions were given for improving the infrastructure of the DRTs. Some of the DRTs even today are in appalling condition. Pursuant to the directions of the Supreme Court, improvements were made in Delhi, for instance, and we shifted it to a new building. Now, in Government, we have no provisions for their maintenance. This DRT is on 4th Floor and you will hear from the lawyers that for half the time the lifts are not working. You have to climb the 4 floors with your bustas and that reduces the efficiency and the seriousness with which we present the arguments in the court. I am also told, subject to correction, that whatever were the staffing patterns of the DRTs in 1993, those staffing patterns are the same, as on today and, in the meantime, you have overloaded them with Securitization Act and some part of insolvency proceedings which would also now come there. So, the number of staff is the same. There is no increase in staff. There has to be augmentation of staff also. This is a standing problem there. The number of cases is going up. Today, the pendency of cases is 70,000. If, with the present strength, we do these cases, it will take seven to ten years to finish these present cases. I am not talking of new filings at all. So, here again, more hands have to be created. A huge issue which has arisen and which was before the Supreme Court also is that some of our officers, especially, Recovery Officers are bankers, Railway employees and employees who are on deputation from various Departments. Now, intricate issues of law are argued before the Recovery Officers. The fact is that they are not able to decipher the argument, and then, it leads to delay; it leads to bad judgements; it leads to appeals, revisions, writ petitions, SLPs. Another Amendment which has been brought this time was that you have to necessarily deposit a minimum of 25 per cent. Earlier, it was 75 per cent but at the discretion of court, it could be waived. Now, I know for certain that there are many hard cases, where people cannot deposit and yet, these are good cases. If we make the deposit compulsory, you are actually denying opportunity to a lot of

**6.00 P.M.**

people to approach the Appellate Tribunal. Somewhere, the constitutionality of this provision will come in question in those hard cases and somewhere like I saw in Sales Tax Act in which we have similar provisions, then, the court stepped in and said, 'No, in hard cases you can pass some orders', giving relief, maybe, under Section 226 if they don't have the power. Banking industry is a separate subject. It is not a subject for today. Today, we are discussing about recovery. Banking industry needs to be improved correspondingly. The way loans are granted; diversification takes place; money-laundering takes place, all that is now a reality and most of the high-net people indulge in that rampantly. So, that issue is a separate issue but that also leads to more cases before the DRT and ADRT. I would also like to point out that somewhere the hon. Finance Minister may like to re-group the Tribunals. Now, the securitization, money-laundering and DRT are, very often, closely inter-related. Maybe the same Judge can do all three. It may commend your thought process. Again, another point that we noticed in these laws is that in the DRT, the bank's branch is not the jurisdiction, but it is the defendant's address.

(MR. DEPUTY CHAIRMAN *in the Chair*)

If I borrowed loan, say, in Delhi and I live in Guwahati, I have to go to Guwahati to file a case. In fact, it should be in Delhi where it was borrowed. It becomes easier for the bank then to approach the court where it is located. So, the branch of the bank, where you have accepted the loan, should be the place of the jurisdiction also. There is an imminent requirement to publish data bank, bank-wise, and also to make a registry of all assets under litigation. The present Bill, while providing for certain steps to further the e-governance, completely fails to address the due disclosure and full information to prospective buyers regarding stressed assets, bank recovery performance, etc., which are vital parameters in debt/credit industry. So, these are some of the issues which I wanted to highlight, which may need improvement in the DRT set-up because without these improvements, you will not get the results which the Government desires or the country desires.

Sir, on the Securitization Act, there are just one or two brief points. Sir, Section 13(2) came under challenge before the Supreme Court in Mardia Committee, and that opportunity part came in. That is Section 13(4). Sir, Section 13(4) is taken as a paper possession; it is not an actual possession; that is why Section 14 was brought in. In Section 14, we have given the jurisdiction to District Magistrates and CMMs. I am sure, and this whole House would know for sure, the DMs and the CMMs have no time for these cases. If you actually go and see there, it is their PAs who decide these cases. This power also should be given into more responsible hands

[Shri Vivek K. Tankha]

who know the subject, who know the field, and who are willing to look at the applications with the data and affidavit in a way that it should be seen.

Sir, recently, there is a judgement of the Supreme Court in the Standard Chartered Bank case, where Section 14 now has created a new problem. As per the judgement of the Supreme Court, unless you hand over the possession, you can't go to the court; you can't go to the tribunal. But the problem is this. There could be an order even against a good person. If I have a house, I have not been able to pay my instalments, and I may be in a position to do it a little later or there could be some other reason. I have to first vacate that house, and then go. It is only multiplying problems. So, somewhere the appeal should come before you are asked to vacate. The law would need to be amended or the Supreme Court judgement will have to be clarified in the context of Section 14.

Sir, the last point that I wish to make is — I don't want to go into the details of each clause — that you have given too much power to the RBI. You involve RBI too much with the ARCs. You have only about 14 ARCs in India today. It should be much more. It is such a regulated industry that not many people can come. Most of the ARCs are created by public institutions. We have given 100 per cent FDI, and we want to regulate it! These cannot go together; they are not in sync. You have to give them a little more liberty. But what are they doing? Actually, they are buying stressed assets, and, then, taking it to the market, as per law, and trying to recover maximum out of it. In this process, the RBI, at every stage, comes in. There is a provision under which the RBI can even cancel their registration. Now, if their registration gets cancelled, then, which foreign investor would invest? In India, in the past, we have seen how courts have interfered. They have cancelled licences after 15 years or 20 years, which has had a very bad effect on foreign investors. So, if you want FDI in this sector, then, you will have to liberalize the ARCs' working. They have to be market-friendly. Of course, accounting, auditing, inspection and all that can be there, but certainly not that you keep them under the clutches of the RBI through guidelines, through directions. There are so many Sections here. I can just read out those Sections, but there is no point in doing that. I am just flagging these points. So, my whole point is, reduce RBI's control, improve and operationalise the DRTs and ARTs, and that may give better results. ...(*Time-bell rings*)... For that, many Bar Associations have also had representations to the Finance Ministry. All these points you would also find in those representations. Thank you, Sir.

**श्री नरेंद्र बुढानिया** (राजस्थान): महोदय, आज हम लोग इन्फोर्समेंट ऑफ सिक्यूरिटी इन्टरेस्ट एंड रिकवरी ऑफ डेब्ट्स लाज एंड मिसलेनियस, प्रोविजंस (अमेंडमेंट) बिल, 2016 पर चर्चा कर रहे हैं। महोदय, इस बिल के द्वारा हम चार कानूनों को चेंज कर रहे हैं, जो सिक्योरिटी

एक्ट, 2002, बैंकों और वित्तीय संस्थाओं को शोध्द ऋण वसूली अधिनियम, 1993, भारतीय स्टॉप अधिनियम, 1899 और डिपॉजिटरी एक्ट, 1996 हैं।

महोदय, मैं आज वित्त मंत्री जी को सुन रहा था। वे एक प्रश्न के जवाब में कह रहे थे कि इस देश के विकास के लिए, प्रगति के लिए हमारी अर्थव्यवस्था बहुत अच्छी होनी चाहिए और उसके साथ उन्होंने यह भी कहा कि हमारे बैंकों के एन.पी.ए. भी कम होने चाहिए। महोदय, मैं यह बताना चाहता हूँ कि हम इससे पहले भी एक बिल लेकर आए थे, Bankruptcy -दिवालियापन का बिल लेकर आए थे। महोदय, हम बिल पर बिल ला रहे हैं, तो क्या बिल लाने से, कानून बदलने से जो लोग जानबूझकर पैसा खाते हैं, उनसे पैसा हम निकाल लेंगे? मेरा यह मानना है कि जब तक हम में राजनीतिक इच्छा शक्ति नहीं होगी, तब तक हम चाहे कितने ही कानून बना लें, हम इन defaulters से पैसा नहीं निकाल सकते। वह कैसे न कैसे अपना देश छोड़ कर चले जाएंगे या कोई और तरीके से वे अपना बचाव कर लेंगे। महोदय, जब 2002 में सिक्क्योरिटी एक्ट लागू हुआ था, तब यह माहौल बना था कि एन.पी.ए. कम होंगे, लेकिन एन.पी.ए. कम होने के बजाए बढ़ते जा रहे हैं। कोई कह रहा है कि आज 4 लाख करोड़ के एन.पी.ए. हैं, कोई 5 लाख करोड़ बता रहा है और कोई 8 लाख करोड़ बतला रहा है। एक अखबार में मैंने पढ़ा कि 2017 में यह 20 लाख करोड़ होने वाला है। यह जो हमारे सामने समस्या है, जो एन.पी.ए. बढ़ता जा रहा है, इस पर हमको पाबंदी लगाने की आवश्यकता है। मंत्री महोदय यह बिल लेकर आए हैं, हम इनका स्वागत करते हैं। इनका इंटेंशन है कि ऐसे लोग जो willful defaulters हैं, उनसे पैसा निकाल कर लाएं। महोदय, मैं यह कहना चाहता हूँ कि यह DRT कानून कौन लेकर आया था — यह 1993 में कांग्रेस लेकर आई थी। उस वक्त भी यह कोशिश की गई थी कि हमारे केसेज कम हों, हमारी रिकवरी ज्यादा से ज्यादा हो। लेकिन आज बहुत ही तकलीफ के साथ कहना पड़ रहा है कि 20 लाख करोड़ रुपए के केसेज पेंडिंग हैं। महोदय, 4 लाख करोड़ एन.पी.ए. या 5 लाख करोड़ जितनी भी राशि है, वह सारी की सारी कुछ लोगों के पास में है। उसकी 90 प्रतिशत राशि कुछ ऐसे लोगों के पास है, मैं समझता हूँ कि इस एक्ट के बनने के बाद उनसे कुछ वसूली होगी।

महोदय, इस बिल के अंदर डी.एम. को बहुत पावर दी गई है। 21 दिन के अंदर वे वाद का निबटारा करेंगे। मैं समझता हूँ कि यह बहुत अच्छी बात है, लेकिन डी.एम. को इतनी पावर देना, कहीं उस पावर का मिसयूज न हो, इसका भी हमको ख्याल रखना पड़ेगा। महोदय, इसमें क्लासिफिकेशन करने की आवश्यकता है। आज हमारे सामने किसान हैं, एजुकेशन लोन है, MSME है उनका अलग क्लासिफिकेशन करना चाहिए। जो willful defaulters हैं उनका अलग क्लासिफिकेशन करना चाहिए। इसके अलावा जो परिस्थितियों के कारण defaulters हैं, उनका अलग क्लासिफिकेशन करना चाहिए। तो हमारे सामने कुछ बातें आएंगी। महोदय, आज मैं यह कहना चाहता हूँ कि हमारी जो किसानी है, वह बहुत महंगी हो गई है। आज हमारा किसान बहुत कर्जदार हो गया है। इसके कई कारण हैं — बार-बार अकाल पड़ना, बार-बार प्रकृति का प्रकोप होना। मैं मंत्री महोदय से कहना चाहता हूँ कि किसान ही एक ऐसा है जो आत्महत्या कर रहा है, क्योंकि उसके दिल में शर्म है। आप एक छोटा-सा भी नोटिस देते हैं, तो उसके लिए वह एक बहुत बड़ी तोप के बराबर होता है। फिर या तो वह अपनी जमीन बेचता है ...**(समय की घंटी)**... सर, दो मिनट। सर, मेरा निवेदन यह है कि आपको कृषि के ऊपर विशेष ध्यान देना होगा, किसानों पर विशेष ध्यान देना होगा। आज ऐसे बड़े-बड़े डिफॉल्टर्स हैं, जो लोगों के लाखों-करोड़ों



[श्री नरेंद्र बुढानिया]

रुपये खा रहे हैं, लेकिन उनमें से कोई आत्महत्या नहीं करता, सिर्फ किसान आत्महत्या करता है, जबकि उसका लोन छोटा होता है। इसलिए आपको इस पर ध्यान देना होगा।

महोदय, एक बहुत इम्पोर्टेंट बात मैं कहना चाहता हूँ, जो सभी लोगों ने कही है और वह एजुकेशन लोन के बारे में है। यह एक बहुत बड़ी समस्या है। आज हमारे नौजवानों के ऊपर इस एजुकेशन लोन का दबाव इतना बढ़ गया है कि उनमें डिप्रेशन आ गया है। उनको रोज़गार नहीं मिल रहा है और हमारे युवा लोग कर्ज के तले दबते चले जा रहे हैं। वे अच्छी डिग्री या अच्छी पढ़ाई के लिए महँगे स्कूलों में जाते हैं, महँगी फीस अदा करते हैं, लेकिन उनमें से पढ़कर निकलने के बाद उनको नौकरी नहीं मिलती है। हमारे गवर्नर ने भी कहा कि हमारे युवा अच्छी एजुकेशन के लिए महँगा लोन लेकर आते हैं। ...**(समय की घंटी)**...

**श्री उपसभापति:** ठीक है, बस।

**श्री नरेंद्र बुढानिया:** सर, एक मिनट। मुझे यह कहने में कोई संकोच नहीं है कि आज कोई स्टूडेंट एमबीए करके आता है, तो उसकी पढ़ाई पर 8 से 10 लाख रुपये खर्च होते हैं, लेकिन इतना पैसा खर्च करने के बाद उसको नौकरी नहीं मिलती है और अगर मिलती भी है तो उसे 8 से 10 हजार रुपये की नौकरी मिलती है। महोदय, मैं कहना चाहता हूँ कि 8 से 10 हजार रुपये हमारे एक कुक और एक ड्राइवर की तनखा के बराबर हैं, जबकि कुक और ड्राइवर को 8-10 लाख रुपये का खर्चा भी नहीं करना पड़ता, क्योंकि उन्हें डिग्री लेने की आवश्यकता नहीं है। ...**(समय की घंटी)**...

**श्री उपसभापति:** ठीक है, अब समाप्त कीजिए।

**श्री नरेंद्र बुढानिया:** लेकिन आज इस सिस्टम में सुधार की आवश्यकता है। ...**(समय की घंटी)**... आप यह बिल लेकर आए हैं। वे लोग जो डिफॉल्टर्स हैं, वे लोग जो बदमाश हैं, जो इस देश के गरीब लोगों की गाड़ी कमाई को खा रहे हैं, उनको आप निकालने में सक्षम होंगे, धन्यवाद।

SHRI JAIRAM RAMESH: Sir, I have requested you for giving me one minute.

Sir, I have one question which, I hope, the hon. Finance Minister will address. This relates to Clauses 32 and 36. Sir, this is a vast improvement on the existing legislation. But my question to the hon. Finance Minister is: Has he not left an escape window in both under Clause 32 and Clause 36? The spirit of Clauses 32 and 36 is welcome. It is very good. But there is a second part that is provided under both the Clauses which, to me, suggests some amount of discretion that will be allowed. I would like the hon. Finance Minister to please have a look at Clause 32 and Clause 36. The purpose was to tighten it. I think, it has been tightened, but there has been an escape window that has also been provided. Perhaps, this could be dealt with under rules if the hon. Finance Minister finds it appropriate.

SHRI ARUN JAITLEY: Mr. Deputy Chairman, Sir, even though this Bill is significantly technical in nature, I am extremely grateful because a large number of

hon. Members have spoken on it, predominantly, out of concern toward the health of banks, the large NPAs, and in order to see that firmness coupled with fairness is maintained in the process of recovery of these outstanding loans.

Sir, let me, at the very outset, say that the Government is fully committed to preserving, maintaining and strengthening the health of public sector banks because they have a very important role to play in the economy of this country. When a large number of us used the word 'loan' – loans being given to large industries and loans being given to individuals – I don't think giving loans itself has anything negative about it. Banks are supposed to give loans. Economic activity, whether it is trading, industry, building a house, educating yourself or helping yourself as farmer, all this survives on the strength of bank credit. So, if banks start squeezing the loans, there will be no economic activity left. In fact, one of the measures of an economy doing well is, if the credit off-take of the banks increases, it means a lot more economic activity is taking place. So, loans are a good thing. Loans are not a bad thing for the economy. Nobody sets up an industry by bringing one hundred per cent of capital out of his own pocket. And, in a country like India, which is still a developing country, availability of capital is scarce. After all, how many conventional businesses were there for centuries which had their original capital? A lot of entrepreneurs, who have come up after 1991, have really managed to create some capital of their own. And, then, on the strength of the debt, which they get from banks, they set up businesses, industries, etc., and some of which have been highly successful also. The cause of worry is when these loans become either Non Performing Assets; or, they become stressed assets; or, the activity, in which these loans are invested, itself is not generating enough money. Now, it is true that in some cases – and, these would clearly be the cases of misdemeanor and misconduct – where a bank has given a loan to a person who should not have been given a loan, or, it is given for a wrongful purpose. That would not only attract civil liability, but that would also attract criminal liability. But, I think, one of the pertinent points, which Dr. Subbarami Reddy made while opening the debate, is that in some cases there would be a wilful default. A 'wilful defaulter' is a person who siphons out money; or, who has money and assets, lying concealed somewhere, but is not paying back. These cases will have to be distinguished with cases where – in the context of large industry, just as some people mentioned the cases of farmers and students – the economic environment itself becomes adverse and, therefore, on account of adversity of economic environment, an industry is unable to pay the loans back. The world has been facing a global slowdown. And one of the aspects of the slowdown is that worldwide there is no demand. Now, that absence of demand is globally impacting various sectors. Even though we did

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not face the kind of slowdown, which the rest of the world had faced, yet we faced certain specific problems in relation to certain select sectors of the economy, and these large NPAs, which we are speaking about. First of all, let us be clear – I told in the morning also in reply to a question – that generally the people, who take small loans, are returning the moneys back. So, micro-finance, in India, is one of the most successful modes of financing where small industries are financed, small businesses are financed, household industries are financed and the recoveries are very high. In Mudra Loans, people take these loans one day and return it on second day and take it back on the third day, and recoveries are very high and that is why the whole cycle of loans is working quite well. There is some problem with regard to farmers, in some cases. But, then, banks are also compassionate enough because these loans are not very large. Therefore, time-bound extensions, etc., are given. And, hopefully, now, with the support of the Crop Insurance Scheme, where the premium is very minor because States are subsidizing the premium, the recovery is going to be very high and part of the problem would be addressed. World over, particularly in higher education, students educate themselves on the strength of student loans. In India, this trend has picked up to a little extent. There are NPAs in student loans. But the apprehension that these loans will be referred for securitization, etc., is not correct because these loans are not supported by any securities. So, you will vote for securitisation action only if there are supporting securities. So securitisation really never gets attracted as far as the student loans are concerned. One concern, which was expressed, was, what happens to the farmers? The securitisation law very clearly states that securitisation does not apply to agricultural land. Therefore, as far as students and farmers are concerned, our fears may be somewhat exaggerated. I mentioned about the problem of bad loans earlier; so, I will, in brief, just repeat it. We had our largest single NPAs in steel. That is the core sector. And that was because cheap low-cost Chinese steel was coming into India. We have taken certain actions, and there is a revival which is seen in the steel industry. If this revival continues for some more time, then, this loan becomes bad, because the companies are running away. They were manufacturing steel, but their demand was low. They were neither able to service interest nor pay back any part of the principal. That is, when a technical entry is changed, when, for 90 days, you have not serviced that loan, then, from a performing asset, which is generating interest, it became a non-performing asset. So, steel was a major sector and power was another sector. In power, one of the contributors was the private sector power companies, because the power demand was low. The cancellation of coal blocks also led to sickness in the power sector. Since a series of State Discoms had very bad health, they were not charging the consumers the market price; instead, they were taking loans from

the banks, the loans which were owed to the State companies. So, after steel, the State Discoms became the second largest contributor to the NPAs. So, when we are speaking in terms of NPAs, it is not only the private sector and big industries, but it is also the State Discoms which have contributed to a large section of these NPAs. The NPAs of State Discoms are also not in thousands of crores; but, collectively, they have gone into lakhs of crores.

Sir, there was a problem in the highway sector, there was a problem in infrastructure, and there was a problem in the textile sector. These are the sectors which were all impacted by various factors, domestic or international. A few of them have revived. Now, the effort is, and that is the choice that the Government has and the banks also have, the moment it is an NPA, do we immediately close that industry? What happens to India's industrial development then? These may be temporarily economic trends, these are economic cycles, the cycle may change, and, therefore, a revival takes place. Do I restructure the loan, give it some more oxygen and allow him to revive the industry? Or, if I find that this company is not able to revive, do I ask him to induct another partner? Should then the banks take over the management? Should they completely oust this management in the case of a wilful default and put somebody else in? If a particular group has five industries, could the banks now ask them to sell one of them to a new person, get the money, and liquidate a part of the debts? These are all different instrumentalities, which are administrative in nature. Through a series of guidelines, you have the corporate debt restructuring, you have the SDR mechanism, and you have the JLF mechanism with the banks, where the banks have been given considerable amount of flexibility by the Reserve Bank, in order to make sure that the industries revive, because that is the preference in a larger national interest. After the revival of these industries, these companies are in a position to pay back the loans. All these activities in relation to various loans are on. Then, comes the next question. How do you legally strengthen the banking system, so that the bank is able to recover the monies against those who persistently default? One of the mechanisms which we created, which was a modern mechanism, was the bankruptcy law. We repealed all our earlier Provincial Insolvency Act and the company law provisions relating to commercial insolvency because of inability to pay debts, and, instead, now, we have a comprehensive Insolvency and Bankruptcy Code in the country. It is a model law. It is internationally compatible. The moment a company is sliding down, the banks will intervene and, therefore, there are various revival methods. There are various instrumentalities which are created by the banking system. Eventually, the management either continues or the management goes out and the assets of the company are saved. That is the last resort. But these are all powers under that law which we have passed in this Act.

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What is the purpose of the present set of amendments? Originally, if the bank was entitled to recover its dues from any person, it used to move to a civil court. This was an ordinary litigation where all the provisions of the Civil Procedure Code used to apply and you would stand in queue as a banker before the civil courts. Now the civil courts were found to be a time-consuming experience and, therefore, in the year 1993, we had the Debt Recovery Tribunal mechanism which was created. The DRTs were created and the appeal from the DRT used to lie before the DRAT. It was a special court. The provisions of the Civil Procedure Code and the Evidence Act didn't apply except for the specific procedures which were mentioned, and the whole object was that the DRT would expeditiously dispose of these cases. I think, my friend, Shri Vivek Tankha, was right when he said that the infrastructure was poor, there were issues of members, there were issues of vacancies and all the procedural factors that he mentioned.

Now, what are we trying to do by the present amendment? Out of the five DRATs, you said, four were lying vacant. Today, four now have Chairpersons, and it is not a very easy thing to get a Chairperson. A High Court Judge retires at the age of 62. You offer him a job at the age of 63 which goes up to 65. In some cases, you have to dislocate his city at that age. Now, the recommendations which were made, in the fifth case, the gentleman has refused to join. So, now we have again referred it back to the concerned Supreme Court Judge who was chairing the Committee to see if he can request somebody else to go to Chennai. As far as Delhi and Mumbai are concerned, the appointments have been made, and I am told, in Delhi, the person has already taken over and in Mumbai, the person will take over. Similarly, in DRAT also, most of the positions are occupied. There are some vacancies which we are trying to fill up. The object now is that the 1993 object got defeated because DRT and DRAT became like any other court – arrears, inefficiency, and so on. Now, what we have proposed is that these are all banking institutions and there is the mechanism of Lok Adalats for small loans. Supposing somebody owes ₹ 2 lakhs or ₹ 5 lakhs. For that, the bank is not going to waste his energy in going to DRT, etc. These are all settled through Lok Adalats, etc. Thousands of cases are settled. You give and take something and then make some concessions and then settle the amount. Now, the object is that the DRTs will be intended to be electronic courts. I think, we have to be clear in our approach. There has to be fairness, but there has to be firmness as well. So, when Mr. Vivek says, why should a man first vacate his house under the Securitization Act, it is only when business people who are wilful defaulters, have to vacate their house that they pay. Otherwise, if you provide him the special facility that you continue to live in

your house and continue to enjoy your factory and then keep litigating by engaging Mr. Vivek Tankha in the Supreme Court, it becomes difficult. And this is what has happened. The most controversial case going on is of the person who hasn't paid and has now moved on to London. I only hope that the State Bank of India one day comes out with the kind of litigation that the State Bank of India and other bankers had to contest. It is not in five or ten. It is in hundreds. Now, there were unusual facilities that were given even by the Apex Court when they said, even in a hearing for a wilful defaulter, 'don't take it as a precedent, but for this particular person, allow his lawyers to represent him'. The banks never allow lawyers to come up in a hearing on wilful defaulters. What was so special about it? What was the whole object of the DRTs? Now, please tell me this: What are the kinds of defences that people take up in a bank recovery case? Which is the last *bona fide* defence that you came across? There is delaying, then compelling the bank to its knees and finally, settling for concessions! And so, the health of the bank becomes bad. In the last two years, I have already had to take ₹ 50,000 crore out of the Union Budget to support the health of the banks. Now, ₹ 50,000 crore put into irrigation would have done far greater advantage to India, but we put ₹ 50,000 crore there because some of these people have reduced the banks to this situation. Therefore, I don't think we should think in terms of allowing him the privilege of continuing to occupy his house, using Section 14 of the Securitization Act. He could then litigate. It is only when he faces the humiliation of sitting outside his house that he will settle.

Now, the procedure is, the bank will file its claim online, the reply will have to come online, the documents will be filed online and there will be two hearings, one for an interim order and one for a final order. The lawyers may not like it, but at the end of the day, in 180 days, the DRT has to decide whether the money is payable or not. And if you want to file an appeal, pay at least 25 per cent. Now, Mr. Vivek finds something wrong with 25 per cent being paid. ...*(Interruptions)*... Well, I think public interest is suffering harder. Kindly appreciate, I can tell you that 20 people are sitting on bank monies so that the banks are not able to support 20,000 others. Now, all 20 will say, we are hard cases, but aren't those 20,000 cases who want to run businesses on bank support, also hard cases? Now, monies are taken under the honest arrangement that monies will have to be repaid. So, if you want the facility of an appeal, if your appeal is not merely a ploy to delay, then, please pay 25 per cent. Sell some of your assets. You can't have a situation that till the day you get a loan, you work day and night for it; the day you get a loan, the bank Manager has to stay awake and you sleep well! This principle needs to be reversed in India. Therefore, the DRAT Amendments are intended to create this new procedure so that recoveries in DRTs become easier.

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Now, why was the Securitization Bill brought about? The Securitization Law says that every person who takes large loans from the bank must give a security. Enforcement of that security is the essence of the Securitization Law. Earlier, the law was that the bank will move the court of the DRT, the bank, having received the security, may still ask for attachment of that security, the debtor will keep running and the creditor will keep chasing. Now, because of this principle, in the year 2002, the NPAs had touched 13 per cent, much worse than the present situation. I recollect this because I was the Law Minister at that time and there was a big debate as to whether this law is constitutionally valid or not. In 2002, we came out with the Securitization law and reversed this cat-and-mouse game. The bank will give a Section 13 notice, take possession of the security and throw you out of the property. Now you go to court to show why the bank is not entitled to take this property. This was challenged. But for the clarification on Section 13, the Supreme Court in *Mardia Chemicals* case upheld the validity of this law. So, this was the change in this whole culture and from 13 per cent, thanks to the Securitization Law, the NPAs came down to 2 to 3 per cent because now there was a danger of the banks reentering your factory, plant, machinery, offices or homes, and that is when people started paying the banks back. Today because of various factors again the NPAs are rising. What does the bank do with this property? The bank would ask the Asset Reconstruction Company to come in, take possession of the property, run the factory. The ARC only gets a transient and temporary possession. And after establishing it, it would then sell it off to a third person who would eventually become the owner and the money received will go back to the banks being paid of their dues. Now, you rightly mentioned that currently there are very few ARCs because we have a tight regulated law. Now, to enable the establishment of more ARCs, all this liberalization in the ARC procedure is being done. The RBI has to regulate so that you don't have any fake property agents coming in as ARCs. So, the regulation would be required and the RBI is a responsible regulator. But then you would also allow FDIs so that people with assets for profits also come up and set up ARCs. Transiently, they take possession and then the defaulter loses control and a new person is asked to come in so that the factory can continue, the offices can continue, jobs can be saved and taxes can be saved and the banks can be repaid back. The stand pat amendment is that you will only be adding cost to this whole process if you ask him for this transient position to pay stamp duty also. That will be a disincentive. So, there is a waiver which we are giving. Therefore, all these liberalizations which we have done are really intended in that direction. Just one last question which was raised in the context of Tamil Nadu; whenever natural calamities, take place like floods, etc., banks also have a humane attitude.



They don't say that just because of the flood in the factory we will declare you an NPA; they extend that period which was also being extended in cases of various natural calamities, including in Tamil Nadu, and a reasonable view is taken. There are higher NPAs as far as students are concerned. These are all areas where banks are supporting students to get educated, it is the responsibility of the students to repay back when they start earning. I think, in cases, some more time is granted. An element of compassion will have to be seen in the context of this factor. You cannot waive off the loan. Somebody has to pay for that loan. Eventually, some more time is given; the banks would give that kind of a time even though the NPAs in that category are a little higher at the moment. Sir, the object, overall, of these two amendments is that you empower the banking system legally and expeditiously to be in a position to get those moneys back. There is a public interest in giving loans; there is a public interest in those loans being serviced and there is a public interest that those who default, there is an adequate mechanism to recover the moneys from them. So, I think, all these three factors are in public interest. So far, the system has remained lopsided in favour of the defaulter, these Bills stand to correct that balance. And I commend these Bills for acceptance of the House. Regarding my friend, Mr. Jairam's issue, which he has raised, I will certainly look into that issue and if any clarification in the Rules is required, either in Section 32 or Section 36, I will certainly look into it.

SHRI JAIRAM RAMESH: On the issue of tightening the system in favour of the banks, I am fully with you. But Sections 32 and 36 do provide some element of discretion in favour of the defaulter and I would request you to have a relook at them.

MR. DEPUTY CHAIRMAN: The question is:

That the Bill further to amend the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the Recovery of Debts due to Banks and Financial Institutions Act, 1993, the Indian Stamp Act, 1899, and the Depositories Act, 1996, and for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration.

*The motion was adopted.*

MR. DEPUTY CHAIRMAN: Now, we shall take up clause-by-clause consideration of the Bill.

*Clauses 2 and 3 were added to the Bill.*

MR. DEPUTY CHAIRMAN: In Clause 4, there is one Amendment (No.1) by Dr. T. Subbarami Reddy. Are you moving the Amendment?

DR. T. SUBBARAMI REDDY: Sir, I am satisfied with the reply of the hon. Minister. So, I am not moving the Amendment.

*Clause 4 was added to the Bill.*

MR. DEPUTY CHAIRMAN: In Clause 5, there is one Amendment (No.2) by Dr. T. Subbarami Reddy. Are you moving the Amendment?

DR. T. SUBBARAMI REDDY: Sir, I am satisfied with the reply of the hon. Minister. So, I am not moving the Amendment.

*Clause 5 was added to the Bill.*

*Clauses 6 and 7 were added to the Bill.*

MR. DEPUTY CHAIRMAN: In Clause 8, there is one Amendment (No.3) by Dr. T. Subbarami Reddy. Are you moving the Amendment?

DR. T. SUBBARAMI REDDY: No, Sir, I am not moving the Amendment.

*Clause 8 was added to the Bill.*

*Clauses 9 to 11 were added to the Bill.*

MR. DEPUTY CHAIRMAN: In Clause 12, there are three Amendments (Nos.4 to 6) by Dr. T. Subbarami Reddy. Are you moving the Amendments?

DR. T. SUBBARAMI REDDY: Sir, I am satisfied with the reply of the hon. Minister. So, I am not moving the Amendments.

*Clause 12 was added to the Bill.*

*Clauses 13 to 17 were added to the Bill.*

MR. DEPUTY CHAIRMAN: In Clause 18, there is one Amendment (No.7) by Dr. T. Subbarami Reddy. Are you moving the Amendment?

DR. T. SUBBARAMI REDDY: Here, I would like to say that the Central Government, as far as practicable, shall implement regulations in an expeditious and timely manner for the linkage of the Central Registry with the Information Utilities. It is only an advice for the hon. Finance Minister's consideration. He can bear it in mind. That's all. I am not moving the Amendment.

*Clause 18 was added to the Bill.*

*Clauses 19 to 43 were added to the Bill.*

MR. DEPUTY CHAIRMAN: In Clause 44, there is one Amendment (No.8) by Dr. T. Subbarami Reddy. Are you moving the Amendment?

DR. T. SUBBARAMI REDDY: Sir, this Amendment is about restricting the exemption only for the purpose of acquisition of financial assets by Asset Reconstruction Company for asset reconstruction or securitization. This is also a suggestion for the hon. Finance Minister. I am not moving the Amendment.

*Clause 44 was added to the Bill.*

*The First Schedule and the Second Schedule were added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

SHRI ARUN JAITLEY: Sir, I move:

That the Bill be passed.

*The question was put and the motion was adopted.*

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**MESSAGE FROM LOK SABHA — Contd.**

**The Employee's Compensation (Amendment) Bill, 2016**

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 Employee's Compensation (Amendment) Bill, 2016, as passed by Lok Sabha at its sitting held on the 9th August, 2016.”

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

श्री नरेश अग्रवाल (उत्तर प्रदेश): उपसभापति जी, हाफ एन ऑवर को कल पांच बजे के लिए कर दें, तो अच्छा रहेगा।

विद्युत मंत्रालय के राज्य मंत्री, कोयला मंत्रालय के राज्य मंत्री, नवीन और नवीकरणीय ऊर्जा मंत्रालय के राज्य मंत्री, तथा खान मंत्रालय के राज्य मंत्री (श्री पीयूष गोयल): सर, कल नहीं, आज ले लें।

अल्पसंख्यक कार्य मंत्रालय में राज्य मंत्री, तथा संसदीय कार्य मंत्रालय में राज्य मंत्री (श्री मुख्तार अब्बास नकवी): सर, अगर आप चाहते हैं, तो परसों कर लेंगे।

श्री पीयूष गोयल: सर, फिर दो बजे कर लें।