

Uncorrected/Not for publication - 09.08.2010

PB-MP/1a/11.00

The House met at eleven of the clock,

MR. CHAIRMAN in the Chair.

**REFERENCE TO VICTIMS OF CLOUDBURSTS
IN LEH AND LADAKH**

MR. CHAIRMAN: Hon. Members, as you are aware, unprecedented cloudbursts triggering torrential rains, flash floods and mud slides struck Leh town and its surrounding villages in Ladakh on the 6th August, 2010 leading to extensive loss of lives and massive destruction of property and infrastructure. More than 145 persons have reportedly lost their lives and more than 300 have been injured. Several persons are still reported to be missing. Many houses were washed away and important buildings including hospitals were badly damaged.

The loss of so many precious and innocent lives is very tragic and unfortunate. The loss suffered by the kith and kin of the deceased is irreparable. Relief and rehabilitation measures have already been taken up on a war footing and efforts are being made to restore normalcy in the ravaged Leh town and its surrounding villages.

I am sure the whole House will join me in expressing our heartfelt sympathy and concern for the families of those who lost their near and dear ones and pray for the speedy recovery of those who were injured.

I request Members to rise in their places and observe silence as a mark of respect to the memory of those who lost their lives in this unfortunate calamity.

(Hon. Members then stood in silence for one minute)

(Ends)

Uncorrected/Not for publication - 09.08.2010

MR. CHAIRMAN: Question No. 201. ...(Interruptions)...

DR. MANOHAR JOSHI: Sir, I had given a notice for suspension of Question Hour because I wanted to raise the Maharashtra-Karnataka border issue. ...(Interruptions)...

MR. CHAIRMAN: I think that is a matter which is *sub judice*. That is what I am given to understand.

DR. MANOHAR JOSHI: Sir, I have received a letter from your office stating that the discussion on this issue has been accepted as a Short Duration Discussion. The letter was received on 2nd. I received another letter on 6th where it is said that this discussion is not permitted. Sir, at least, somebody could have called me and spoken to me. Is it the way that one letter comes to you which says that the discussion is accepted and another letter says that it is not permitted? I think there are some people behind this who do not want that I should raise this discussion in the House. Sir, the border issue is very serious. The people are agitated. The entire State of Maharashtra is agitated.

श्री सभापति : नहीं, आप जो कह रहे हैं ...(व्यवधान)....

DR. MANOHAR JOSHI: All political parties are together on this issue. Why can't we have a debate on this issue? ...(Interruptions)...

श्री सभापति : नहीं, आपको पोजिशन in detail समझा दी जाएगी। We have taken advice from competent people and we have been told that this matter is *sub judice*.

DR. MANOHAR JOSHI: Sir, I know it. If the discussion is not hampering the Judiciary, the *sub judice* matter can also be discussed. ...(Interruptions)...

Uncorrected/Not for publication - 09.08.2010

MR. CHAIRMAN: Well, I think, we have a well established practice in this House not to discuss the *sub judice* matters. ...(Interruptions)...

DR. MANOHAR JOSHI: Sir, it is not that in this House the *sub judice* matters are not discussed. ...(Interruptions)...

श्री सभापति : आप बहुत अच्छी तरह जानते हैं, मैं आपसे क्या कहूँ? ...(व्यवधान)....

डा. मनोहर जोशी : मैं जानता हूँ कि *sub judice* matters with certain limitations can be discussed in the House. ...(Interruptions)...

श्री संजय राउत : सर, लेकिन चर्चा तो हो सकती है। ...(व्यवधान)... इस पर चर्चा हो सकती है।

MR. CHAIRMAN: Please.

डा. मनोहर जोशी : सर, चर्चा तो होनी चाहिए। ...(व्यवधान)... यह एक ऐसा विषय है, जिस पर पूरा महाराष्ट्र agitate कर रहा है और उस विषय पर चर्चा इस सदन में न हो, तो मैं समझता हूँ कि केंद्र सरकार नहीं चाहती है कि वह इस विषय में कुछ करे। सर, अभी-अभी ...

MR. CHAIRMAN: May I suggest a way out? After the Question Hour, let us talk about it and see if there is a way out.

श्री संजय राउत : सर, 50 सालों से इस प्रकार के आश्वासन दिए गए हैं। 50 साल हो गए हैं, कोई भी सुनता नहीं है।

DR. MANOHAR JOSHI: No, Sir. I am sorry. I want an assurance from the Chair that this discussion will be permitted. If you give it, then only it is possible to wait. Otherwise, the people will say, 'what is the use of sending Members to Rajya Sabha, if an important issue of a State cannot be raised there?' Therefore, my request is,(Interruptions)...

MR. CHAIRMAN: Let us not start a discussion.

Uncorrected/Not for publication - 09.08.2010

श्री प्रकाश जावडेकर : सर, जो *sub judice* matter है, वह अलग है, लेकिन जो issue है, वह बाकी discuss कर सकते हैं। पृथ्वीराज जी महाराष्ट्र से हैं, इनको भी पता है। इनके इलाके में सबसे ज्यादा भावना है।

(Followed by 1b/SKC)

1b/11.05/skc-sc

MR. CHAIRMAN: I would request the senior Members and party leaders to sit together and work out the parameters of what is *sub judice* and what is not, so that we do not have this kind of confusion. There are many issues which keep coming up on which the view is that they are *sub judice* and, therefore, will not be discussed. So, I would suggest that hon. Leader of the Opposition and other Members sit down and make a set of suggestions to the Chair as to what is the meaning and ambit of *sub judice* matters.

DR. MANOHAR JOSHI: Sir, this has been amply made clear a number of times.

श्री संजय राउत : सर, *sub judice* की बात नहीं है। मुझे लगता है कि ये लोग चर्चा करना ही नहीं चाहते।..(व्यवधान)...

श्री सभापति : एक दो दिन की बात है, इसमें क्या प्रॉब्लम है?

DR. MANOHAR JOSHI: Sir, can a *sub judice* matter not be discussed in the House?

SHRI BALAVANT ALIAS BAL APTE: Sir, does any matter that goes to the court becomes *sub judice* and cannot be discussed? (Interruptions)

MR. CHAIRMAN: I do not have training in law and so, I cannot pronounce on it. But I would be happy to be guided on this subject.

Uncorrected/Not for publication - 09.08.2010

SHRI BALAVANT ALIAS BAL APTE: Sir, you may not have training in law, but you have training in politics. What is a *sub judice* matter? They want to avoid discussion. (Interruptions)

MR. CHAIRMAN: This is a technical matter. The Chair is requesting for informed advice on the matter. (Interruptions)

DR. MANOHAR JOSHI: If it was *sub judice*, they could have informed me at the time they sent me a letter in the affirmative. (Interruptions)

MR. CHAIRMAN: Possibly, the final view of the Secretariat and of the Chair has been taken after obtaining advice from the competent agency of the Government.

SHRI BALAVANT ALIAS BAL APTE: Does that mean that the Chair did not take the decision and that somebody else has taken the decision?

श्री राजीव शुक्ल : सर, क्योंकि यह *sub judice* matter है..(व्यवधान).. हमारे मेंबर भी इस मामले को उठाना चाहते हैं। आपका सजेशन बेहतर है कि Leader of Opposition और सारी पार्टीज़ के लीडर्स बैठकर तय कर लें, उसके बाद निर्णय हो जाएगा। वरना हमारे मेंबर्स भी इसे उठाना चाहते हैं..(व्यवधान).. क्योंकि यह *sub judice* मामला है, इसलिए हम नहीं बोल रहे हैं..(व्यवधान)..

श्री सभापति : देखिए, इससे क्या फायदा है? न क्वेश्चर ऑवर हो रहा है और न आपकी डिसकशन हो रही है। ..(व्यवधान)..

DR. MANOHAR JOSHI: We only want a discussion on the issue to take place. Let it be in any manner.

MR. CHAIRMAN: As I said, I would like to be guided by competent advice on this. My mind is very open. There are lawyers on all sides in the House.

Uncorrected/Not for publication - 09.08.2010

SHRI Y.P. TRIVEDI: Sir, if a matter is *sub judice*, it does not mean that it cannot be discussed? We may not arrive at a decision, but we can take up the matter for discussion. (Interruptions)

MR. CHAIRMAN: You can do this exercise today and advise me by tomorrow morning. There is no difficulty about it. (Interruptions)

SHRI BALAVANT ALIAS BAL APTE: Sir, this shows that the decision is not taken by you but by somebody else. (Interruptions)

MR. CHAIRMAN: There are certain decisions which are taken on advice. (Interruptions)

DR. MANOHAR JOSHI: Sir, on political matters the decision is yours. I am only asking for a debate; nothing more than that. I am not asking for...(Interruptions)...

श्री संजय राउत : वहां पर हम लोगों पर अत्याचार हो रहा है। उसकी जिम्मेदारी कौन लेगा? ..(व्यवधान)..

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS

(SHRI PRITHVIRAJ CHAVAN): The Chairman has said that he would like to be advised on the matter. How can you say that...(Interruptions)...

DR. MANOHAR JOSHI: The points on which the matter is *sub judice* need not be taken up, but...(Interruptions)...

MR. CHAIRMAN: What is the difficulty in clarifying the position? There is no difficulty; we can do it in the course of the day and then proceed. Now, Question No. 201, please.

Uncorrected/Not for publication - 09.08.2010

DR. MANOHAR JOSHI: I am sorry, Sir. If I do not get an assurance from the Chair, then it is not possible for me to participate further in the House. It becomes difficult, because for the last five days I have been trying to raise this issue in the House. I can understand the Government not saying anything on this issue but, if any issue is required to be raised in this supreme body, it should be allowed...(Interruptions)...

MR. CHAIRMAN: I am all for discussions, Joshiji. But if a doubt has arisen, for whatever reason, let us clarify it and proceed tomorrow morning accordingly. I do not have any difficulty in the matter.

DR. MANOHAR JOSHI: Can you assure me that by tomorrow a decision would be taken on the issue?

MR. CHAIRMAN: As I said, let this matter be discussed by legal minds.

DR. MANOHAR JOSHI: Legal minds take a lot of time, Sir, as it happens in the courts. Legal minds take years and years in the courts. Am I expected to wait? (Interruptions) I am really sorry; I would not like to disturb the House.

MR. CHAIRMAN: You have a very special position in this House. I would request you...(Interruptions).. Please.

DR. MANOHAR JOSHI: But I have seen this so many times.

श्री संजय राउत : बार-बार ऐसा हो रहा है। ..(व्यवधान)..कल फिर उठेगा।..(व्यवधान)..आपने टाइम दिया था। ..(व्यवधान)..

श्री सभापति : इसको discuss कर लीजिए। ..(व्यवधान)..

SHRI PRAKASH JAVADEKAR: Sir, let the Minister of Parliamentary Affairs say something on this issue.

Uncorrected/Not for publication - 09.08.2010

SHRI PRITHVIRAJ CHAVAN: The Chairman has very clearly said that he would discuss it with Members, the Leader of the Opposition and legal experts and then take a view on whether a discussion could be allowed. Members from our side would also like to take it up.

(Followed at 1c/hk)

HK-MCM/1c/11.10

श्री सभापति : देखिए, एक क्वेश्चन का टाइम निकल गया।

डा० मनोहर जोशी : सर, हम तो सोचते हैं कि यह दबाव है जिस वजह से ऐसा हो रहा है.....(व्यवधान) नहीं तो एक बार परमिशन देकर from the highest authority, चार दिन बाद वही परमिशन कैंसिल होती है, यह क्या बात है। यह कैसा सदन है कि जहां ऐसा-ऐसा हो सकेगा। मैं तो दूसरी बात नहीं चाहता हूं।.....(व्यवधान)

श्री संजय राउत : शिन्दे साहब, आप बोलिए, आप तो मुख्य मंत्री थे महाराष्ट्र के।

डा० मनोहर जोशी : महाराष्ट्र ने आपको सब कुछ दिया, अब बोलते नहीं सुशील कुमार जी।

श्री सुशील कुमार शिन्दे : जोशी जी भी मुख्य मंत्री थे The Chair has very categorically said that he has full sympathy with the people of Maharashtra and he has said that ... (Interruptions)...

DR. MANOHAR JOSHI: You don't add whatever he says. ... (Interruptions)...

SHRI SUSHILKUMAR SHINDE: He said that he would look into the problem. A legal problem has cropped up. ... (Interruptions)...

डा० मनोहर जोशी : कोर्ट का जो मैटर है, वह छोड़ो। हम चाहते हैं कि.....(व्यवधान)

MR. CHAIRMAN: What is the difficulty in waiting another day? ... (Interruptions).... I am sorting this out. ... (Interruptions)...

Uncorrected/Not for publication - 09.08.2010

DR. MANOHAR JOSHI: If you do it in a day, I am prepared to wait.

...(Interruptions)...

MR. CHAIRMAN: That is what I have said again and again. ...(Interruptions)...

Question No.201.

श्री सुशील कुमार शिन्दे : इतना बोल दिया है!.....(व्यवधान)

DR. MANOHAR JOSHI: Anyway, Sir, I am not participating in debate today.

...(Interruptions)...

(At this stage some Hon. Members left the Chamber.)

Uncorrected/Not for publication - 09.08.2010

Q. No. 201

SHRI RAMA CHANDRA KHUNTIA: Sir, is the provision of keeping cross-subsidy plus 20 per cent, as mentioned in Tariff Policy, binding on all Electricity Regulatory Commission? At present, in Orissa, as you know, BPL families are getting it in Rs.30 instead of Rs.62, and Rs.32 is being given subsidy. How many State Governments are paying subsidy, other than agriculture subsidy, to all BPL families? In Orissa, electrification is being done by RGGVY, Government of India and in some small hamlets by MPLAD fund...(Interruptions)...

MR. CHAIRMAN: What is the question?

SHRI RAMA CHANDRA KHUNTIA: I am putting it. If the Government of Orissa is not agreeable to pay the subsidy to all consumers of RGGVY ...(Interruptions)...

MR. CHAIRMAN: Question please. Don't read the text. ...(Interruptions)...

SHRI RAMA CHANDRA KHUNTIA: Will the Central Government consider to pay the subsidy to all BPL families?

MR. CHAIRMAN: This is a statement; it is not a question.

SHRI RAMA CHANDRA KHUNTIA: Sir, this is my question. After all village electrification is completed if the State Government is not agreeable to pay the subsidy to BPL families, will the Central Government consider to pay the subsidy to BPL families?

MR. CHAIRMAN: You could have said this in the beginning.

SHRI BHARATSINH SOLANKI: Sir, electricity is a Concurrent subject. Sir, sub-transmission, distribution and supply of electricity has to be done by the State Government. Now, it is mentioned in the Electricity Act that the State

Uncorrected/Not for publication - 09.08.2010

Q. No. 201 (Contd.)

Government can give subsidy to the extent they consider appropriate as per the provision of Section 65 of the Act. A direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross-subsidising the tariff across the board. Subsidy should be targeted effectively at a transparent manner as a substitute of cross-subsidy. The State Government has the option of raising resources through the mechanism of electricity duty and giving direct subsidy to only needy consumers. This is a better way of targeting subsidy effectively.

SHRI RAMA CHANDRA KHUNTIA: Sir, Electrification in Orissa is very slow. What is the reason for it? Is the State Government not cooperating for the completion of electrification? I want to know as to what is the position of the Orissa State Government in Tenth and Eleventh Plans for strengthening the electricity power in the country.

(Followed by 1d/KSK)

KSK/GS/11.15/1D

SHRI BHARATSINH SOLANKI: Mr. Chairman, Sir, the hon. Member is concerned about the poor people getting electricity at higher rates. What he expects is that the Government of Orissa should supply electricity giving a subsidy so that the poor people do not have to pay more as electricity tariff. As I mentioned, in Orissa, the tariff for the poor farmers, poor people, is given at Rs. 1.60 and Rs. 1.30 for 30 units of consumption. In case of RGGVY programme, which is carried out in Orissa, the number of villages covered is 47,529. The

Uncorrected/Not for publication - 09.08.2010

Q. No. 201 (Contd.)

electrification has been completed in 20,994 villages. The work is being carried out by Power Grid, NTPC and NHPC. The progress of the work is good. As far as the time given is concerned, it was sanctioned in 2008 and the time given is two years. So, the results are going to come by the end of this year.

श्री राजीव प्रताप रूडी : सर, यह अपने आप में बहुत महत्वपूर्ण प्रश्न है और इस प्रश्न को पढ़ने के बाद मैं एक सवाल पूछना चाहूंगा। अभी ग्यारहवीं योजना का मिड टर्म एप्रिजल हुआ था, जिसकी अध्यक्षता माननीय प्रधान मंत्री जी ने की थी। उसके एक दिन पहले प्लानिंग कमीशन के डिप्टी चेयरमैन ने एक स्टेटमेंट दिया था और उस स्टेटमेंट में उन्होंने कहा था कि इस देश में किसानों को दी जाने वाली पावर सब्सिडी है, उसे कम करना चाहिए क्योंकि किसान पावर सब्सिडी के कारण जल का अधिक उपयोग करते हैं, बोरवेल्स का अधिक उपयोग करते हैं जिससे जलस्तर नीचे जा रहा है। मैं सरकार से और माननीय मंत्री जी से जानना चाहता हूँ कि क्या सरकार की ऐसी मंशा है, क्योंकि योजना आयोग के उपाध्यक्ष ने यह कहा है कि किसानों के लिए पावर सब्सिडी कम की जाए, क्या सरकार की सब्सिडी को कम करने की मंशा है ? मैं माननीय मंत्री जी से इस बात को स्पष्ट रूप से जवाब जानना चाहूंगा, ताकि देश के लोग जान सकें कि आपकी किसानों के प्रति क्या सोच है।

SHRI BHARATSINH SOLANKI: Sir, the hon. Member is asking whether the agriculture sector would be protected or not. Sir, the tariff policy of the Government says that after five years, it will be reviewed and the gap of 20 per cent, which is a gross subsidy, should not be higher than that. And, for that...(Interruptions).

श्री राजीव प्रताप रूडी : सर, प्लानिंग कमीशन के डिप्टी चेयरमैन ने स्पेशली स्पष्ट रूप से कहा है कि ...

Uncorrected/Not for publication - 09.08.2010

Q. No. 201 (Contd.)

श्री सभापति : रूडी जी।

श्री राजीव प्रताप रूडी : देश में पावर सब्सिडी को किसानों के प्रति कम किया जाएगा, मैं उस सवाल का जवाब आपसे पूछ रहा हूँ? आप अपने उत्तर में स्पष्ट रूप से बताइए कि प्लानिंग कमीशन के डिप्टी चेयरमैन ने अपने वक्तव्य में क्या कहा था, क्या सरकार की ऐसी कोई मान्यता है या नहीं ?

SHRI BHARATSINH SOLANKI: The basic Electricity Act, 2003, says that its distribution and supply has to be done by the States. The Central Government is facilitating and supporting the supply of electricity to the people of States. Supposing, the State Government wants to give subsidy to agriculture sector, or, any consumer class, they are empowered to provide the same in their Budgets and they can provide whatever subsidy they want to give.

श्री राजीव प्रताप रूडी : सर, मैंने स्पष्ट रूप से पूछा है।...(व्यवधान)...

MR. CHAIRMAN: You can't have a supplementary on a supplementary. Please, Rudyji.

श्री राजीव प्रताप रूडी : सर, मैंने अपने प्रश्न का जवाब स्पष्ट रूप से मांगा है।
...(व्यवधान)..

MR. CHAIRMAN: This is not a discussion on the Planning Commission.

श्री राजीव प्रताप रूडी : इस पर सरकार का कोई उत्तर प्राप्त नहीं हुआ है। इसको सदन ने सुन लिया, देश ने सुन लिया।

MR. CHAIRMAN: Please allow the Question Hour to proceed. You should give a separate question on that. Now, Shri R.C. Singh.

Uncorrected/Not for publication - 09.08.2010

Q. No. 201 (Contd.)

श्री आर.सी. सिंह : सर, देश में विद्युत की बहुत कमी है और गांव में तीन से चार घंटे ही विद्युत रहती है। सरकार का क्या कोई आकलन है कि अभी तक कितने गांव और कितने घर बाकी है, इन्क्लूडिंग बीपीएल और एपीएल, जिनको विद्युत देना है और उस विद्युत को प्रोज्यूस करने के लिए सरकार का क्या बजट है, क्या फंडिंग है, यह मैं जानना चाहता हूं ?

SHRI BHARATSINH SOLANKI: Mr. Chairman, Sir, under the RGGVY, as on today, 82,215 villages have been electrified. Work is complete for 1.2 crore BPL households. In about 36,925 villages, work is under progress.

(continued by 1e - gsp/asc)

ASC-GSP/11.20/1E

श्री भरतसिंह सोलंकी (क्रमागत) : और 50 लाख BPL हाउस होल्ड्स का काम 2010-11 में किया जाएगा। माननीय सदस्य का यह यह सवाल है कि चार से छः घंटे भी बिजली नहीं मिलती है, जब RGGY सेंक्शन हुआ, तभी सभी स्टेट्स में छः से आठ घंटे बिजली देने की सहमति दिखाई थी। अब राज्य सरकार को DISCOMS को छः से आठ घंटे बिजली देनी है।

श्री ब्रजेश पाठक : सभापति महोदय, मैं माननीय सदस्य श्री खूंटीआ साहब का आभार व्यक्त करना चाहता हूं कि उन्होंने ऐसा मुद्दा, ऐसा सवाल उठाया है, जो वास्तव में गरीबों से जुड़ा हुआ है? हुजूर, मुझे माफ करिएगा, एक कहावत है कि 'केंचुए कटिए में फंसाए गए कि सुधार के दूध पिलाया गया' हम ऐसी संस्कृति में पले-बढ़े हैं। जब बड़े लोग फंसते हैं, तो संसद के द्वारा कानून बदला जाता है। जब दोहरे पद का मामला उठा था,..(व्यवधान).. सर, भूमिका बता देने दीजिए। दोहरे पद का मामला उठा, तो इसी सदन ने कानून बदला। जब गरीबों की बात आई, तो बताया जा रहा है कि ...(व्यवधान)..

श्री सभापति: आप सवाल पूछिए।

Uncorrected/Not for publication - 09.08.2010

Q. No. 201 (Contd.)

श्री ब्रजेश पाठक : सर, मैं भूमिका बता रहा हूँ। जब गरीबों की बात आई कि क्या उनको सब्सिडी की बिजली दी जा सकती है, तो माननीय मंत्री जी ने कानून का सहारा लिया कि एक्ट यह कहता है। सर, आपके माध्यम से मेरा मंत्री जी से सीधा सवाल यह है कि गरीबों को सब्सिडी देने के लिए केन्द्र सरकार क्या कोई संशोधन लाएगी?

श्री भरतसिंह सोलंकी : माननीय सभापति महोदय, इलैक्ट्रिसिटी सप्लाई के लिए इंफ्रास्ट्रक्चर तैयार करना is a joint responsibility of the Central and the State Governments. उसके बावजूद भी..(व्यवधान)..

श्री सभापति : आप जवाब सुन लीजिए, यहां पर डिस्कशन मत शुरू कीजिए। ...(व्यवधान)..
पाठक जी, प्लीज़।

श्री ब्रजेश पाठक : गरीबों के बारे में...(व्यवधान)..

MR. CHAIRMAN: Pathak ji, this is not a debate. (Interruptions)

श्री भरतसिंह सोलंकी : जब गांवों में बिजली देने की बात आई, तो “राजीव गांधी ग्रामीण विद्युतिकरण योजना” के तहत 90 परसेंट सब्सिडी देकर इंफ्रास्ट्रक्चर प्रोवाइड किया गया। Under the task, “Electricity to All by 2012”, हर गांव को, पूरे देश के गांवों को बिजली से जोड़ा जाएगा। देश के सभी BPL लोगों के लिए यह योजना कार्यान्वित की जाएगी। इसके लिए 28 हजार करोड़ रुपए की लागत आएगी और जरूरत पड़ने पर ज्यादा पैसा देकर भी यह काम किया जाएगा।

श्री सभापति : क्वेश्चन 202.(व्यवधान)...पाणि जी, प्लीज़।
..(व्यवधान)..देखिए..(व्यवधान)...Hon. Members, please. (Interruptions) If you keep interfering in the Question Hour like this... (Interruptions)... आप बैठ जाइए, पाणि जी, ... (Interruptions)... I have not given you the floor. (Interruptions) आप बैठ जाइए, आप बैठ जाइए। ...(व्यवधान).. ।

Uncorrected/Not for publication - 09.08.2010

Q. No. 201 (Contd.)

श्री रुद्रनाराण पाणि: आपकी रूलिंग को चुनौती दे रहे हैं। ... (व्यवधान)..

श्री सभापति : आप बैठ जाइए, प्लीज़..... (व्यवधान) I am sorry. Please resume your seats. (Interruptions)

श्री रुद्रनाराण पाणि: आपको तो सुनना चाहिए। ... (व्यवधान).. The question is related to Orissa.

(Ends)

(Q. No. 202 - hon. Member absent)

MR. CHAIRMAN: Are there any supplementary questions? Shri Avinash Rai Khanna.

श्री अविनाश राय खन्ना : सर, मैं आपके माध्यम से माननीय मंत्री जी से यह जानना चाहता हूँ कि जिस तरह से भोपाल में भयानक गैस रिसाव हुआ, जिसके कारण बहुत से लोग मरे , इस तरह से निकलने वाली जितनी भी गैसों हैं, वे लोगों के लिए तथा Environment के लिए harmful हैं। क्या सरकार ने अपने डिपार्टमेंट द्वारा सभी इंडस्ट्रीज़ में चैकिंग करवाई है कि किसी भी इंडस्ट्री में इस प्रकार का कोई वाकया न हो, यदि करवाई है, तो उसकी रिपोर्ट क्या है?

SHRI JAIRAM RAMESH: Sir, although the hon. Member's question does not directly pertain to this question, still, I am prepared to answer this. Sir, indeed, following the Bhopal Gas Tragedy of 1984, the first response of the Government was to enact the Environment (Protection) Act, 1986. It is a very powerful, progressive and comprehensive legislation for protecting the environment on air pollution, water pollution and a variety of other aspects related to environment.

Now, specifically to deal with hazardous wastes or hazardous substances, under the Environment (Protection) Act of 1986, we have promulgated a set of rules which govern the management of hazardous wastes. So, I would like to reassure the hon. Member that in so far as this legislation is concerned, following the 1984 tragedy at Bhopal, the Government has been proactive; and, it has not only had laws changed but also put in place the rules to govern the management of hazardous waste.

(Contd. by SK-1f)

Q. No. 202 (Contd.)

SHRI JAIRAM RAMESH (Contd.): Sir, we have also taken up the question of treatment, storage and disposal of hazardous waste. We have set up 25 such facilities across the country. Eight more facilities are being established. This treatment and storage involves a mix of sanitary landfill and incineration as well. Sir, as a responsible Minister, I cannot say categorically that there will never be any accident. But we are doing our best to minimize the probability of this accident. This is the cooperative venture between the Central Government and the State Government. And, I want to re-assure the hon. Member that it would be our endeavour to ensure that Bhopal-type tragedies do not recur.

SHRI TIRUCHI SIVA: Sir, I would like to know from the Minister the proportion of these gases in the total mix. It is surprising to know that apart from industrial emanation and vehicular movements, these poisonous gases are being emanated from agricultural activities also. Would the Minister enlighten us how these gases are emanating from the agriculture activities? What are the ways to contain them? And, which cities have the higher emissions?

SHRI JAIRAM RAMESH: Sir, the question is a little confusing and I will take the liberty of answering it in one particular way. I think, the hon. Member wanted to know about the green house gas emissions but he has used the word 'poisonous' gas emissions. So, I think, there is a little bit of confusion in this question. But, I have limited my answer to the poisonous gases. The poisonous gases means the

Uncorrected/Not for publication - 09.08.2010

Q. No. 202 (Contd.)

gases which have a harmful effect on the environment, harmful effect on public health and so on.

SHRI TIRUCHI SIVA: Sir, these gases are obnoxious in nature and may be harmful on inhalation with prolonged exposure. So, that means it is poisonous.

SHRI JAIRAM RAMESH: Yes, Sir. I am responding to it. Poisonous gases are governed under the National Ambient Air Quality Standards that we have promulgated in January this year. There is Sulphur Dioxide, Nitrogen Dioxide, Suspended Particulate Matter, Lead, Carbon Monoxide, Arsenic, Benzene, Benzo (a) Pyrene. So, we have 12 pollutants which form the universe of the National Ambient Air Quality Standards. The last time the Air Quality Standards were promulgated in 1996. After a 14-year gap, we have expanded the list and we have put in place the standards. Now, the question is: How do we implement and enforce these standards? We are doing this through the Central Pollution Control Board and the State Pollution Control Boards. I think, by the end of the year, we will be in a position to ensure implementation of these National Ambient Air Quality Standards. Sir, the specific question the hon. Member has asked is: How do poisonous gases emanate from agricultural activities? As you know, agriculture is a chemical-intensive activity. There is a large amount of pesticides used. There is a large amount of fertilizers used. There is run off from these types of activities and the residues that get left behind do contribute over a period of time to atmospheric pollution. Our purpose is to ensure that these sources of pollution are contained and the National Ambient Air Quality Standards are met.

Uncorrected/Not for publication - 09.08.2010

Q. No. 202 (Contd.)

श्री मोहम्मद अली खान : थैंक यू चेयरमैन साहब। सर, मैं आपके द्वारा मंत्री जी से कहना चाहता हूँ कि शहरे हैदराबाद में ग्रेटर हैदराबाद एरिया के अंदर गुंजान आबादी वाले इलाके में ऑयल मिल और टायर की फैक्ट्रियों से धुआं निकलता है, जिससे गैस लीकेज होने के कारण गुजरे हुए पंद्रह दिन से शहरे हैदराबाद का माहौल बच्चों और बड़ों की सेहत के ऊपर काफी नागवार गुजर रहा है। मैं मंत्री जी से जानना चाहता हूँ कि ये इंडस्ट्रीज, जो गुंजान आबादी वाले इलाके में हैं, क्या इनके लिए इन्होंने सेंट्रल गवर्नमेंट से या स्टेट गवर्नमेंट से परमिशन ली है? यदि नहीं ली है तो मरकजी सरकार इसके ऊपर क्या कार्रवाई कर रही है?

جناب محمد علی خان: تھینک یو چیئرمین صاحب۔ سر، میں آپ کے دوارا منتری جی سے جاننا چاہتا ہوں کہ شہر حیدرآباد میں گریٹر حیدرآباد ایریا کے اندر گنجان آبادی والے علاقے میں آئل مل سے اور ٹائر کی فیکٹریوں سے دھواں نکلتا ہے، جس سے گیس لیکج ہونے کے کارن گزرے ہوئے پندرہ دنوں سے شہر حیدرآباد کا ماحول بچوں کی صحت اور بڑوں کے اوپر کافی ناگوار گزر رہا ہے۔ میں منتری جی سے جاننا چاہتا ہوں کہ انڈسٹریز، جو گنجان آبادی والے علاقے میں ہے، کیا ان کے لئے انہوں نے سینٹرل گورنمنٹ سے یا اسٹیٹ گورنمنٹ سے پرمیشن لی ہے؟ اگر نہیں لی ہے تو مرکزی سرکار اس کے اوپر کیا کارروائی کر رہی ہے؟

SHRI JAIRAM RAMESH: Sir, I will be able to answer this question only after I have collected the information. But, let me categorically state here that the primary responsibility of ensuring conformity to standards lies with the State Pollution Control Board. We have State Pollution Control Boards; we have the Central Pollution Control Board. It is not humanly possible for the Central Pollution Control Board to monitor every aspect of conformity to standards.

(Contd. by ysr - 1G)

Uncorrected/Not for publication - 09.08.2010

-SK/YSR-AKG/11.30/1G

Q. No. 202 (Contd.)

SHRI JAIRAM RAMESH (CONTD.): That is why we have State-level agencies. If the State-level agency in Andhra Pradesh has not taken action, the Central Pollution Control Board has the power to give directions. I will examine this issue that the hon. Member has raised and I will get back to him by the end of the day.

(Ends)

Uncorrected/Not for publication - 09.08.2010

Q. No. 203

SHRIMATI T. RATNA BAI: Sir, I would like to know whether the Government is taking any steps to protect the tribal culture and future generation by doing research State-wise, especially in Andhra Pradesh, by appointing committees and by preparing clear data; if so, the details may be given State-wise.

SHRI JAIRAM RAMESH: Sir, my Ministry is the Ministry of Environment and Forests. We have a separate Ministry of Tribal Affairs whose mandate is to look at programmes and schemes specifically meant for the tribal population. However, since the Member has asked this question let me say that a substantial portion of what my Ministry does, does relate to tribal population. The forest part of it certainly relates to the forest population. Over 50-60 per cent of the expenditure that we incur on the forest side is directly impinging on the livelihood security and welfare of the tribal population. If you look at the entire Eleventh Five Year Plan, Sir, the total allocation for the Ministry of Environment and Forests was Rs.10,000 crore. Roughly 15-20 per cent of this expenditure is specifically benefiting the tribal population in different States. Of course, if you only look at the forestry component, this proportion will be 60-70 per cent.

Sir, the second point that I would like to make is that Parliament passed the Forest Rights Act in 2006 in order to confer livelihood security on tribal population and other traditional forest dwellers. Although the Ministry of Tribal Affairs is the responsible Ministry for this legislation, the Ministry of Tribal Affairs and the Ministry of Environment and Forests have jointly set up a Committee under the Chairmanship of Dr. Naresh Saxena, a very distinguished administrator, to look at

Uncorrected/Not for publication - 09.08.2010

Q. No. 203 (Contd.)

the implementation of the Forest Rights Act and also to look at the Forest Rights Act 2006 in conjunction with the Forest (Conservation) Act of 1980 and to see how the individuals and the communities whom the Forest Rights Act 2006 gives titles can be made partners in sustainable forestry management.

Uncorrected/Not for publication - 09.08.2010**WELCOME TO PARLIAMENTARY DELEGATION FROM MEXICO**

MR. CHAIRMAN: Hon. Members before I proceed to supplementaries, I have an announcement to make.

We have with us, seated in the Special Box, Members of a parliamentary delegation from Mexico currently on a visit to our country. The delegation is under the distinguished leadership of His Excellency Mr. Carlos Jimenez Macias, Senator and President of the Committee of External Affairs, Asia Pacific, of the Senate in the Mexican Parliament.

On behalf of the Members of the House and on my own behalf, I take pleasure in extending a hearty welcome to the leader and other members of the delegation and wish our distinguished guests an enjoyable and fruitful stay in our country. We hope that during their stay here they would be able to see and learn more about our parliamentary system, our country and our people and that their visit to this country will further strengthen the friendly bonds that exist between India and Mexico. Through them, we convey our greetings and best wishes to the Mexican Parliament and the friendly people of Mexico.

(Ends)

Uncorrected/Not for publication - 09.08.2010

Q. No. 203 (Contd.)

MR. CHAIRMAN: Now we shall take up the Supplementaries on the Question.

SHRI BIRENDRA PRASAD BAISHYA: Sir, the Lower Subansiri Hydro-Electric Project will create serious environmental impact on many districts of Assam, including totally tribal dominated district of Dhemaji. The dam site is upstream of 2.3 km from Gerukamukh village of Dhemaji district. The dam site is an important biodiversity spot. It will submerge Tale Valley Sanctuary and Reserve Forest, Panir Reserve Forest of Arunachal Pradesh and Subansiri Reserve Forest of Assam.

(Contd. by VKK/1h)

-YSR/VKK/1h/11.35

SHRI BIRENDRA PRASAD BAISHYA (CONTD.): The dam site is elephant corridor and if dam is constructed, elephant movement in this area will be affected. (Interruptions) It is very important.

MR. CHAIRMAN: Please ask your supplementary question.

SHRI BIRENDRA PRASAD BAISHYA: Sir, recently, an expert committee was formed in this regard. Their report says that this will severely affect many parts of Assam. Secondly, Sir, this is a habitation for many animals according to the Indian Wildlife (Protection) Act, 1972. Sir, in the interest of the environmental protection of those people after getting the report from the expert committee, will the Minister give an assurance to this House to examine the issue? After getting the report from experts of IIT, will the Minister examine the report in the interest of

Uncorrected/Not for publication - 09.08.2010

Q. No. 203 (Contd.)

environmental protection of the people? Sir, I would request the Minister that till final report comes, he should issue instructions to suspend the work.

MR. CHAIRMAN: Please answer only that part which pertains to this question.

SHRI JAIRAM RAMESH: Sir, I am sandwiched between the Cabinet Minister for Power and the MoS for Power. This question should be addressed to both these gentlemen. (Interruptions) Sir, let me answer this question to the best of my ability. (Interruptions)

Sir, it is true that an expert committee has submitted a report on the environmental impact, both on the biodiversity of Arunachal Pradesh and Assam, as well as, on the larger ecological imbalance downstream. This report has been submitted by a group from IIT, Guwahati. I have seen this report and I have also seen the comments on this report prepared by the project proponent, the National Hydro Power Corporation. I wish to assure the hon. Member that both the report of the expert committee, as well as, the comments on the report by the NHPC will be taken into account by the Ministry of Environment and Forests and, under no circumstances, we will allow any project which will have an adverse ecological impact. That much I want to assure you. (Interruptions) Sir, as I said, all I can say is, the ecological impact of this project and other projects will be taken into account before taking any next step. There is no question of allowing any project that has demonstrable and tangible adverse environmental impact.

DR. ASHOK S. GANGULY: Mr. Chairman, Sir, through you, may I request the Minister to enlighten us to understand the data that five million hectares of forest

Uncorrected/Not for publication - 09.08.2010

Q. No. 203 (Contd.)

have been deforested? How much of it has been re-forested and whether the satellite pictures are taken frequently enough, especially of the tribal areas and other contiguous areas, to find out how much deforestation is taking place? Sir, many of these forests contain important traditional knowledge which the tribals carry. What impact it has on the tribals as a consequence?

SHRI JAIRAM RAMESH: Sir, I would like to inform the hon. Member that unlike countries like Brazil or Indonesia or Congo, India is not a net deforester. India is one of the few countries that is adding to its green cover. Now, every two years, we do a satellite based imagery of our forest cover. Our latest satellite imagery is for the year 2007 and based on the satellite imagery over the last decade, in the last ten years, India has added three million hectares to its forest cover. In Brazil, 2.5 million hectares are deforested every year. Compared to that, India has added three million hectares over a ten-year period. Sir, while this is something to be commended, it is not adequate to meet our requirements. Today, only about 21 per cent of our geographical area is under forest cover and of the area under forest cover, 40 per cent is degraded forest. So, we have a huge challenge before us not only to increase the quantity of forest but more importantly, to improve the quality of forest. Sir, I would also like to inform the hon. Member since he comes from a background of science and technology that we have decided that India will launch its own dedicated forestry satellite.

(Contd. By RSS/1J)

Q. No. 203 (Contd.)

SHRI JAIRAM RAMESH (CONTD.): This dedicated forestry satellite will be launched in the year 2013 so that the monitoring of the forest cover can be on a day-to-day basis. Today, we are monitoring once in two years. But I want to be in a position to answer questions on what is happening to Jharkhand, what is happening to Orissa, what is happening to Chhattisgarh on a day-to-day basis. So, in the year 2013, India will launch its own dedicated family of forestry satellites which make real time monitoring possible.

SHRI V.P.SINGH BADNORE: Mr. Chairman, Sir, we have been talking about the tribal livelihood and security. My question here is that we have some unique tribal habitations which are unique because they are not even in touch with the mankind. I am talking about the Andaman and Nicobar tribals and those tribals are still shying away from mankind and not in touch with them. Are we doing something to protect that sort of livelihood and tribal habitations?

SHRI JAIRAM RAMESH: Sir, the hon. Member has raised a very sensitive question that goes beyond the Ministry of Environment and Forests, the Jarawas, the Onges, the Great Andamanese, the Sentinatese, these are all original negro tribes, who were the original inhabitants, who came from Africa millions of years ago. Their numbers have dwindled between a thousand and two thousand. It is true, as the hon. Member says like the Jarawas particularly, they are not in touch with the mainstream. They are still in the hunting gathering stage and it is a big challenge for us to ensure the health and the livelihood security of these

Uncorrected/Not for publication - 09.08.2010**Q. No. 203 (Contd.)**

endangered tribal populations. I do not deal with it directly, but I have dealt with it in the past. I know that the Island Development Authority that is set up under the chairmanship of the Prime Minister is looking at programmes specifically targeted at such primitive--I do not want to use the word primitive--because it is a very valued possession. One of the things that we need to do is to stop using the word 'primitive tribal groups'. We should say original inhabitants of the land and it is a big challenge for us because they are dying out and how the local administration is going to respond to this challenge is going to test our ability.

(Ends)

Uncorrected/Not for publication - 09.08.2010

Q. No. 204

SHRIMATI NAZNIN FARUQUE: Respected Chairman, Sir, Multi-Sector Development Programme (MSDP) for minorities was launched in 2008-09 in selected minority concentration districts having a substantial minority population which was already backward and falling behind the national average in terms of socio-economic and basic amenities. During 2008-09, the Ministry of Minority Affairs could achieve only 50.16 per cent financial achievement. I want to know from the hon. Minister the details of the projects approved and implemented under MSDP concerning health, nutrition, drinking supply, education, skill development, employment and income generating scheme and electrification and the number of persons given employment under the programme in Assam and the other North-Eastern States.

SHRI SALMAN KHURSHID: Sir, the MSDP programme is essentially a top up of the programme where additional funding is provided to districts that have substantial minority population and are below national average in terms of development in this age. It is not our intention or indeed not possible to displace any line Ministry that is already doing development work. On the website of the Ministry, all the detailed work that has been done is provided. We have obviously a great importance to be given to the areas that the hon. Member has spoken of, and I would urge the hon. Member to actually go to the website. We will be happy to give a hard copy as well of detailed work that is being done.

(contd. by 1k)

Uncorrected/Not for publication - 09.08.2010

MKS-DS/11.45/1K

Q. No. 204 (Contd.)

SHRIMATI NAZNIN FARUQUE: The quantum of funds sanctioned by the Central Government for MsDP during 2008-09, 2009-10 and 2010-11; how much funds have remained unutilized; the quantum of funds used for the purposes; and the action taken to use the entire MsDP funds. Thank you.

SHRI SALMAN KHURSHEED: Sir, we are expecting, by the end of the present financial year, we would have completed the allocation of Rs.2,750 crores minus Rs.89 crores. Our objective is that we should be able to do Rs.3,780 crores in this Plan provided the additional funding is available. We will, obviously, take a little time before the State Governments send us their utilization certificates. But I can point out to the fact that in 2008-09, essentially the first year of this programme, we were able to get reports of 85 per cent utilization of funds; for 2009-10, we are still waiting for utilization figures to come in, and obviously, that will be followed by whatever we give; I mean whatever amount we give as an allocation this year.

MR. CHAIRMAN: Shri Ram Vilas Paswan.

श्री रामविलास पासवान: सभापति जी, क्वेश्चन के लास्ट में यह था, "(d) the details of measures taken to improve the living conditions and employment prospects of minorities." Employment के संबंध में सरकार बिल्कुल चुप है, जबकि यूपीए-1 के समय minorities के संबंध में निर्णय लिया गया था और उस निर्णय के तहत सच्चर कमेटी का गठन किया गया था। सच्चर कमेटी ने कहा था कि जो Scheduled Castes हैं, जो minorities हैं और खासकर जो मुस्लिम minorities हैं, उनकी हालत दलित जैसी है और इस पर उन्होंने

Q. No. 204 (Contd.)

विस्तृत रिपोर्ट दी थी। उसके तत्वावधान में सरकार ने रंगनाथ मिश्र कमीशन बनाया। रंगनाथ मिश्र कोई दलित नहीं थे, वे minorities से संबंधित नहीं थे, बल्कि वे Chief Justice of India थे और उच्च कुल के थे। उन्होंने जो हालत देखी, उस हालत के तहत उन्होंने कहा कि मुस्लिम minorities को 10 परसेंट और other minorities को 7 परसेंट आरक्षण होना चाहिए।

श्री सभापति: आप सवाल पूछिए।

श्री रामविलास पासवान: मैं सरकार से पूछना चाहता हूँ कि रंगनाथ मिश्र कमीशन की जो अनुशंसा है, क्या वह dustbin में पड़ी रहेगी या सरकार उस पर कोई कार्रवाई करेगी? जो बैकवर्ड मुस्लिम्स हैं, जिन्हें पश्चिमी बंगाल ने रिजर्वेशन दिया है, उसी तर्ज पर क्या भारत सरकार भी रंगनाथ मिश्र कमीशन की रिपोर्ट को लागू करते हुए, उनके आरक्षण की व्यवस्था तमिलनाडु में भी करेगी?

श्री सलमान खुरशीद: सर, जो कार्यक्रम विस्तार से क्रियान्वित किये जा रहे हैं, उनमें अल्पसंख्यकों को सशक्त करने के प्रयास किए जा रहे हैं। उनमें access to credit, शिक्षा, स्कॉलरशिप और ऐसे विशेष कार्यक्रम हैं, जिनसे सरकार और सरकार के बाहर सार्वजनिक क्षेत्र के जो रोजगार हैं, उनमें उनको अवसर प्राप्त हो सकें।

माननीय सदस्य महोदय ने रंगनाथ मिश्र कमीशन की रिपोर्ट पर विशेष ध्यान दिलाया है। मैं उनको बताना चाहूँगा कि रंगनाथ मिश्र की रिपोर्ट इस सत्र में पहले रखी गयी है। वह हमारे इस हाउस के सामने भी रखी गयी है और विचाराधीन है, लेकिन उससे पहले सच्चर कमेटी से जो बड़े महत्वपूर्ण परामर्श हम लोगों को मिले थे, उन पर कार्रवाई जारी है। सच्चर कमेटी में ही ये संकेत दिये गये थे कि पिछड़े वर्ग के जो अल्पसंख्यक हैं, उनको समान अवसर प्राप्त हों। सर, आप जानते हैं कि समान अवसर आयोग बनाने पर भी सरकार विचार कर रही है और मुझे विश्वास है कि इस पर हम जैसे ही निर्णय लेंगे, वह हाउस के सामने आएगा और सदस्य महोदय उससे अवश्य संतुष्ट होंगे।

Uncorrected/Not for publication - 09.08.2010

Q. No. 204 (Contd.)

MR. CHAIRMAN: Shri Mukhtar Abbas Naqvi. ...(Interruptions)...

श्री रामविलास पासवान: सर, ..(व्यवधान)..

MR. CHAIRMAN: No supplementary on supplementaries, please.
...(Interruptions)...

श्री मुख्तार अब्बास नकवी: सभापति महोदय, माननीय मंत्री जी ने इस महत्वपूर्ण सवाल..(व्यवधान)

श्री रामविलास पासवान: रंगनाथ मिश्र ...(व्यवधान)

श्री सभापति: अगर आप जवाब से satisfied नहीं हैं तो आप मंत्री जी को लिखिए।

श्री मुख्तार अब्बास नकवी: माननीय मंत्री जी ने अभी इस महत्वपूर्ण सवाल का जो जवाब दिया है, मैं मानता हूँ कि मंत्री जी इस संबंध में बहुत मेहनत से काम कर रहे हैं और इसके लिए मैं उनको बधाई देता हूँ, उनकी नीति भी बहुत अच्छी है, लेकिन कहीं न कहीं नीयत में.....(व्यवधान)

MR. CHAIRMAN: No insinuations, please. ...(Interruptions)... No insinuations, please.

(Followed by TMV/1L)

NB/1L/11.50

श्री मुख्तार अब्बास नकवी : सभापति जी, मैं आपके माध्यम से माननीय मंत्री जी से कहना चाहता हूँ कि आपने इतनी महत्वपूर्ण योजनाओं का जिक्र किया कि आप अल्पसंख्यकों के लिए इनको लागू करना चाहते हैं - इंदिरा आवास योजना से लेकर आंगनवाड़ी प्राथमिक स्वास्थ्य केन्द्र, औद्योगिक प्रशिक्षण संस्थान, पोलिटेकनीक वगैरह। इसके अतिरिक्त आपने अपने उत्तर में बताया है कि आपने 2 महत्वपूर्ण चीजें की हैं, जैसे उत्तर प्रदेश के रामपुर में आपने कहा है कि 52.84 परसेंट माइनोंरिटीज़ की पापुलेशन है। वहां का आर्थिक और सामाजिक संकेतक

Q. No. 204 (Contd.)

आपने 24.3 परसेंट बताया है। आपने वहां 5,470 लाख रुपए आवंटित किए हैं, इसी तरह से अन्य जगहों पर भी आवंटित किए हैं। मैं आपके माध्यम से माननीय मंत्री महोदय से पूछना चाहता हूं कि सामाजिक, शैक्षणिक और आर्थिक प्रगति की दिशा में आपने जो इतने महत्वपूर्ण प्रयास किए हैं, वे जमीन पर लागू क्यों नहीं हो पा रहे हैं? आपने जो ये 90 क्षेत्र बताए हैं, इन 90 क्षेत्रों में आपकी योजनाएं जमीन पर उतर पाई हैं? अगर नहीं उतर पाई हैं, तो इसका लाभ प्रभावी तौर से माइनोंरिटीज़ को मिले, इसके लिए क्या आपने कोई मॉनीटरिंग सिस्टम बनाया है या खुद इसकी देखभाल की है? आप यह कहकर अपने जिम्मेदारी से बच नहीं सकते कि इसको स्टेट गवर्नमेंट देखेगी, मैं इसमें क्या कर सकता हूं। इसलिए मैं जानना चाहता हूं कि आपके मंत्रालय ने इस दिशा में क्या प्रयास किए हैं?

श्री सलमान खुर्शीद : सभापति जी, मैं भगवान हनुमान की तरह अपना दिल खोलकर नहीं दिखा सकता हूं, कि माननीय सदस्य को मेरी नीयत पता चल सके, लेकिन जो हमारी कार्यशैली है, उसी कार्यशैली पर आपको निर्भर रहना पड़ेगा।

श्री मुख्तार अब्बास नकवी : दिल खोलकर मत दिखाइए, मुंह से ही बता दीजिए।

श्री सलमान खुर्शीद : अगर मुंह से बताने से आप संतुष्ट हो जाएंगे, तो हमारे देश की बहुत सी समस्याएं हल हो जाएंगी।

सभापति जी, मैं माननीय सदस्य को बताना चाहूंगा कि हमने एक महत्वपूर्ण निर्णय लिया है, जिसमें हर क्षेत्र के सांसद और वहां के विधायकगणों को इस 15 प्वाइंट प्रोग्राम की कमेटी में बैठने का अवसर मिलेगा और उस 15 प्वाइंट कमेटी में आपके जो प्रस्ताव बनते हैं, उन प्रस्तावों पर हम आगे चलकर आपको पैसा आवंटित कराते हैं। इसके अतिरिक्त हमने 150 नेशनल मॉनीटर्स भी तय किए हैं, जो कम से कम डिप्टी सेक्रेटरी लेवल के सरकारी अधिकारी होंगे, जो अपने पदों से मुक्त होने के बाद जनसेवा करना चाहते हैं, उनको हमने कुछ ट्रेनिंग देकर इस काम के लिए तैयार किया है। वर्ष में कई बार वे वहां पर जाकर धरातल पर देखकर

Uncorrected/Not for publication - 09.08.2010

Q. No. 204 (Contd.)

आएंगे कि हमारे कार्यक्रम कितने सफल और प्रभावशाली हैं। इसके साथ-साथ हमने यह भी प्रयास किया है कि आप लोगों के माध्यम से, NGOs के माध्यम से हमको सूचनाएं प्राप्त होती रहें। यह प्रश्न उठता है कि क्या माइनोंरिटीज़ को इसका पूरा लाभ मिल रहा है। हमारा लक्ष्य एरिया डेवलपमेंट का है। हम मानते हैं कि उन माइनोंरिटीज़ के कारण हम उस एरिया का डेवलपमेंट करने जा रहे हैं, उनको विकसित करने जा रहे हैं, लेकिन यह सभी के लिए सामान्य अवसर है। ऐसा नहीं है कि कोई अस्पताल, स्कूल, कॉलेज या आई.टी.आई. बनेगा, तो उसमें सिर्फ अल्पसंख्यक ही जाएंगे, बल्कि उसमें बहुसंख्यकों का भी उतना ही स्वागत होगा और हम मानते हैं कि हमारे देश की एकता और हमारी सामाजिक एकता के लिए यह बहुत अच्छा कार्यक्रम होगा।

श्री अवतार सिंह करीमपुरी : सभापति जी, हमारे देश में माइनोंरिटीज़ में मुस्लिम, सिख, बौद्ध और ईसाई लोग हैं, जिनकी आज़ादी के बाद बड़े पैमाने पर उपेक्षा हुई है। मैं इन 90 डिस्ट्रिक्ट्स का break-up चाहता हूँ कि इनमें कितने डिस्ट्रिक्ट मुस्लिम, सिख, ईसाई और बौद्ध माइनोंरिटी के हैं। मैं इनकी डिटेल्स चाहता हूँ।

श्री सलमान खुर्शीद : सभापति जी, माननीय सदस्य ने जो प्रश्न पूछा है, उसका जवाब उन्हें हमारी वेबसाइट पर आसानी से मिल जाता। मैं उनको बताना चाहता हूँ कि 66 ऐसे क्षेत्र हैं, ऐसे जनपद हैं, जहां पर मुसलमान भाइयों की संख्या 25 प्रतिशत से ज्यादा है, 13 क्षेत्रों में ईसाई बंधुओं की संख्या ज्यादा है, 10 क्षेत्रों में बौद्ध लोगों की संख्या ज्यादा है और केवल एक ही क्षेत्र ऐसा है, जिसमें 25 प्रतिशत से अधिक आबादी सिख भाइयों और बहनों की है।

(1/VNK पर क्रमशः)

Q. No. 204 (Contd.)

श्री सलमान खुर्शीद(क्रमागत): लेकिन जैसा कि हमने प्रावधान किया है, उसमें जिन क्षेत्रों में अल्पसंख्यक ही बहुसंख्यक हैं, वहां पर जहां 15 प्रतिशत आबादी किसी और अल्पसंख्यक समुदाय की होती है ...(व्यवधान)...

श्री एस.एस. अहलुवालिया: कश्मीर में पंडितों को अल्पसंख्यक माना गया है या नहीं माना गया है...(व्यवधान)...

MR. CHAIRMAN: Ahluwaliaji, please don't interrupt.

श्री एस.एस. अहलुवालिया: कश्मीर में पंडितों को अल्पसंख्यक माना गया है या नहीं माना गया है...(व्यवधान)...

श्री सलमान खुर्शीद: मैं बहुत आभारी हूँ कि आपने कश्मीर का कुछ तो सोचा, लेकिन कश्मीर के संदर्भ में हमने अन्य अल्पसंख्यकों का 15 प्रतिशत रखा है, ताकि हम उनको भी वहां पूरा लाभ पहुंचा सकें ...(व्यवधान)...

श्री एस.एस. अहलुवालिया: सर.. (व्यवधान)...

MR. CHAIRMAN: Please. I am aware that a lot of people want to participate. But more than three supplementaries cannot be allowed under our prevailing practice. If Members want a discussion on this, they know how to proceed and give a notice.

श्री सत्यव्रत चतुर्वेदी: सर, आप अपनी लिस्ट में देख लीजिए कि उसमें सबसे पहले मेरा नाम है या नहीं है ...(व्यवधान)...

MR. CHAIRMAN: See, questions have to be rotated around the House.

श्री सत्यव्रत चतुर्वेदी: सर, मैं तब से इंतजार कर रहा हूँ ...(व्यवधान)...

श्री सभापति: आप discussion के लिए नोटिए दीजिए ...(व्यवधान)...

Uncorrected/Not for publication - 09.08.2010

Q. No. 204 (Contd.)

श्री एस.एस. अहलुवालिया: सर, सच्चर कमेटी की रिपोर्ट पर तब से चर्चा नहीं हुई .. (व्यवधान)... कश्मीर में जो पंडित हैं, उनको किस category में रखा गया है ... (व्यवधान)...

श्री सभापति: आप discussion के लिए नोटिफ दीजिए ... (व्यवधान)...

श्री तारिक अनवर: सर, सबसे अच्छा यह होगा कि रंगनाथ मिश्र कमीशन की रिपोर्ट पर चर्चा हो ... (व्यवधान)...

MR. CHAIRMAN: Question No. 205. (Interruptions). Please...

Why don't you give a notice for discussion?

श्री सत्यव्रत चतुर्वेदी: सर, ... (व्यवधान)...

श्री शिवानन्द तिवारी: सर, सच्चर कमेटी की रिपोर्ट पर चर्चा कराई जाए ... (व्यवधान)...

MR. CHAIRMAN: I have yet to see a notice on this subject from any Member of this House. Why don't you give notice for a discussion? (Interruptions).

श्री सत्यव्रत चतुर्वेदी: सर, ... (व्यवधान)...

श्री सभापति: आप लोग बैठ जाइए ... (व्यवधान).... Let me clarify the position on supplementaries. The right to ask supplementary question is with the Member whose question has been admitted. Everybody else has no right. It is a courtesy from the Chair. Question No. 205. (Interruptions).

श्री सत्यव्रत चतुर्वेदी: सर, ... (व्यवधान)...

श्री साबिर अली: सर, ... (व्यवधान)...

श्री सभापति: सवाल आपके तरफ से आया था ... (व्यवधान)....

श्री सत्यव्रत चतुर्वेदी: सर, ... (व्यवधान)...

Uncorrected/Not for publication - 09.08.2010

Q. No. 204 (Contd.)

MR. CHAIRMAN: I would again request the hon. Member to indicate if he has given notice for a discussion on this subject.

SHRI BALAVANT ALIAS BAL APTE: Sir, you have said that it is my right to ask supplementary.

MR. CHAIRMAN: You have. Please convince your colleagues to respect your right. Question No. 205.

(Ends)

Uncorrected/Not for publication - 09.08.2010

Q. No. 205

SHRI BALAVANT ALIAS BAL APTE: Sir, earlier we have discussed one kind of environment and pollution. My question relates to another kind of pollution. The earlier question was answered earnestly, but this answer is very casual. The Minister refers to a complaint and then talks about anything that is brought to the notice of the Government. My first question is: if there are rules and if those rules are not to be only on the Statute Book, has the Government any monitoring machinery to look into the programmes and come to their own conclusion regarding the desirability of these programmes within the code of conduct and the rules? If there is no monitoring machinery and if the Government will act only on the basis of....

MR. CHAIRMAN: You have made your supplementary. There is no time for an answer.

Question Hour is over.

(Ends)

RG/MP/12.00/1N

THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair.

PAPERS LAID ON THE TABLE

1. **SHRI SALMAN KHURSHEED:** Sir, I lay on the Table, under sub-section (3) of Section 63 of the Competition Act, 2002, a copy each (in English and Hindi) of the following Notifications of the Ministry of Corporate Affairs:—

- (1) G.S.R. 344 (E), dated the 22nd April, 2010, publishing the Competition Commission of India (Salary, Allowances, Other terms and conditions of

Uncorrected/Not for publication - 09.08.2010

service of the Secretary and Officers and other employees of the Commission and the number of such Officers and other employees) Amendment Rules, 2010.

- (2) G.S.R. 445 (E), dated the 24th May, 2010, publishing the Competition Commission of India (Return on Measures for the promotion of Competition Advocacy, Awareness and Training on Competition Issues) (Amendment) Rules, 2010.

2. SHRI JAIRAM RAMESH: Sir, I lay on the Table—

1.(1) A copy each (in English and Hindi) of the following papers, under sub-section (1) of Section 619A of the Companies Act, 1956:—

- (a) Thirty-fifth Annual Report and Accounts of the West Bengal Forest Development Corporation Limited (WBFDC), Kolkata, for the year 2008-09, together with the Auditor's Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon.
- (b) Review by Government on the working of the above Corporation.

(2) Statement (in English and Hindi) giving reasons for the delay in laying the papers mentioned at (1) above.

3. SHRI BHARATSINH SOLANKI: Sir, I lay on the Table, a copy (in English and Hindi) of the Memorandum of Understanding between the Government of India (Ministry of Power) and the Rural Electrification Corporation Limited, for the year 2010-11.

4. DR. S. JAGATHRAKSHAKAN: Sir, I lay on the Table, a copy each (in English and Hindi) of the following papers:—

- (a) Annual Accounts of the Prasar Bharati (Broadcasting Corporation of India), New Delhi, for the year 2008-09, together with the Auditor's Report on the Accounts, under sub-section (1) of Section 21 of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990.
- (b) Statement giving reasons for the delay in laying the papers mentioned at (a) above.

Uncorrected/Not for publication - 09.08.2010

(Ends)

MESSAGE FROM LOK SABHA
The Jharkhand Appropriation Bill, 2010

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 Jharkhand Appropriation Bill, 2010, as passed by Lok Sabha at its sitting held on the 6th August, 2010.

The Speaker has certified that this Bill is a Money Bill."

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

(Ends)

**REPORT OF THE DEPARTMENT RELATED PARLIAMENTARY STANDING
COMMITTEE ON URBAN DEVELOPMENT**

SHRI RAJEEV SHUKLA (MAHARASHTRA): Sir, I lay on the Table, a copy (in English and Hindi) of the Eighth Report* of the Department-related Parliamentary

Uncorrected/Not for publication - 09.08.2010

Standing Committee on Urban Development (2009-10) on 'The Constitution (One Hundred and Twelfth Amendment) Bill, 2009'.

(Ends)

**ACTION TAKEN REPORTS OF THE DEPARTMENT RELATED
PARLIAMENTARY STANDING COMMITTEE ON URBAN DEVELOPMENT**

SHRI RAJEEV SHUKLA (MAHARASHTRA): Sir, I lay on the Table, a copy each (in English and Hindi) of the following Action Taken Reports of the Department-related Parliamentary Standing Committee on Urban Development (2009-10):-

- (i) Ninth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the Fortieth Report (Fourteenth Lok Sabha) of the Committee on 'Urban Housing.'
- (ii) Tenth Report (Fifteenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the First Report (Fifteenth Lok Sabha) of the Committee on 'Demands for Grants (2009-2010)' of the Ministry of Urban Development.
- (iii) Eleventh Report (Fifteenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the Second Report (Fifteenth Lok Sabha) of the Committee on 'Demands for Grants (2009-2010)' of the Ministry of Housing and Urban Poverty Alleviation. (Ends)

**STATEMENT RE. STATUS OF IMPLEMENTATION OF RECOMMENDATIONS
CONTAINED IN FOURTH REPORT OF DEPARTMENT-RELATED
PARLIAMENTARY STANDING COMMITTEE ON FINANCE**

* The Report was presented to Hon'ble Speaker on 25th June, 2010 and the Hon'ble Chairman, Rajya Sabha was informed accordingly on the 2nd July, 2010.

Uncorrected/Not for publication - 09.08.2010

THE MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SHRIPRAKASH JAISWAL): Sir, I make a statement regarding status of implementation of recommendations contained in the Fourth Report of the Department-related Parliamentary Standing Committee on Finance on Demands for Grants (2009-10) of the Ministry of Statistics and Programme Implementation.

(Ends)

MATTERS RAISED WITH PERMISSION OF CHAIR

CONSTRUCTION OF DAMS ON RIVER GANGA POSING DANGER TO ENVIRONMENT AND AQUATIC LIFE

श्री कलराज मिश्र (उत्तर प्रदेश) : उपसभाध्यक्ष महोदय, गंगा का जो प्रदूषण हो रहा है और जगह-जगह, आज बरसात के अवसर पर भी गंगा जिस तरीके से सूख रही है, जिसको हम सब लोग भारत में गंगा मां के रूप में मानते हैं, ऐसी पवित्र गंगा नदी, जिसकी भारत के प्रधान मंत्री ने राष्ट्रीय नदी के रूप में घोषणा भी की थी, उसमें आज बरसात के समय में भी, कानपुर में, वाराणसी में बालू के टीले इतने उभरे हुए हैं कि वाराणसी में पच्चीस फीट गंगा के बहने के बाद भी बीच में बालू का टीला बहुत ऊपर खड़ा है। कानपुर में भी बालू का टीला खड़ा होने के कारण गंगा दो हिस्सों में विभाजित हो गई है और उसके बारे में कहा जा रहा है कि हज़ारों करोड़ रुपए खर्च किए जा रहे हैं। सिल्ट बढ़ती जा रही है, गंगा सूख रही है, लेकिन उसकी खुदाई की कोई व्यवस्था नहीं हो रही है। हालत इतनी खराब हो गई है और प्रदूषण इतना बढ़ता जा रहा है कि कहीं वह आगे चलकर नाली के रूप में विद्यमान न हो जाए ! महोदय, Geological Survey of India की रिपोर्ट के अनुसार 1966 से 1999 के बीच में गंगोत्री में ग्लेशियर के क्षेत्र में 18.80 मीटर प्रतिवर्ष की कमी आई है। यह कमी वर्ष 2004 में लगभग 14.48 मीटर प्रतिवर्ष रही है।

[-mp/sc-ks/12.05/10](#)

श्री कलराज मिश्र (क्रमागत) : यह हमारे लिए बहुत चिंता का विषय है। उसी समय इस संबंध में कहा गया था लेकिन इस ओर ध्यान नहीं दिया गया। मान्यवर, अल्मोड़ा के अंदर जो G.B. Pant Institute of Himalayan Environment and Development है, उन्होंने कहा कि वर्ष 2004-05 में भारी हिम वर्षा के बावजूद भी ग्लेशियर क्षेत्र का घटना बहुत ही दुखद है। प्रसिद्ध पर्यावरणविद् सुरेश्वर सिन्हा ने माननीय सर्वोच्च न्यायालय में जन कल्याण याचिका के माध्यम से गंगा को पूर्ण रूप से नष्ट होने से बचाने हेतु गुहार लगायी है और इस संबंध में चिंता व्यक्त की है। उन्होंने सर्वोच्च न्यायालय को बताया है कि चार बांधों - पाला मनेरी, मनेरी बाहली, मोहारी नागपाला और भैरोघाट - के निर्माण के कारण गंगा सूख रही है, उसके गर्भ में पलने वाले हजारों जन्तु नष्ट हो रहे हैं और पर्यावरण को भयंकर खतरा पैदा हो गया है। विश्व भर के पर्यावरण प्रेमी 'गंगा बचाओ' अभियान में भाग लेकर गंगा को नष्ट होने से बचाना चाहते हैं परन्तु चार बांधों के निर्माण को न रोके जाने के कारण स्थिति अत्यंत ही भयावह हो गयी है। ऑस्ट्रेलिया के जो गंगा लवर्स हैं, उन्होंने 21 अप्रैल 2008 को भारत के मुख्य न्यायाधीश को पत्र लिखकर कहा कि गंगा को नष्ट होने से बचाया जाए। मान्यवर, इतना सब होने के बावजूद, हमारे देश में गंगा को बचाने संबंधी अभियान चलाने के बावजूद, सामाजिक और सांस्कृतिक संस्थाओं के द्वारा अभियान चलाए जाने के बावजूद भी उसको नहीं बचाया गया। मान्यवर, मैं कहना चाहता हूँ कि इस संबंध में सरकार को गंभीर होना चाहिए। इसको राष्ट्रीय नदी घोषित किया है..(समय की घंटी).. इसलिए इस संबंध में प्रभावी कदम उठाने की आवश्यकता है। धन्यवाद।

(समाप्त)

Uncorrected/Not for publication - 09.08.2010

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Okay. Doctor sahib.
(Interruptions)

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI JAIRAM RAMESH):
Sir, may I respond? (Interruptions)

SHRI S. S. AHLUWALIA: Sir, I want to associate myself with what the hon. Member has mentioned. I want to make a small submission. What is Dredging Corporation doing? They are not doing any dredging in rivers. I want to know whether the Government is thinking of having another Dredging Corporation, at least, to save the life of our rivers.

THE VICE-CHAIRMAN: All right. Mr. Minister, do you want to respond?

SHRI JAIRAM RAMESH: Sir, I am grateful to the hon. Member for having raised this issue. May I say that I am prepared to have a longer discussion on this issue at any time because this is an issue that affects not only the ecology of our country but it also has great cultural and political significance.

Sir, the hon. Member has raised the issue of hydel projects in Uttarakhand about which concern has been expressed. We have examined the issue of Bhairon Ghati, Pala Maneri and Mohari Nagpala in some detail. The Government of India has decided that we should not go ahead with Bhairon Ghati and with Pala Maneri. But, on Mohari Nagpala, the hon. Member is aware, Sir, that about 40 per cent of the work has already been completed, about 600 crores of expenditure has already been incurred, about 2000 crores worth of contracts have already been placed and, therefore, keeping in view purely the financial angle, the Group of Ministers, of which I was a Member, has recommended to the Prime

Uncorrected/Not for publication - 09.08.2010

Minister that we should go ahead with Mohari Nagpala, the 600 MW project. But I want to assure the hon. Member that the release of water, the minimum environmental flow, will be 16 cubics, which means that this plant will operate for about seven months a year and it will be non-operational for five months in a year.

I just want to assure the hon. Member in the House that the priority of the National Ganga River Basin Authority, which had been set up under the chairmanship of the Prime Minister, is to ensure not just Nirmal Dhara, but also the Aviral Dhara. Both Aviral Dhara and Nirmal Dhara are absolutely essential as far as Ganga and its tributaries are concerned, particularly, Alaknanda, Mandakini and Bhagirathi.

Sir, I am prepared for a fuller discussion on this issue. But I am grateful to the hon. Member for raising this issue today.

श्री कलराज मिश्र : सर, कानपुर और ..(व्यवधान)..

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Doctor sahib. (Interruptions)

श्री विनय कटियार : सर, चीनी मिलों का जो गंदा पानी है, वह गंगा नदी में जा रहा है। ..(व्यवधान).. आप पूरा सर्वे करवा लीजिए। कई चीनी मिलों का पूरे का पूरा प्रदूषित पानी गंगा नदी में जा रहा है। फर्रुखाबाद में तो ..(व्यवधान).. इन सब चीजों को आप चिन्हित करें और इस पर कार्यवाही करें।

उपसभाध्यक्ष : बस, अब हो गया। बैठिए। Please. (Interruptions) That is over.

(followed by 1p/tdb)

Uncorrected/Not for publication - 09.08.2010**RE. DECLARING TRAGEDY IN LADAKH A NATIONAL CALAMITY AND NEED
TO CONTRIBUTE FROM MPLADS FUNDS**

DR. KARAN SINGH (NCT OF DELHI): Sir, I had asked the Chairman, and the Chairman allowed me after the Papers laying. Sir, the tragedy in Ladakh has been a national calamity, and I suggest that we should be allowed from our MPLADS funds to make a contribution towards the rehabilitation of Ladakh. We did that for Tsunami; we did that for Assam. I am saying this because according to the present rules, only people belonging to Jammu & Kashmir can give grant under the MPLADS. If this is declared a national calamity, I for one would like to give Rs.50 lakh tomorrow from my MPLADS funds, and I am sure, other Members of the House will also join me in wanting to give from their MPLADS funds. ... (Interruptions)...

SHRI RAJEEV SHUKLA: Yes, Sir. ... (Interruptions)...

PROF. SAIF-UD-DIN SOZ: Sir, I would like to speak for a minute.

... (Interruptions)...

SHRI SHANTA KUMAR (HIMACHAL PRADESH): Sir, I also associate myself with this.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): The whole House is agreeing to that suggestion. That is good. Now, Shri Prabhat Jha.

PROF. SAIF-UD-DIN SOZ: Sir... ... (Interruptions)...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Prof. Soz, I would give you time. Now, I have gone to the next item. I have called Shri Prabhat Jha. ... (Interruptions) ... Prof. Soz, are you also on the same subject?

Uncorrected/Not for publication - 09.08.2010

PROF. SAIF-UD-DIN SOZ: Yes, Sir.

THE VICE-CHAIRMAN: Then, you associate yourself with that; you support that. Okay. ...(Interruptions)...

PROF. SAIF-UD-DIN SOZ (JAMMU & KASHMIR): So kind of the Chair that the statement was adopted here, and our feelings have been properly represented. But, there are a couple of suggestions. For instance, the loss of property and life. This must be quantified very early, and a statement must be made by the Union Government. ...(Interruptions)... Sir, can you give me half-a-minute more? Both the Governments have done very well. They have responded, and the hon. Prime Minister had sent a Ministerial team there. They have done good work. But, there are some suggestions, which should be implemented. For instance, the communication system was already weak. The BSNL is there. You cannot talk to anybody. Therefore, my suggestion is that immediately the BSNL should restore the communication system, and a senior Government official from that Ministry must immediately go to Leh, and he must be stationed there for three months because such is the colossal loss of communication lines there. Communication is very important. And, then, special flights must be made available to Leh. I wanted to go there, but there was no flight. Therefore, special flights must be made available for, at least, a fortnight. Sir, this is my suggestion. Sir, I support Dr. Karan Singhji that MPLADS funds must be made available for spending there. ...(Interruptions)...

श्री राजीव शुक्ल : सर, इसमें मैं एक चीज और जोड़ना चाहूंगा कि जितनी प्राइवेट एयर लाइंस हैं, सभी ने किराए बढ़ा दिए हैं, जो 8 हजार का टिकट था वह 30-30 हजार का है और वैसे

Uncorrected/Not for publication - 09.08.2010

भी लोग मुसीबत में फंसे हैं। इसलिए इंडियन एयर लाइंस की स्पेशल फ्लाइट्स चलें, उनके किराए कम कराए जाएं, ताकि लोगों को वहां से निकाला जा सके। सरकार की तरफ से मिनिस्टर इस पर स्पष्ट स्टेटमेंट दें, यह भी हम मांग करते हैं। (Ends)

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): I think that is an important point. Now, Shri Prabhat Jha.

**RE. REPORTED SUPPLY OF SUBSTANDARD RATION
TO ARMED FORCES**

श्री प्रभात झा (मध्य प्रदेश) : आदरणीय उपसभाध्यक्ष महोदय, मैं भारतीय सेना का सम्मान करते हुए कहना चाहता हूँ कि जो कुछ तथ्य सेना के बारे में सामने आए हैं, मुझे लगा कि इनको देश के और सदन के सामने रखना जरूरी है कि सीमाओं पर जो लोग भारत माता की रक्षा करते हैं, प्रत्येक भारत के नागरिक की रक्षा करते हैं, उनके खाने पर दाल, चावल, शक्कर सूखे राशन पर जो भारत सरकार 900 करोड़ रुपए खर्च करती है, वह राशन किस तरह का दिया जा रहा है। सेना के जम्मू स्थित खाद्य प्रयोगशाला राशन के मुताबिक सेल्फ लाइफ में तीन महीने से अधिकतम विस्तार की सीमा को धड़ल्ले से लांघती रही, इसमें पाया गया कि इसकी प्रयोगशाला में 11,346 राशन सैम्पल मियाद बढ़ाने के लिए भेजे गए थे और उस प्रयोगशाला में, उस लेबोरेट्री में 11,330 मामलों में अनुमति प्रदान कर दी गई, इतना ही नहीं सैनिकों को ऐसा आटा, दाल, चावल खाने को दिया गया, जिसकी मियाद 6 महीने से लेकर सवा दो साल या 28 महीने पहले खत्म हो चुकी थी। क्या यह उचित है कि राशन की भिन्न समितियों के अतिरिक्त प्राप्ति के कारण 2005-2006 में दस करोड़ रुपए, 2006-2007 में लगभग साढ़े 18 करोड़ रुपए अधिक व्यय हुए हैं? दाल की केन्द्रीय प्राप्ति की कीमत की तुलना में दस हजार दो सौ अठासी रुपए प्रति टन ऊंची कीमत पर खरीदा गया। इस प्रकार लगभग आठ करोड़ रुपए का अतिरिक्त व्यय हुआ है, अतिरिक्त वृद्धि नहीं है। सवाल पैसे का नहीं है, सवाल यह है कि आप हमारे देश की सेना को क्या खिलाना चाहते हैं। पिछले दिनों

Uncorrected/Not for publication - 09.08.2010

लगातार यह देखने में आ रहा है, मैंने अनेकों बार शून्य काल में यहां उठाया है कि सेना भारत की रक्षा के लिए है, उसे खाने के लिए पौष्टिक आहार देना चाहिए।

(1q/gs पर क्रमशः)

KLS/GS/1Q-12.15

श्री प्रभात झा (क्रमागत) : यह कमजोरी कैसे आ रही है ? यह घोटाला कैसे हुआ? सी.ए.जी. की रिपोर्ट में यह तीन हजार करोड़ रुपये का घोटाला सामने आया है। इतना ही नहीं, जो सेना के जवान सीमा पर काम करते हैं, उन पर तस्करी करने का आरोप लगाया जाता है। इतना ही नहीं, सुधाना भूमि घोटाला कैसे होता है ? इसमें बड़े से बड़े अधिकारी कैसे फंस जाते हैं ? सीमा पर काम करने वाले अर्ध सैनिक बल के एक डी0आई0जी0 ने होम मिनिस्ट्री को गुप्त रिपोर्ट दी है और कहा है कि यहां पर रोज सुबह तीन घंटे के अंदर चार करोड़ से लेकर दस करोड़ के बीच में तस्करी होती है। जो कुछ भी हथियार अर्ध सैनिक बलों को दिए जाते हैं, उनकी चोरी होती है और वे नक्सलियों के हाथों में पहुंच जाते हैं। यह बहुत गंभीर मामला है। इस पर सदन को ध्यान देना चाहिए, सरकार को ध्यान देना चाहिए। यह सामान्य रोटी, दाल, चावल का मामला नहीं है, आखिर हमारी सेना के जवान ऐसा खाना खाएंगे, तो लड़ेंगे कैसे ? यह बहुत बड़ी ज्यादती है, यह राष्ट्रीय अपराध है, और इस अपराध के लिए जो लोग दोषी हों, उनका सख्त सजा देनी चाहिए, यह मेरी सरकार से मांग है।

(समाप्त)

श्रीमती माया सिंह (मध्य प्रदेश): महोदय, मैं अपने आपको इससे संबद्ध करती हूं।

RE: COLLISION OF TWO VESSELS IN MUMBAI SEA POSING SERIOUS ENVIRONMENTAL THREAT

SHRI SHANTARAM LAXMAN NAIK (GOA): Sir, thousands of litres of fuel has spilled into Mumbai sea posing a serious threat to environment when two

Uncorrected/Not for publication - 09.08.2010

merchant ships collided with each other near Mumbai Port on 7th morning. It is reported that MS Chitra was proceeding out of Jawaharlal Nehru Port while MV Khalija III was moving toward Mumbai Port. It is learnt that Khalija III Control Room tried to contact Chitra on all VHF channels, requesting a change of course but could not get any response. MS Chitra was carrying around 2662 tonnes of fuel, 288 tonnes of diesel and 88 tonnes of lubricants. Two containers from Chitra fell into sea due to the impact initially and now more than 200 containers are in the sea spilling tonnes of fuel all over. The oil has now reportedly reached other coastal areas of Maharashtra including Alibag. Entire fishing community will be in deep trouble as they will not be able to harvest the fish from the sea for many months from now. Although Navy, Coast Guard and the two Port Trust authorities are doing their best, yet the damage will be far more if the agencies do not succeed in salvaging the situation. The State of Goa had a bad experience when a ship called River Princess was grounded off at Candolim beach in Goa nine-and-a-half year back. The State Government has still not succeeded in getting the grounded ship removed. It has spoiled the ecology of the area and has also affected tourism. The last company which dared to take up the tender for removing the ship has also given up. Two companies earlier too failed. Goa Government is now issuing fresh tender. Mumbai authorities should take the task of removing the grounded ship Chitra expeditiously with minimum spillage of oil. Sir, now the point is that the ship is going to ground totally but till today why no arrest has been made. If two motor vehicles collide, the drivers are immediately arrested. In this case, no arrest has been made. We do not know whether

Uncorrected/Not for publication - 09.08.2010

proper FIR has been lodged under a proper section of law. Then, Sir, why was there no traffic management? Where did the traffic management fail? You know that it is not an open sea. Somebody is controlling the traffic. Why till today no preliminary statement has been issued is also a question. When some air traffic disaster comes, some preliminary statements, from some authorities are issued. Till today we do not know because of whose negligence the collision took place. Sir, this initial thing should come up and the Ministry of Shipping and Transport and other authorities take interest to see that the minimum damage is done in this matter.

SHRI RAJIV PRATAP RUDY: Sir, similar incidents happened in the past. ... (Interruptions) ... There is no response from the Government.. ... (Interruptions) ...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You can associate yourself. ... (Interruptions) ... Mr. Minister, would you like to react? ... (Interruptions) ...

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI JAIRAM RAMESH): Sir, I would like to give a quick response. Although this relates to the Ministry of Shipping and Transport, as the hon. Member mentioned, as soon as this incident took place, I established contact with the Coast Guard and with the Maharashtra State Pollution Control Board, which has the direct responsibility of taking action against the erring parties. I would like to assure the hon. Members that the Maharashtra State Pollution Control Board has already initiated legal action against the owners of the ship for the accident and the Coast Guard has been keeping this entire area

Uncorrected/Not for publication - 09.08.2010

under surveillance. The State Pollution Control Board has assured me that they are taking necessary remedial action. Sir, I would require a little more time and I want to assure the hon. Members that tomorrow, if the hon. Chair can give me some time, I would like to make a detailed statement on this subject and what is being done. But I would like to assure the hon. Members that the Coast Guard and the Maharashtra State Pollution Control Board are on the spot, they are taking all necessary action and we should give them a little time before we pass judgement on this issue.

(Followed by 1R/SSS)

SSS-ASC/1R/12.20

SHRI RAJIV PRATAP RUDY: Better action needs to be taken and the compensation has to be paid to those who have suffered and this compensation should be a benchmark for all other future spills.

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI JAIRAM RAMESH): Sir, with your permission, I assure you that I will look into it.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Okay, Shri Kumar Deepak Das.

Uncorrected/Not for publication - 09.08.2010**DEPORTATION OF ILLEGAL INFILTRATORS FROM ASSAM**

SHRI KUMAR DEEPAK DAS (ASSAM): Sir, I want to raise a serious issue. This is related to the security and....

SHRI RAJIV PRATAP RUDY: Sir, today is Mr. Das's birthday. We congratulate him.

SHRI KUMAR DEEPAK DAS: Thank you. This is related to the security and sovereignty of the country. Sir, you will be surprised to know that illegal immigrants from Bangladesh have filed a writ petition in the Guwahati High Court. The Guwahati High Court has expressed its concern, displeasure on the issue on 5th August, 2008. Sir, Assam is celebrating Silver Jubilee of signing of Assam Accord, for which it was signed to deport illegal migrants. Government is not taking issue of illegal infiltration seriously. Recently, it has been found that out of the 14,856 illegal Bangladeshis who have been identified since 2001, 11,869 have gone missing. This is the scenario of the State of how illegal migration is adversely affecting the demographic pattern of the State. Even on 5th August, 2010, the Guwahati High Court had slammed the Central and the State Government for not taking the matter seriously in connection with the petition filed by a deported Bangladeshi citizen. The Guwahati High Court said that the entire machinery of deportation has been farce and no useful purpose served in establishing the foreigner tribunals. I quote, "The entire machinery, including the foreigners' tribunal are mere mockery and no useful purpose has been served in establishing the foreigners' tribunal and spending crores of rupees in the name of deportation of foreign nationals." This is observed by the Guwahati High Court in

Uncorrected/Not for publication - 09.08.2010

the Court Order dated August 5th, 2010 while dealing with a Writ Petition filed by a ‘deported’ Bangladeshi national. In the petition, the petitioner stated that he was released by police in a deep jungle along the Indo-Bangladesh border near Karimganj on the night of November 20, 2008 after his arrest. This is the procedure of how the illegal foreigners are deported. The High Court also expressed shock at the “manner and method in which deported Bangladeshis could come back to India and invoke the writ jurisdiction”. The court made clear its displeasure with the State and Central Government for their failure to deal with the queries raised by the court in its earlier order dated May 19, 2010 in connection with the same case. Sir, I invite immediate explanation from the Government on this serious issue. Implementation of Assam Accord is a must and it should be implemented with letter and spirit. (Time bell)

उपसभाध्यक्ष (प्रो.पी.जे. कुरियन) : आपके तीन मिनट हो गए। ... (व्यवधान). हो गया, हो गया। श्री रुद्रनारायण पाणि। It is not going on record, then, what is the point?

SHRI RAJIV PRATAP RUDY: Sir, it is a very important issue which he has raised. It is regarding illegal migrants. The issue which he has raised is concerning the nation. It is not an individual issue and there is no response from the Government. There is no one from the Government to respond at all. You can't find anyone of....

THE VICE-CHAIRMAN: No, there are Ministers. It is up to the government to respond. (Interruptions) Now, please...(Interruptions) Okay, okay,...(Interruptions)... No, no...You associate with him. (Interruptions) No, no, Please...(Interruptions)... I have called Mr. Rudra Narain Pany.

Uncorrected/Not for publication - 09.08.2010

(Interruptions) Mr. Rudy, it is Zero Hour. (Interruptions) Government may or may not react.

SHRI RAJIV PRATAP RUDY: Government has no significance for Zero Hour? Is this the response of the Government?

(Followed by 1S/NBR)

-SSS/NBR-LT/1S/12.25.

SHRI KUMAR DEEPAK DAS: Sir, the Government should make a statement on this...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): It is noted ...(Interruptions)...Take your seat...(Interruptions)...Your point is well taken...(Interruptions)...The Government will take note of it ...(Interruptions)...

RE. POSCO PROJECT IN ORISSA

श्री रुद्रनारायण पाणि : सर, मेरा समय बढ़ा दीजिए..(व्यवधान)..शुरू से कर दीजिए..(व्यवधान)..

उपसभाध्यक्ष : कर दिया है..(व्यवधान)..आप जल्दी शुरू कीजिए..(व्यवधान)..

श्री रुद्रनारायण पाणि (उड़ीसा) : उपसभाध्यक्ष जी, कोरियाई मेगा स्टील प्लांट के बारे में देश भर में बवाल खड़ा हो गया है। पिछले सोमवार को मैंने एक पूरक प्रश्न में पूछा था कि विदआउट फॉरेस्ट क्लियरेंस उड़ीसा में कितने इल्लिगल कार्य हो रहे हैं, उस समय माननीय वन एवं पर्यावरण मंत्री ने बताया था कि उड़ीसा में शायद पोस्को "फॉरेस्ट ड्वेलर्स राइट्स ऐक्ट, 2006" का उल्लंघन कर रहा है, इसलिए मैंने एक एक्सपर्ट कमेटी बनाई है और उड़ीसा में अभी एक्सपर्ट कमेटी है, जब वह रिपोर्ट दे देगी, तब उसके ऊपर तत्काल कार्यवाही होगी। इसी बीच एक्सपर्ट कमेटी ने बताया कि वहां पर "फॉरेस्ट ड्वेलर्स राइट्स ऐक्ट, 2006" का उल्लंघन हुआ है। एक प्रकार से राज्य की सरकार ने भी गलत बयान देकर,

Uncorrected/Not for publication - 09.08.2010

गलत तथ्य देकर, केंद्र को गुमराह करके केंद्र से स्वीकृति ले ली थी। अभी काम को स्थगित कर दिया गया है। मेरे विचार से यह सामयिक रूप से है। वहां की राज्य सरकार पोस्को के इस मेगा स्टील प्लांट के लिए अकेले वाहवाही नहीं ले सकती है। 2005 को यह समझौता पत्र हस्ताक्षरित हुआ था। यह 52,000 करोड़ फॉरेन डायरेक्ट इन्वेस्टमेंट का मामला है। यह मेगा स्टील प्लांट का मामला है। इसमें स्वाभाविक रूप से केंद्र सरकार की भी कोई भूमिका होती है। केंद्र सरकार को यह देखना चाहिए था कि पांच साल के अंदर इस मेगा प्रकल्प की कितनी प्रगति हुई है। पांच साल हो गए हैं, लेकिन इसमें बहुत कम काम हुआ है। स्टेट गवर्नमेंट की जो विस्थापन नीति है, जो आर.एण्ड आर. पॉलिसी है, उसके संदर्भ में स्टेट गवर्नमेंट कहती है कि उनकी 2006 की आर.एण्ड आर. पॉलिसी बहुत ही बढ़िया है, लेकिन वहां लोगों के साथ न्याय नहीं होता है, विस्थापित लोगों के प्रति ध्यान नहीं दिया जाता है, जिसके कारण लोग प्रतिरोध करते हैं, जो कि स्वाभाविक है। आज जब वन और पर्यावरण मंत्रालय की ओर से काम को सामूहिक रूप से स्थगित करने का निर्देश दिया गया है, तब इसका यह मतलब नहीं है कि पोस्को हमेशा के लिए बंद हो जाएगा। प्रदेश की सरकार ने अपनी राजनीति चालू कर दी है और वह केंद्र पर दोषारोपण करते हुए कहती है कि केंद्र इस मेगा स्टील प्रोजेक्ट को नहीं होने देना चाहता है। मैं यह कहना चाहता हूं कि केंद्र इस ओर विशेष रूप से ध्यान दे और यह मेगा प्रकल्प...(समय की घंटी)..कैसा हो, उसके प्रति ध्यान दिया जाए।

उपसभाध्यक्ष (प्रो.पी.जे. कुरियन) : हो गया है। ..(व्यवधान)..

श्री रुद्रनारायण पाणि : मेरी आपके माध्यम से केंद्र सरकार से यह मांग है..(व्यवधान)..कि आवश्यकता पड़ने पर उड़ीसा के किसी दूसरे हिस्से में भी प्रोजेक्ट लगाया जाए..(व्यवधान)..

(समाप्त)

Uncorrected/Not for publication - 09.08.2010

उपसभाध्यक्ष (प्रो.पी.जे. कुरियन) : आप बैठिए। श्री रामविलास पासवान जी।

RE. DROUGHT IN BIHAR

श्री रामविलास पासवान (बिहार) : उपसभाध्यक्ष जी, पूरा बिहार अकाल की चपेट में है। मुख्य मंत्री जी यहां आए थे, उन्होंने कहा कि 28 जिले हैं, लेकिन सॉरी, यहां हमारे माननीय सदस्य बैठे हैं, जनता दल (यू) के भी माननीय सदस्य बैठे हुए हैं, 28 जिले नहीं, बल्कि वहां पर 38 जिले सूखे की चपेट में हैं। वहां पर कभी सप्ताह में बिजली मयस्सर हो जाए, तो बहुत बड़ी चीज होती है। भुखमरी का आलम यह है कि पिछली बार, दो साल पहले, जब वहां पर सुखाड़ आया था तो अकेले गया जिले में 200 लोग भूख से मर गए थे। पशु चारे का भी ऐसा ही आलम है। चारों ओर भुखमरी फैली हुई है। उन्होंने अभी 5000 करोड़ रुपए की मांग की है, लेकिन मेरी समझ में 5000 करोड़ रुपए सफिशिएंट नहीं हैं, बिहार सरकार को कम से कम 15000 करोड़ रुपए देने चाहिए। इतना ही नहीं, हम यह भी कहना चाहेंगे कि जब यहां से बिहार में पैसा जाता है तो उसका सदुपयोग नहीं होता है, हमेशा उसका दुरुपयोग होता है। गरीब के लिए पैसा जाता है, लेकिन वह दूसरी चीजों पर खर्च हो जाता है, इसलिए भारत सरकार को यह भी देखना चाहिए कि यहां से जो भी पैसा सूखाग्रस्त के नाम पर जाए या बाढ़ पीड़ित के नाम पर जाए, उसका सही ढंग से उपयोग होना चाहिए।

(AKG/1t पर क्रमागत)

AKG-USY/1T/12.30

श्री रामविलास पासवान (क्रमागत) : पिछले समय वहाँ भयंकर बाढ़ आई। सोनिया जी वहाँ गईं, हम लोग भी साथ थे। प्रधान मंत्री जी का दौरा हुआ। वहाँ बहुत सारे पैसे दिए गए, लेकिन उन पैसों का आलम क्या हुआ, यह हम सब लोगों को मालूम है। एक रिपोर्ट के मुताबिक उस पैसे से ट्रक के बदले स्कूटर का इस्तेमाल किया गया और उस स्कूटर के ऊपर हजारों कि्वेंटल अनाज का ढोना दिखलाया गया, जो बिल्कुल गलत था। महिलाओं के लिए जो पैसा दिया गया, उसमें यह दिखलाया गया कि एक महिला ने दो महीने में पाँच बार बच्चे पैदा किए

Uncorrected/Not for publication - 09.08.2010

और उसके नाम पर पैसा उठाया गया। इस तरह से वहाँ केन्द्र सरकार के पैसे का बिल्कुल दुरुपयोग हो रहा है। इसलिए हम चाहेंगे कि वहाँ से जो भी राशि जाए, भारत सरकार उस पूरी राशि की स्वयं monitoring करे, जिससे उस पैसे का सही उपयोग हो सके। बिहार में तुरंत एक केन्द्रीय टीम जानी चाहिए, ताकि वह स्थिति का अध्ययन कर तुरंत भारत सरकार को अपनी रिपोर्ट दे और भारत सरकार तत्काल उस पर कार्रवाई करके वहाँ पैसे की निकासी करे, जिससे गरीब के जान-माल की रक्षा हो सके। हम फिर माँग करेंगे कि बिहार के 28 जिलों को नहीं, बल्कि पूरे बिहार को अकाल क्षेत्र घोषित किया जाए।

(समाप्त)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Thank you very much.

श्री राजीव प्रताप रूडी (बिहार) : सर, मेरा भी नाम है।

THE VICE-CHAIRMAN: You can associate. आप associate कीजिए। ... (व्यवधान)

... Okay, say in one sentence.

श्री राजीव प्रताप रूडी : सर, रामविलास जी ने कहा है, हमको लगता है कि उन्होंने अपने हिसाब से, क्योंकि वे केन्द्रीय मंत्री रहे हैं, उनको अंदाज लग गया होगा कि बिहार को कितने पैसों की जरूरत है, वे 5 हजार करोड़ से बढ़ा कर 15 हजार करोड़ करना चाहते हैं। मैं आपकी बात से पूरी तरह से सहमत हूँ कि बिहार को उतना पैसा जाए, जितना बिहार की आवश्यकता है। महोदय, अकाल की स्थिति है, बहुत भयानक है और बिहार सरकार ने कहा है कि अगर अगले कुछ दिनों में बारिश नहीं होगी, तो हम सभी जिलों के लिए कहेंगे। हमारा भी ऐसा ही मानना है कि सब जिलों को include किया जाए। ... (व्यवधान) ... इसलिए बिहार के 38 जिलों के लिए जो राशि की माँग ... (व्यवधान) ...

उपसभाध्यक्ष : ठीक है। श्री प्रकाश जावडेकर ... (व्यवधान) ...

Uncorrected/Not for publication - 09.08.2010

श्री राजीव प्रताप रूडी : रामविलास जी ने 15 हजार करोड़ कहा है। प्रधान मंत्री जी से मुख्य मंत्री जी की बातचीत हुई है कि 15 हजार करोड़ कर दें। ... (व्यवधान) ... बिहार की आवश्यकता है ... (व्यवधान) ...

(समाप्त)

उपसभाध्यक्ष (प्रो.पी.जे. कुरियन) : श्री प्रकाश जावडेकर। ... (व्यवधान) ...

श्री अली अनवर अंसारी : जो वादा किया था, वह दिया या नहीं ... (व्यवधान) ... हलवाई की दुकान दादाजी की थाती है, एक कहावत है। ... (व्यवधान) ... वही बात कह रहे हैं ... (व्यवधान) ... जब आप सरकार में थे, तब आपने क्या किया ... (व्यवधान) ...

THE VICE-CHAIRMAN: No, no. Nothing will go on record. ... (व्यवधान) ... प्लीज़ बैठिए ... (व्यवधान) ... छोड़िए, छोड़िए ... (व्यवधान) ... झगड़ा मत कीजिए ... (व्यवधान) ... बैठिए ... (व्यवधान) ...

श्री साबिर अली : *

श्री अली अनवर अंसारी : *

श्री रुद्रनारायण पाणि : *

उपसभाध्यक्ष : पाणि जी, बैठिए ... (व्यवधान) ... Mr. Rudy, please take your seat. ... (व्यवधान) ... रूडी जी, आपको जो बोलना था, वह आप बोल चुके। आप बैठिए ... (व्यवधान) ... Mr. Sabir Ali, please sit down. (Interruptions) What is this? (Interruptions) Please take your seats. (Interruptions)

श्री साबिर अली : *

श्री अली अनवर अंसारी : *

* Not recorded.

Uncorrected/Not for publication - 09.08.2010

उपसभाध्यक्ष (प्रो.पी.जे. कुरियन) : श्री प्रकाश जावडेकर ... (व्यवधान) ... साबिर अली जी, प्लीज बैठिए ... (व्यवधान) ... आप बैठिए ... (व्यवधान) ... नाराज मत होइए ... (व्यवधान) ... यह पार्लियामेंट है ... (व्यवधान) ... हो सकता है ... (व्यवधान) ... ठीक है, बैठिए ... (व्यवधान) ... आप बैठिए ... (व्यवधान) ...

श्री अली अनवर अंसारी : *

श्री शिवानन्द तिवारी : *

उपसभाध्यक्ष : श्री प्रकाश जावडेकर ... (व्यवधान) ... No, please. (Interruptions) Nothing will go on record. (Interruptions) Nothing will go on record. (Interruptions) Nothing is going on record. (Interruptions) तिवारी जी, रेकार्ड में नहीं जा रहा है, फिर आप क्यों बोल रहे हैं ... (व्यवधान) ... आप बैठिए, आप बोल चुके ... (व्यवधान) ... बैठिए ... (व्यवधान) ...

(1यू/पीके पर आगे)

SCH-PK/12.35/1U

श्री शिवानन्द तिवारी : *

उपसभाध्यक्ष: तिवारी जी, यह रिकॉर्ड पर नहीं जा रहा है, फिर आप क्यों बोल रहे हैं? ... (व्यवधान) यह रिकॉर्ड पर नहीं जा रहा है, आप क्यों बोल रहे हैं? ... (व्यवधान) बैठिए .. (व्यवधान) आप बैठ जाइए, आप बोल चुके हैं .. (व्यवधान) नहीं, नहीं, बैठिए ... (व्यवधान) You address the Chair. .. (Interruptions) ..

श्री रामविलास पासवान: *

श्री अली अनवर अंसारी: *

श्री साबिर अली: *

* Not recorded.

Uncorrected/Not for publication - 09.08.2010

उपसभाध्यक्ष (प्रो. पी.जे. कुरियन): रामविलास जी, आप बैठ जाइए ...(व्यवधान) Okay. Now, you sit down. ...(Interruptions).. Now, all of you sit down. ...(Interruptions).. बैठिए, बैठिए, बैठिए ...(व्यवधान) साबिर अली जी, तिवारी जी, बैठिए ...(व्यवधान) Take your seats. ...(Interruptions).. Please, please. Tiwariji, please. ...(Interruptions).. This is not going on record. ...(Interruptions).. Please address the Chair. ...(Interruptions).. Don't do that. ...(Interruptions).. Now, Mr. Javadekar, you start please. ...(Interruptions)..

श्री प्रकाश जावडेकर (महाराष्ट्र): सर, मैं कैसे स्टार्ट करूं? ...(व्यवधान)

THE VICE-CHAIRMAN: Order, order. ...(Interruptions)..

SHRI RAJIV PRATAP RUDY: Sir, ...(Interruptions)..

THE VICE-CHAIRMAN: No, no. You have had your chance. ...(Interruptions).. Don't provoke. ...(Interruptions).. Why did you provoke? ...(Interruptions).. Mr. Rudy, you are a senior Member. ...(Interruptions).. Mr. Rudy, this is not good. ...(Interruptions).. This is not good. ...(Interruptions).. Mr. Ali, this is not good. ...(Interruptions).. Don't make me angry. ...(Interruptions).. Don't provoke me to get angry. ...(Interruptions)..

RE. TRANSPORTING TOURISTS FROM LEH AT AFFORDABLE COST

श्री प्रकाश जावडेकर(महाराष्ट्र): उपसभाध्यक्ष महोदय, बिहार का चुनाव नवम्बर में है, तब तक यह सब चलेगा, लेकिन मैं लेह और लद्दाख की त्रासदी पर फिर से आ रहा हूं ...(व्यवधान)

THE VICE-CHAIRMAN: Please, no comments while sitting.

Uncorrected/Not for publication - 09.08.2010

श्री प्रकाश जावडेकर: उपसभाध्यक्ष महोदय, लेह और लद्दाख की त्रासदी का अभी तक पूरा पता नहीं चला है। माननीय सभापति महोदय ने सदन की ओर से संवेदना प्रकट की है, लेकिन कुछ लोग त्रासदी का अनुचित लाभ उठा रहा है। Profiteering from tragedy is the worst crime. It is the worst sin and the Airlines are doing the same. त्रासदी के बाद चार दिन में किराया चार गुना बढ़ा दिया गया है। इस तरह किराया बढ़ाया जाना बिल्कुल पाप है। मेरी तीन मांगें हैं, जिनके संबंध में सरकार को आज के आज ही आदेश करना चाहिए।

मेरी पहली मांग है, अभी जितनी संख्या में वहां पर जहाज जा रहे हैं, उनसे ज्यादा संख्या में भेजे जाने चाहिए। सभी एअरलाइन्स को यह कहा जाना चाहिए, एअर इंडिया को भी कहना चाहिए कि वे वहां पर ज्यादा जहाज भेजें। त्रासदी के बाद टूरिस्ट वहां ज्यादा समय रह नहीं सकते हैं, वे तुरन्त वापस आना चाहते हैं। इसे एक रेस्क्यू मिशन के तहत लेना चाहिए और वहां पर जो टूरिस्ट फंसे हैं, उनको वापस लाने की व्यवस्था करनी चाहिए और इसके लिए वहां ज्यादा जहाज उपलब्ध कराए जाएं।

दूसरा, त्रासदी के पूर्व जो किराया था, उसी किराए में उन्हें लाया जाना चाहिए। सभी एअरलाइन्स को आज ही सख्ती से यह आदेश दिया जाना चाहिए।

तीसरा, वहां पर कम्युनिकेशन नहीं है, इसलिए वहां एटीएम और क्रेडिट कार्ड नहीं चल रहे हैं। एअरलाइन्स वाले पच्चीस-पच्चीस, तीस-तीस हजार मांग रहे हैं और बिना क्रेडिट कार्ड के अगर किसी के पास इतना कैश नहीं है, उनके लिए बहुत मुश्किल हो गई है। ऐसे लोग दिल्ली पहुंच कर भी क्रेडिट कार्ड से भुगतान कर सकते हैं। एअरलाइन्स उनसे क्रेडिट कार्ड ले करके, दिल्ली पहुंचकर उनसे पैसा वसूल करके उन्हें क्रेडिट कार्ड वापस दे सकती है। सर, यह मानवीय संवेदना का विषय है, लेकिन एअरलाइन्स वह नहीं दिखा रही हैं। मेरी इन तीन डिमांड्स पर सरकार तुरन्त आज ही ध्यान दे।

दूसरी, इसी से संबंधित एक और बात है। पिछले एक साल से यह हो रहा है कि अंडमान, लेह और लक्षद्वीप जाने वाले सभी यात्रियों के लिए भी किराए बेतहाशा बढ़ा दिए गए

Uncorrected/Not for publication - 09.08.2010

हैं। यह टूरिज्म मिनिस्टर को भी देखना चाहिए और नागर विमानन मिनिस्टर को भी देखना चाहिए। इस संबंध में कोई रैगुलेशन नहीं है और किराए कितने भी बढ़ाए जा रहे हैं। इसके लिए वहां कोई रैगुलेशन लाना पड़ेगा। मैं सरकार से निवेदन करता हूं कि सरकार इस पर तुरन्त अंकुश लगाए।

(समाप्त)

श्री विजय कुमार रूपाणी (गुजरात): सर, इस विषय पर मैं इनका समर्थन करता हूं।

श्रीमती माया सिंह (मध्य प्रदेश): सर, मैं भी इनका समर्थन करती हूं।

श्री श्रीगोपाल व्यास (छत्तीसगढ़): सर, इस विषय पर मैं भी इनका समर्थन करता हूं।

(समाप्त)

1w/psv-pb पर आगेPB-PSV/1w/12.40**RE. CABINET MINISTER'S ALLEGED MEETING WITH MAOISTS**

SHRI PRASANTA CHATTERJEE (WEST BENGAL): I rise to draw the attention of this House towards the absence of hon. Minister for Railways in both the Houses when the Houses are in session. Today, she has gone to Lalgarh to address a mass meeting along with the Maoists outfits at a time when the Maoists are on rampage, killing innocent people in order to establish a free *jungle raj* without any Government's presence. She is demanding for a long time to withdraw the joint police forces from Lalgarh and other areas, and this has encouraged the Maoist outfit leaders like Kishenji, Manoj Mahato, etc., who have openly declared that they will join the meeting *en mass*.

Uncorrected/Not for publication - 09.08.2010

In fact, for the last few months, the Maoists were losing support in Lalgarh area and peace was returning back gradually and many development schemes were progressing. Many of the Maoists are on the 'wanted' list of Police on criminal charges like loot, murder, arson, sabotage and even in the case of a serious railway accident like Gyaneshwari Express. They have declared to be present even on the dais. On several occasions, the hon. Prime Minister had termed the Maoist menaces as greatest danger to democracy. But, unfortunately, one of his Cabinet colleagues has taken the responsibility to rehabilitate the Maoist criminals and holding a joint meeting there. The country demands an answer from the Union Government for allowing a Cabinet Minister to share common platform with the Maoists. This is my request and demand.

(Ends)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): I will go through the record. ... (Interruptions)... Please. I will go through the record and whatever is objectionable will be expunged. ... (Interruptions)...

श्री समन पाठक (पश्चिमी बंगाल): सर, यह मामला बहुत गम्भीर है, क्योंकि जिस पार्टी को सरकार द्वारा प्रतिबंधित किया हुआ है, उसी सरकार के एक कैबिनेट मिनिस्टर वहाँ जाकर उनके साथ एक mass rally कैसे करते हैं? इस पर सरकार क्या कहती है? सरकार का इस पर क्या रिएक्शन है? ... (व्यवधान)... हम लोग चाहते हैं कि वह कम-से-कम इस बात को हाउस में क्लियर करे। ... (व्यवधान)...

SHRI PYARIMOHAN MOHAPATRA (ORISSA): Sir, I associate myself with it and state that it is a very serious and ironical situation where the Union Government owes an explanation.

(Ends)

Uncorrected/Not for publication - 09.08.2010

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): All right. Fine. Now, we take up Special Mentions. Please. ...(Interruptions)...

श्री आर०सी० सिंह (पश्चिमी बंगाल): सर, ...(व्यवधान)... सर, सरकार को इस बात को बड़ी गम्भीरता से लेना चाहिए ...(व्यवधान)...

SHRI PRASANTA CHATTERJEE: Sir, the Minister is here.

THE VICE-CHAIRMAN: It is up to the Minister. I can't direct. ...(Interruptions)... It is up to the Minister. I can't direct.

DR. BARUN MUKHERJI (WEST BENGAL): Sir, I would also like to associate myself with it.

THE VICE-CHAIRMAN: Now, we take up the Special Mentions admitted by the Chairman. ...(Interruptions)...

श्री राजीव प्रताप रूडी (बिहार): सर, ...(व्यवधान)... सर, यह एक बहुत बड़ा आरोप है कि केन्द्र के एक मंत्री की भागीदारी पश्चिमी बंगाल में माओवादियों के साथ है। ...(व्यवधान)...

उपसभाध्यक्ष: ठीक है। ...(व्यवधान)... इस पर बोला जा चुका है। ...(व्यवधान)...

श्री राजीव प्रताप रूडी: यह इतना बड़ा आरोप है ...(व्यवधान)... और सरकार की ओर से कोई जवाब नहीं आ रहा है...(व्यवधान)... इनकी मंशा पर तो हमें बहुत शक रहता है, लेकिन सरकार की इस पर क्या मंशा है? ...(व्यवधान)...

उपसभाध्यक्ष: रूडी जी, हो गया। ...(व्यवधान)... It is already mentioned here. Why do you repeat it? ...(Interruptions)...

श्री राजीव प्रताप रूडी: इनकी मंशा पर तो हमें शक रहता है, ...(व्यवधान)... लेकिन सरकार की क्या मंशा है? ...(व्यवधान)... आप बताइए तो सही। ...(व्यवधान)...

THE VICE-CHAIRMAN: There is no need of repetition. ...(Interruptions)... हो गया। ...(व्यवधान)... अब आप बैठिए, बैठिए। ...(व्यवधान)...

Uncorrected/Not for publication - 09.08.2010

श्री राजीव प्रताप रूडी: ऐसे-ऐसे आरोप हैं ...(व्यवधान)... ऐसे-ऐसे सवाल देश में उठ रहे हैं
...(व्यवधान)...

श्री रुद्रनारायण पाणि (उड़ीसा): सर, ...(व्यवधान)... यह मामला इतना गम्भीर है कि
...(व्यवधान)... तब तक इस सदन को नहीं चलना चाहिए ...(व्यवधान)... सर, यह मामला
इतना गम्भीर है कि ...(व्यवधान)...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): No; please. ...(Interruptions)...
I think, the hon. Minister wants to say something. Please allow the hon. Minister
to react. ...(Interruptions)... Please. The hon. Minister wants to react.
...(Interruptions)... Please, let us hear the Minister. Take your seat, please.
...(Interruptions)... Please. Mr. Pany, ...(Interruptions)... पाणि जी, आप बैठिए
...(व्यवधान)... Now, if she wants to react, I have no objection.

THE MINISTER OF INFORMATION AND BROADCASTING (SHRIMATI AMBIKA SONI): Sir, I only wanted to raise the point that how does the hon. Member, Shri Rajiv Pratap, comment on everybody's intervention. The Government represented at this time by me ...(Interruptions)... is aware of the gravity of the intervention of the hon. Member. It will be conveyed. I am not in a position to give a categorical answer.

THE VICE-CHAIRMAN: That is enough. You have said that you will convey it. That is enough. Now, we shall take up the Special Mentions.

(Followed by 1x/SKC)

1x/12.45/ds-sk

SPECIAL MENTIONS

**NEED TO TAKE IMMEDIATE STEPS FOR
ADEQUATE SUPPLY OF POWER TO UTTAR PRADESH**

श्री बृजलाल खाबरी (उत्तर प्रदेश): महोदय, उत्तर प्रदेश में केन्द्र सरकार के प्रतिष्ठान एनटीपीसी एवं एनपीसीआईएल द्वारा कुल 8,753 मेगावाट क्षमता की परियोजनाएँ स्थापित हैं, लेकिन इन परियोजनाओं से उत्तर प्रदेश को केवल 38 प्रतिशत बिजली आवंटित की गयी है। उत्तर प्रदेश द्वारा इन परियोजनाओं की स्थापना के लिए आवश्यक भूमि एवं जल की व्यवस्था उस समय की गयी थी जब एनटीपीसी ने अपना कार्य प्रारम्भ किया था तथा अन्य राज्यों ने भूमि एवं जल की सुविधा एनटीपीसी को नहीं दी थी। उत्तर प्रदेश में बिजली की भारी कमी है तथा केन्द्रीय परियोजनाओं में उत्तर प्रदेश का अंश बढ़ाने के लिए प्रदेश की मुख्य मंत्री बहन कु. मायावती ने भी प्रधान मंत्री जी को कई बार अनुरोध किया है, लेकिन केन्द्र सरकार केन्द्रीय परियोजनाओं में राज्यों का अंश निर्धारित करने के लिए अभी भी गाडगिल फार्मूले पर टिकी हुई है।

उत्तर प्रदेश द्वारा जनसंख्या के आधार पर बिजली के आवंटन की मांग की जा रही है, लेकिन आवंटन के फार्मूले में परिवर्तन न होने के कारण उत्तर प्रदेश को आवश्यकता के अनुसार बिजली नहीं मिल पा रही है। दूसरी तरफ स्थिति यह है कि दिल्ली को आवश्यकता से अधिक बिजली आवंटित है तथा दिल्ली में कार्यरत निजी वितरण कम्पनियाँ लगातार अन्य राज्यों को सरप्लस बिजली ऊँची दरों पर विक्रय कर रही हैं। उत्तर प्रदेश को भी अपनी आवश्यकता की पूर्ति के लिए इन कम्पनियों से बिजली क्रय करनी पड़ रही है। बिजली एक राष्ट्रीय संसाधन है। अतः इसका आवंटन आवश्यकता के अनुरूप किया जाना चाहिए। केन्द्र

Uncorrected/Not for publication - 09.08.2010

सरकार को केन्द्रीय परियोजनाओं से बिजली के आवंटन में उत्तर प्रदेश के प्रति भी वही उदार रवैया अपनाना चाहिए जो उसने दिल्ली के साथ अपनाया है। उत्तर प्रदेश को अधिक बिजली आवंटित किये जाने की मांग पूरी तरह जायज है, क्योंकि केन्द्र सरकार द्वारा स्थापित विद्युत परियोजनाओं के लिए उत्तर प्रदेश ने अपने बहुमूल्य संसाधन, जैसे, भूमि एवं पानी उपलब्ध कराया है तथा उत्तर प्रदेश का पर्यावरण भी इन परियोजनाओं से प्रभावित हुआ है।

अतः सदन के माध्यम से मेरा केन्द्र सरकार से अनुरोध है कि राष्ट्रहित में उत्तर प्रदेश को जनसंख्या के अनुपात में बिजली का आवंटन करने हेतु शीघ्र आवश्यक कदम उठाए जाएँ।
धन्यवाद।

(समाप्त)

**NEED FOR CENTRAL ASSISTANCE FOR
PROPER IMPLEMENTATION OF AAROGYASRI HEALTH CARE
INSURANCE SCHEME IN ANDHRA PRADESH**

DR. T. SUBBARAMI REDDY (ANDHRA PRADESH): Sir, the State Government of Andhra Pradesh has requested the Government of India for Rs.300 crores for implementation of the above scheme. The scheme is under implementation throughout the State. At present, the entire expenditure is being funded by the State Government. The need and justification for Central assistance has been presented to the 13th Finance Commission. The former Chief Minister had forwarded the request on 11th June, 2009 to the hon. Prime Minister for consideration of the request and had suggested sharing the expenditure on a 70:30 ratio and extending Central assistance to provide quality medical care for treatment procedures involving hospitalization and surgery through identified healthcare providers. The scheme is being implemented by Aarogyasri Healthcare Trust under the chairmanship of the hon. Chief Minister. Each family is covered

Uncorrected/Not for publication - 09.08.2010

with an amount of Rs. two lakhs per year. The scheme provides cashless treatment to entitled BPL families and covers 942 procedures. The scheme is implemented online through an IT portal for efficiency, transparency and accountability. This is a unique scheme that assures basic and tertiary healthcare to the BPL population. This has been a great success in the State of Andhra Pradesh. It is a technology-driven scheme that brings healthcare to the doorsteps of rural poor enhancing the dignity and quality of their life. The scheme also includes cochlear implantation for children up to 12 years of age.

I would, therefore, urge upon the Government to kindly sanction the amount, as desired by the State Government.

SHRI JESUDASU SEELAM (ANDHRA PRADESH): Sir, I associate myself with the Special Mention made by the hon. Member.

(Ends)

**NEED FOR TAKING STRINGENT MEASURES TO CHECK THE MENACE OF
RAGGING IN THE COUNTRY**

DR. JANARDHAN WAGHMARE (MAHARASHTRA): Sir, the practice of ragging has taken a serious turn. Violence has become an innate part. It has traversed from teasing to bullying and now it has touched the level of savagery. Ragging has become a regular ritual of institutions of higher education. Senior students, while giving reception to the freshers, resort to ragging, thereby deriving sadistic pleasure. The freshers who have experienced the horror of ragging continue the game next year and satisfy their ego.

(Contd. at 1y/hk)

Uncorrected/Not for publication - 09.08.2010

HK-NB/1y/12.50

DR. JANARDHAN WAGHMARE (CONTD.): Ragging today has become a trap. Many innocent students are brutally victimized. Amit Sahai committed suicide in 2005 and Aman Kachroo was brutally killed in 2009.

It is the irony of fate that Aman Kachroo's father, Prof. Rajender Kachroo could not get justice despite his striving. His voice has faded into wilderness. Recently a carnival of ragging was celebrated in Mumbai University. The seniors stripped the freshers and forced them to dance in the hall.

The UGC's anti-ragging helpline and the AICTE's anti-ragging regulations have failed. The Apex Court's ruling has not impacted the authorities of the institutions of higher education.

There should be a nationwide campaign against the menace of ragging. Strict measures have to be taken to prevent it and punish the culprits. Every college and university should constitute Vigilance Committees to take cognizance of such happenings.

I urge upon the Government to take stringent steps to nip this menace in the bud.

(Ends)

**DEMAND TO TAKE MEASURES FOR STRENGTHENING THE CENTRAL WAKF
COUNCIL FOR PROPER PROTECTION OF WAKF PROPERTIES IN THE
COUNTRY.**

SHRI SYED AZEEZ PASHA (ANDHRA PRADESH): Sir, there is a proposal to restructure NMDFC in which Wakf Development Agency would be a subsidiary

Uncorrected/Not for publication - 09.08.2010

company. Transferring the scheme of the Council to NMDFC, whose performance has not been up to the mark, is highly objectionable. Neither the Central Wakf Council nor the State Wakf Boards were consulted on the issue before taking the matter to the Cabinet for approval.

The Central Wakf Council had launched a scheme for the Development or Urban Wakf Prosperities in 1974-75. Under the scheme, it has so far developed 157 Urban Wakf Properties. Instead of strengthening the scheme of the Wakf Council, the above move of the Ministry of Minority Affairs is highly regrettable. The prime objective of NMDFC was to provide concessional finance to the minorities living below poverty line for self employment. However, the Corporation since its inception has reached to the only four lakh persons out of which a substantial proportion belongs to non-Muslim minority community.

In view of poor performance, an Expert Committee constituted by Government of India, Ministry of Minority Affairs on 13th July, 2006 recommended the restructuring in which NMDFC will be converted as Non Banking Finance Company. After the proposed restructuring the rate of interest is likely to go up considerably which is not in the interest of the weaker section of minorities. The Central Wakf Council is an apex body established in 1964 under the Wakf Act to advice Government. But, unfortunately, it has been completely ignored while deciding the issue related to development of Wakf properties.

Hence, I demand to the Government to strengthen the Central Wakf Council and save the Wakf properties while taking affirmative action in this regard.

(Ends)

Uncorrected/Not for publication - 09.08.2010

KSK/VNK/12.55/1Z

**CONCERN OVER NEGLECT OF HINDI LANGUAGE IN ADVERSITING AND
BROADCASTING MATERIAL USED FOR
COMMONWEALTH GAMES CAMPAIGN IN THE COUNTRY**

श्री नरेन्द्र कुमार कश्यप (उत्तर प्रदेश): महोदय, यह गर्व की बात है कि हम राष्ट्रमंडल खेलों का आयोजन करने जा रहे हैं। इतने बड़े खर्च के बजट के बावजूद इस विशाल आयोजन में एक गंभीर कमी नजर आ रही है। इन खेलों के आयोजन से संबंधित जो भी प्रचार सामग्री, विज्ञापन तथा स्टेडियमों के नाम इत्यादि हैं, वे सभी अंग्रेजी भाषा में लिखाए गए हैं। इससे ऐसा प्रतीत होता है कि जैसे हमारी मातृभाषा हिन्दी न होकर अंग्रेजी हो गई है। विदेशी मेहमान, जो कि दो माह बाद यहां आने वाले हैं, वे यही सोचेंगे कि इस देश की मातृभाषा कदाचित अंग्रेजी है, जबकि जब चीन में ओलंपिक खेल हुए, तो वहां चीनी भाषा का अधिकाधिक प्रयोग किया गया था, जिसके कारण चीनी भाषा को काफी प्रचार मिला था। मैं सरकार का ध्यान दिलाना चाहता हूँ कि हिंदी के प्रचार-प्रसार का इससे बेहतर अवसर और क्या हो सकता है। तमाम सांसदों, राजभाषा समर्थन समिति, मेरठ इत्यादि संस्थाओं ने सरकार को इस संबंध में कई बार चेताया और ज्ञापन भी सौंपे हैं, परन्तु इस दिशा में अभी तक कोई सार्थक कदम नहीं उठाया गया है। मेरी सरकार से मांग है कि राष्ट्रमंडल खेलों से संबंधित सभी प्रचार सामग्री माध्यमों में हिन्दी भाषा का अधिकाधिक प्रयोग हो, स्टेडियमों के नाम तथा खेलों से संबंधित अन्य जानकारियां भी हिन्दी में हों। जरूरतानुसार विदेशी मेहमानों की सुविधाओं के लिए हिन्दी भाषान्तरकार एवं अनुवादकों की सेवा भी लेने की तत्काल व्यवस्था की जाए, जिससे हिन्दी के प्रचार-प्रसार को विदेशों में भी पहचान मिले।

(समाप्त)

श्री श्रीगोपाल व्यास (छत्तीसगढ़): महोदय, मैं स्वयं को इस विशेष उल्लेख से संबद्ध करता हूँ।

श्री रुद्रनारायण पाणि (उड़ीसा): महोदय, मैं स्वयं को इस विशेष उल्लेख से संबद्ध करता हूँ।

Uncorrected/Not for publication - 09.08.2010

सुश्री अनुसुइया उइके (मध्य प्रदेश): महोदय, मैं स्वयं को इस विशेष उल्लेख से संबद्ध करती हूँ।

श्रीमती बिमला कश्यप सूद (हिमाचल प्रदेश): महोदय, मैं स्वयं को इस विशेष उल्लेख से संबद्ध करती हूँ।

(समाप्त)

**DEMAND TO PROVIDE ADEQUATE REMUNERATION TO WORKERS
ENGAGED IN CONSTRUCTION AND MAINTENANCE OF MOBILE TOWERS**

सुश्री अनुसुइया उइके (मध्य प्रदेश) : मैं इस विशेष उल्लेख के माध्यम से सदन एवं केन्द्र सरकार का ध्यान इस ओर दिलाना चाहती हूँ कि देश में बड़ी संख्या में मोबाइल के टावरों की प्रतिदिन स्थापना हो रही है। माबाईल कंपनियों द्वारा जगह-जगह पर भूमि/भवन किराए पर लेकर उनमें टावर खड़े किए जाते हैं। इन टावरों की देखभाल करने तथा चौकीदारी, मरम्मत आदि कार्य के लिए मजदूरों को रखा जाता है। इन मजदूरों को बहुत कम मासिक मजदूरी, मात्र दो ढाई हजार रुपए, का ही भुगतान किया जाता है, जबकि इनसे 24 घंटे काम लिया जाता है।

साथ ही मोबाइल कंपनियों द्वारा एक ही टावर पर अलग-अलग कंपनियों के उपकरण स्थापित कर लागत में बचत तो कर ली जाती है, किन्तु देश भर में टावर में रात दिन मजदूरी करने वाले करोड़ों मजदूरों को मासिक मजदूरी के रूप में मात्र दो से ढाई हजार रुपए वेतन दिया जा रहा है, जो कि श्रम कानूनों के विरुद्ध है। जब कि उल्लेखित है कि "महात्मा गांधी राष्ट्रीय ग्रामीण रोजगार योजना" में भी 100 रुपए से अधिक की मजदूरी प्रतिदिन देने का प्रावधान किया गया है, किन्तु टावरों में कार्यरत मजदूरों को चौबीस घंटे की मासिक मजदूरी बहुत ही कम दी जा रही है।

Uncorrected/Not for publication - 09.08.2010

अतएव, मैं केन्द्र सरकार का ध्यान इस ओर दिलाकर अनुरोध करना चाहती हूँ कि मोबाईल टावरों में कार्यरत व्यक्ति को शासन के नियमानुसार निर्धारित दर पर मासिक मजदूरी उपलब्ध हो, ऐसी व्यवस्था सुनिश्चित करने का कष्ट करें।

(समाप्त)

श्री रुद्रनारायण पाणि (उड़ीसा): महोदय, मैं स्वयं को इस विशेष उल्लेख से संबद्ध करता हूँ।

SHRI SAMAN PATHAK (WEST BENGAL): Sir, I associate myself with the Special Mention made by Miss Anusuiya Uikey.

(Ends)

**DEMAND TO TAKE ACTION TO CHECK SUPPLY OF STALE FOOD ITEMS TO
ARMY JAWANS POSTED AT BORDER AREAS**

SHRI N. BALAGANGA (TAMIL NADU) : Sir, I would like to bring a very shocking news item that appeared in most of the national dailies a few weeks back. This is regarding the food that the army jawans at border areas get from the Army Establishment.

(Contd. by 2a/GSP)

GSP-MP-1.00-2A

SHRI N. BALAGANGA (CONTD.): The Indian Army personnel are protecting the porous borders from countries like Pakistan and China. Only when they are awake - whether it is day or night, hot or cold - the Indian citizens can sleep peacefully inside India. But what do the Jawans get for eating while they are protecting the borders?

Uncorrected/Not for publication - 09.08.2010

They get stale food for eating, and, this is what the CAG has said in its latest report. The CAG in the damning revelation mentioned that the Indian Army jawans posted at some of the most difficult locations along the China and Pakistan borders are getting food that is unfit for human consumption. They get rations on a date which is two years after the expiry date. The report further said that the food items get "life extensions" by a laboratory in Jammu. It mentioned that the Army has violated its own norms in supplying these items. The CAG revealed that it is mostly happening in the Northern Command.

Hence, I request the Government to take immediate action in this regard. Please check the food that is delivered to the Jawans at high altitudes and take action against those responsible for doing this. Please take action against the laboratory also that is giving false certificates on food items. Thank you.

(Ends)

PAPERS LAID ON THE TABLE (contd.)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, Report of the Committee on Privileges. Shri Balbir Punj.

FIFTY-SIXTH REPORT OF COMMITTEE OF PRIVILEGES

SHRI BALBIR PUNJ (ORISSA) : Sir, I present the Fifty-sixth Report (in English and Hindi) of the Committee of Privileges on a matter of allegedly lowering the dignity of the House and committing breach of privilege by publishing an article casting reflections on Members of Lok Sabha in 'Saamana'. (Ends)

Uncorrected/Not for publication - 09.08.2010

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): The House is adjourned for lunch for one hour.

- - -

**The House then adjourned for lunch
at three minutes past one of the clock.**

SK/2B/2.00

**The House re-assembled after lunch
at four minutes past two of the clock**

THE VICE-CHAIRMAN (PROF.P.J.KURIEN) in the Chair.

**THE SECURITIES AND INSURANCE LAWS
(AMENDMENT AND VALIDATION) BILL, 2010.**

THE VICE-CHAIRMAN: We shall now take up the Securities and Insurance Laws (Amendment and Validation) Bill, 2010.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Sir, I beg to move:

That the Bill further to amend the Reserve Bank of India Act, 1934, the Insurance Act, 1938, the Securities Contracts (Regulations) Act, 1956 and the Securities and Exchange Board of India Act, 1992, as passed by Lok Sabha, be taken into consideration.

(Contd. by yrsr - 2C)

Uncorrected/Not for publication - 09.08.2010

-SK/YSR/2.05/2C

SHRI PRANAB MUKHERJEE (CONTD.): Sir, I would like to make a very brief observation on the background in which this Bill was brought. This Bill was brought in the form of an ordinance. I have explained the reasons why an ordinance was needed as per the requirement of the rules and laid it on the Table of the House. Currently, there are four regulators. The Reserve Bank of India regulates banks. The Securities and Exchange Board of India regulates markets. The Insurance Regulatory and Development Authority regulates insurance companies. And the fourth one is the Interim Pension Fund Regulatory Development Authority. Of these four, three are statutory regulators. They have been vested with power by an Act of Parliament. So far as the Provident Fund Regulatory Development Authority is concerned, it was created by a Resolution of the Government and power of regulations has been vested in it by the terms and conditions of the Resolution. Because of the increasing complexity and innovation of financial sector, a need was felt to institutionalize the inter-regulatory coordination to address the gaps and overlaps. Therefore, a high-level coordination committee on financial markets was set up in 1990 which was chaired by the Governor, RBI. It has on it as members both Finance Secretary and Secretary, in charge of financial services.

I would just like to explain the reasons why the ordinance was needed. Recently, the jurisdictional dispute arose between SEBI and the IRDA over Unit Linked Insurance Policy. In January 2010, SEBI issued show cause notice to some of the life insurance companies on the ground that the ULIPs are akin to

Uncorrected/Not for publication - 09.08.2010

mutual fund scheme and consequently can be sold only by entities which are registered with the SEBI and whose products meet their approval. Further, on 9th April 2010, SEBI issued an order against fourteen insurance companies prohibiting them from issuing new ULIP or raising money from existing ULIP till they obtain the requisite certificate of registration from SEBI. On this issue the IRDA was of the opinion that order of the SEBI issued without offering the fourteen insurance companies any opportunity of hearing was bad in law and exercised without the necessary jurisdiction and would adversely affect the interest of the insurers and the investors in the market and put the policyholders to great losses. Hence, the IRDA in exercise of powers vested in it under section 34(1), sub-section (a) & (b) of the Insurance Act, 1938 and after consultation with the members of the Consultative Committee vide its order dated April 10, 2010 directed all the fourteen insurance companies mentioned in the order of SEBI to carry out insurance business as usual. As a consequence, a situation was created where SEBI was ordering fourteen insurance companies not to proceed. The IRDA, another regulator, created by an Act of Parliament was instructing them to carry on their activity. Even before this situation arose, the Finance Secretary had a meeting on 10th February 2010 in which both the regulators participated and it was agreed that both the regulators would discuss the issue and sort it out between themselves. The regulators met on 12th of March but the mutual discussion between the two regulators could not resolve the issue.

(Contd. by VKK/2D)

Uncorrected/Not for publication - 09.08.2010

-YSR/VKK/2d/2.10

SHRI PRANAB MUKHERJEE (CONTD.): Sir, the High Level Coordination Committee on Financial Market which is chaired by the Governor, RBI also deliberated on the issue on 28th March 2010 and they also suggested to both the regulators to resolve this issue by discussing bilaterally and they decided to take off this item from the agenda of HLCCFM. Unfortunately, it was not possible to resolve the issue. SEBI went ahead and issued its orders on 9th April 2010. Then, I held a meeting with the regulators on 12th April 2010 in which both the regulators were present and both of them agreed to seek a binding legal mandate from a court of competent jurisdiction to settle the question of jurisdiction on ULIP. The two regulators, however, did not file the joint petition in the court of appropriate jurisdiction. SEBI issued a press release on 13th April 2010 to bring to the notice of the investors that SEBI has decided to keep in abeyance the enforcement of the direction with respect to ULIP schemes and products existing on the date of the order, that is, 9.4.2010. However, with respect to any new ULIP schemes or products launched after 9.4.2010, SEBI's permission and registration was required. SEBI's orders of 9th April 2010 affected a large number of persons holding ULIP and also the faith and future of the scheme. This created a feeling of tentativeness in the financial market and was not conducive to its smooth functioning. There was an urgent need to resolve this impasse. Section 16 of the SEBI Act, 1992 empowers the Central Government to issue directions. Similarly, Section 18 of the IRDA Act, 1999 has vested the power in the Government of India to issue policy directives. However, by issuing these directives, as per the legal

Uncorrected/Not for publication - 09.08.2010

opinion, the issues could not be resolved. What the legal experts pointed out including the Ministry of Law and Justice is that the issue can be resolved only through adjudication in the tribunal or by the court which was a time consuming process. In that context, it was suggested by the Law Ministry that a course be adopted to nullify it by amending the Act and creating an institution and mechanism through which this could be resolved. Keeping that in view, an Ordinance was issued. In the Ordinance, a joint mechanism has been suggested. That joint mechanism consists of the Finance Minister, the Governor of the RBI, Finance Secretary, Secretary in charge of Financial Services and the four regulators. I have also pointed out, while participating in the debate in the other House that there is no intention on my own part or on behalf of the Finance Ministry to be the super regulator. This joint mechanism will come into operation as and when the jurisdictional question will arise and that too, in respect of the hybrid products between the two regulators. The Members of the Joint Committee which consists of joint mechanism, which consists of all the four regulators, will decide when the questions will come up about jurisdiction between these four regulators. Then and then only, the joint mechanism will start looking into the issue and would try to resolve that. But before that, all other existing mechanism like bilateral discussions, mutual discussions, discussions in the high level committee chaired by the Governor, RBI will also be resolved and if the issues are not resolved, then, it will come to the joint mechanism and joint mechanism will try to resolve that issue. (Contd. By RSS/2e)

SHRI PRANAB MUKHERJEE (CONTD.): With these words, I commend this Bill for the consideration of this August House.

(Ends)

The question was proposed.

SHRI PIYUSH GOYAL (MAHARASHTRA): Sir, I rise to speak on the Securities and Insurance Laws (Amendment and Validation) Bill, 2010. I thank you very much for giving me this opportunity to present my maiden speech as well as to lead the debate from the Opposition on this very important subject. I have heard the hon. Finance Minister, a very senior parliamentarian and Minister, who presented certain facts about the Ordinance, and now the Bill, and the thought process that went behind it. Sir, I shall come to those issues a little later. At the outset, I would like to speak more about the big picture that the Bill has raised. There are two major issues that this Ordinance, and subsequently, the Bill, has raised in terms of the big picture. First is the joint regulation of the hybrid products. Obviously, the Bill relates to the hybrid products, and whenever there is a dispute between two regulators in the regulation of hybrid products, and second is the joint mechanism which has been proposed in this Bill, which, I believe, compromises the independence and autonomy of the regulators. I shall explain my thoughts a little more in detail. First, the issue about the joint regulation of

Uncorrected/Not for publication - 09.08.2010

products. It is not something which is new in the realm of possibility in the Indian financial markets. We have had joint regulation of products in operation for several years in this country already. There are time tested practices in vogue and few disputes have arisen over the years. Regulators are not new in this country. We have had regulators for over 20 years and a multitude of regulators, probably, 15 in all now. But we have not had such type of disputes as has been witnessed between SEBI and IRDA, come to the public fora, public domain, very often. This is one such case, and Sir, I beg to submit that this case also could have been handled better, could have been managed better and there was no reason to have a knee-jerk reaction of an Ordinance or a Bill coming into Parliament just at the occasion of one instance. Usually, these disputes have been sorted out and handled at lower levels very efficiently. If they were not handled by bipartisan discussion, they were taken to the high level committee for coordination in the financial markets and very amicably resolved over the years. An illustrious person as the RBI Governor, a very senior functionary in the Government scheme of things, heads the HLCCFL and carries out his responsibility with due diligence. Joint regulation is also not new in the markets. Joint regulation has been happening for currency derivatives for several years now. Both SEBI and RBI have been jointly regulating currency derivatives. In fact, very recently, the Raghuraman Rajan Committee on Financial Sector Reforms has proposed the establishment of a Financial Stability and Development Council, FSDC, which could be a *quasi judicial* body, headed by a judge or a legal luminary or a domain expert. Even the Planning Commission has said that it would solve most of the issues relating to

Uncorrected/Not for publication - 09.08.2010

regulatory competition. I believe the Government should have introduced the FSDC rather than a Joint Committee headed by the FM in which the powers of decision are taken away by the political and the Executive authority of the Government. I think the dispute resolution mechanism would have been better served by an FSDC type of body rather than going in for a Bill which has decided at the Government level who will regulate in the case of ULIPS and has also decided on taking over so many powers of the regulators. What should be done in respect of hybrid products? Who should regulate? How should ULIPS be treated? International practices vastly differ in respect of ULIP type products. I beg to submit that in a country like UK which has been a role model for India and its Government and its Parliament, the FSA, if it has a dispute with any of the regulatory bodies which work under the FSA.

(Contd. by 2f)

MKS-LP/2.20/2F

SHRI PIYUSH GOYAL (CONTD.): So, in U.K., they do not have the separate regulators. The FSA has a Department which regulates all the products. There is a single Regulator. But occasions arise where a particular Branch, maybe the Securities Board; maybe the Insurance Authority, differs with the FSA. In such cases, the FSA first tries to resolve the dispute internally. It does not go to any outside authority. Like in India, it tries to resolve it internally. If unresolved, the mechanism there is an independent Complaints Commission. It is not a super Regulator. It is not a Committee which the Government is involved in. It is not a

Uncorrected/Not for publication - 09.08.2010

Committee headed by bureaucrats and Ministers. It is an independent Complaints Commission which takes these matters, addresses them, and if there is still a problem at the end of the day, you go to the courts of the land. The laws provide to go to the courts.

Sir, there is another difference in the international practice, and I draw the attention of the hon. Finance Minister to this very important aspect of how ULIPs are regulated in different companies. Sir, ULIPs, certainly, come under the regulation of the Insurance Regulator. But there is an important difference. All investments under the Investment Portfolio of ULIPs are outsourced to Asset Management Committees (AMCs) which are under the regulation of their respective Securities Exchange Board. So, you have ULIP products, but there are two segments of it. One is the insurance part. And the whole ULIP is managed and regulated by the Insurance Regulator, but to the extent of insurance component. As regards the investment component, to avoid duplicity of Regulator, the investments are only operated by outsourcing the investment activity to an AMC, to a duly registered AMC which works under the guidelines and regulations of their Securities Exchange Bodies. In this case, the investment companies do not do the investment functions themselves directly. And that is the fundamental difference which we, in India, should address. This is a very simple formula which could have resolved all the problems of hybrid products, specially in the case of ULIPs. Insurance should have got to maintain its control on the insurance business. Investments would have been done through bodies who have domain knowledge, who are controlled and regulated by the Securities

Uncorrected/Not for publication - 09.08.2010

Board and there would have been no overlapping and confusion. In fact, Sir, there would have been a major saving of costs instead of duplicating the entire effort, and the whole organization to do investments, insurance companies could have outsourced that two people with domain knowledge and they would have been properly regulated by the Securities Board. I can quote a number of international companies which follow this practice. AVIVA, Prudential PLC, Legal and General, ABBEY Insurance, Liverpool Victoria -- these are all in the U.K., Sir, -- and Met Life, New York Life, -- these are in the U.S., -- they are all partners with Indian companies. Private insurance companies are partners with most of them, and I am sure, none of them will have a hesitation in following the same system in India. But strangely, the IRDA has a problem in this mechanism. The Insurance Regulator has explicitly prohibited such outsourcing to competent, experienced and duly regulated AMCs. I completely fail to understand their logic. The hon. Finance Minister, Sir, very often, Opposition Members are blamed for only criticizing the Government's policy and not offering solutions. I have, in my own humble way, tried to offer a specific solution which would have resolved this problem without any need to pass a law or go to the extent of deciding who will regulate these hybrid products. In fact, Sir, I would also like to mention here that in the seventies and eighties, the Unit Trust of India used to issue ULIPs. So, ULIPs are not something new. It is not as if it started seven, eight or ten years ago. The LIC offered the insurance component; they regulated the risk and the Capital Market Division of the Finance Ministry regulated the investment portion of the ULIP. And it was going smoothly. The Unit Trust of India came under the

Uncorrected/Not for publication - 09.08.2010

Capital Market Division of the Finance Ministry. Insurance was a product that the LIC took care of, and everything was running smoothly. In that respect, Sir, I would just like to mention that there are, very often, hybrid regulations of a certain industry or a product or a person. It is not something new. Look at export-oriented units.

(Contd. by TMV/2G)

-MK-TMV-AGK/2G/2.25

SHRI PIYUSH GOYAL (CONTD.): Export-oriented units are not necessarily only exporting. They may export; they may do domestic production and sales. But their primary business is exports. Domestic sales are incidental, ancillary and often of a lesser quantity. I think that the restriction is 25 per cent. You are allowed to do 25 per cent domestic sale. But that does not mean that they are no more export-oriented units or that does not mean that they have now become a domestic unit. It is possible that they can be regulated by the Commerce Ministry, as far as exports and their EoU status are concerned; they can be regulated by the Industry Department for registration and licensing, and they can be regulated by the Finance Ministry for excise, duty drawback and all sorts of tax issues. So, it would not be out of place to have hybrid products, but determine how they would be handled. In view of the above, I urge you to reconsider this Bill in its present form and implement the above suggestions as merely part of an Executive Order or recommendation which, I am sure, the SEBI and IRDA should

Uncorrected/Not for publication - 09.08.2010

have no objection in accepting because it satisfies both their concerns and I believe it is in the public interest.

Now, let me turn to the Joint Mechanism, not for the apprehensions that have been raised that a super regulator is being created by the Government. The hon. Finance Minister has also mentioned it and I accept his contention that that is not his intention and that is not what he has tried to do. However, the Executive should not trespass on the functioning of the regulators and their autonomy should be respected. With due respect the arbitration of such disputes can best be handled by a judicial mind in the courts of law and tribunals, and not by a Committee headed by the hon. Finance Minister which in all cases may not have the same expertise and knowledge to impart justice. We have a very illustrious Finance Minister. He could do a very wonderful job today. But who knows tomorrow everybody will have the domain knowledge and expertise to be able to impart justice and adjudicate on such important matters concerning the national economy. Of course, there is another aspect also. This decision has to be taken in three months. Three months is not a long period. It will need several sittings. You will have to hear all parties' arguments. Experts will have to be consulted. Public opinion and debate will be required, I wonder how all this will be done in three months, especially when we have a situation that hon. Finance Minister is busy as he heads scores of Group of Ministers, Empowered Group of Ministers, Committees, Sub-Committees, etc. He has to handle so many things in the Government. I don't know what the other Cabinet Ministers are doing. But certainly he is a very busy man handling so many portfolios. I don't know how he

Uncorrected/Not for publication - 09.08.2010

gets time to dispose of such important issues that may come to this Committee. Also this Committee will have two bureaucrats of the Government and the RBI Governor, whose independence and authority are being unfortunately compromised, and it will have interested parties to the dispute. So, all co-regulators are in the Committee. If they could not resolve the matter amicably in the first place, will that not vitiate the atmosphere of the Committee when it deliberates on the issues? Will interested parties come into the actual deliberation and finalisation of the issue? I think patently this type of mechanism needs to be reviewed.

In page 3, para 4 of the Bill it has been mentioned that the joint committee shall give its decision thereon to the Central Government. I contest this point. It is a very dangerous trend. How can the Joint Committee give its recommendations to the Government? The Joint Committee is headed by the hon. Finance Minister. Who else will give this recommendation to? In fact, the Joint Committee should communicate to the parties its decision and there lies the end of the matter. Sir, There are two inconsistencies in this Bill under reference which I would like to highlight. It has been stated by the hon. Finance Minister that the RBI will be disciplined only to that aspect with its authority the joint mechanism in respect of the regulation function, not the monetary function. I think, this was stated in reply to the debate in the other House. But that has not been specifically provided in the Bill.

(Contd. by 2H/VK)

VK/2H/2.30

SHRI PIYUSH GOYAL (CONTD): It has not been stated that the monetary function will not come under the purview of the joint mechanism. I think this should be specifically included in the Bill. Secondly, Sir, it has also been stated, right now, before I spoke, that first all matters will be discussed bilaterally; then the High Level Coordination Committee on Financial Markets will decide and only if it cannot be resolved by the HLCCFM, would the matter come up before the Joint Committee. Again this has not been provided in the Bill. I urge the hon. Finance Minister to review both these provisions before finalising the Bill.

There is a small observation which I don't think is relevant. But at page 3, Chapter IV, line 25, it may be appropriate to correct the grammatical error - 'whatever named called', should ideally be 'whatever name called'. That is not the point of debate here.

Let me now get into certain specific issues in the Ordinance and then the Bill. As the hon. Finance Minister stated, the issue started with SEBI issuing a Show Cause Notice to 14 entities in January, 2010. Sir, written replies were received from all the 14 companies by SEBI. Hence I believe a proper opportunity to be heard was provided before SEBI issued its order. And, that order was issued by a quasi judicial body, a single-judge bench of the Tribunal or whoever, under the SEBI. It has been mentioned that hearing was not given. Even in the Ordinance that has brought in this whole issue, it has been mentioned that the Government has said in the Statement, accompanying the Ordinance and in the Lok Sabha, that opportunity to be heard was not given. I think, Sir, from

Uncorrected/Not for publication - 09.08.2010

whatever little knowledge of law that I have, it is the prerogative of the adjudicating authority whether to rely on written submissions or to go in for a personal hearing. If the Government wants to amend the law and make personal hearing compulsory for all adjudication, maybe, that would be a good method and it would help a lot of litigations, though may prolong it a little more. But once a show cause notice is given and written submissions are received, I think, they are heard in the matter and it is inappropriate to say that hearing was not given in the matter. There were a number of behind the scene maneuvers, deliberations, discussions and meetings which happened between February and April. The hon. Finance Minister was a part of those deliberations and meetings. I am actually amazed that with the intervention of the hon. Finance Minister such a small dispute could not be resolved amicably. In meetings with the Government if the regulators could not come to a settlement, then I wonder if there will ever be any respect even for this Committee which is going to be headed by the same Government and political authorities. It may have a legislative backing. But in any case, Section 16 and Section 18 of the Securities Act and the Insurance Act, quoted by the hon. Finance Minister, does provide the Government to give direction. Then why could it not be resolved at the lower level itself? I am even more surprised. How could the item be taken off the Agenda of the HLCCFM? I think it is gross impropriety. A matter is placed before the HLCCFM. They have to adjudicate. They cannot decide. It is like the Supreme Court or some court of law tomorrow deciding, "I cannot decide and let the matter go back to the litigants to decide out of court and in consent". How can the HLCCFM just

Uncorrected/Not for publication - 09.08.2010

decide to take it off the Agenda and the Government allows them to do that? They should have pulled up the socks of the HLCCFM that they cannot abdicate their responsibility. Anyway, the SEBI issued an order on 9th April. The SEBI itself gave very detailed reasons for its decision. I have the order of SEBI here. It is a very reasoned judgement explaining in detail the reasons why they believed that investment component of ULIP need to be regulated and must be registered under the SEBI guidelines. Very reasoned and well thought of decision was given before the SEBI by Mr. Prashant Saran, whole-time Member. However, on 10th April, IRDA contested. I have seen the statement by which IRDA contested on this issue. It is a cursory claim that insurance is my baby so I should regulate; nobody else can interfere.

(Contd. By 2J)

RG/2.35/2J

SHRI PIYUSH GOYAL (contd.): Well, there are many laws of the land. How can one body decide that no other body will regulate? Can the Finance Ministry decide that the Industries Department has nothing to do with an industry, or, with a company, that only the Finance Ministry will decide it? It is not possible. The IRDA has responsibility; so, does the SEBI. However, I grant that this did cause uncertainty in the market, but for a very, very short period, that is, from the 9th to 13th. When it was brought to the notice of the SEBI, on the 13th, the SEBI issued an order clarifying that it is a prospective decision and not retrospective. All uncertainties of the past were removed. Anything, that had happened, or, which

Uncorrected/Not for publication - 09.08.2010

was issued under past policies, was not coming under the purview of this decision. Then, what was the necessity? Where was the chaos? Where was the uncertainty that caused Government to act in such haste and promulgate an Ordinance? In fact, we are now informed that the Government advised both the parties to go to the appropriate Court. I believe, in the Lok Sabha, it was mentioned that the appropriate Court is the High Court in this matter. I very much respect that; it was a correct decision. It is unfortunate that both parties did not do that. But I wonder if it was possible. Could they go to the Court on their own? When they were fighting on such petty issues, how could they draft out a common petition and go to the Court for a joint decision? It is not possible. They have not seen eye-to-eye on anything. So, they didn't go to the Court. But two Writ Petitions were filed in the Allahabad and Mumbai High Courts, agitating on the same issues under consideration. The SEBI then realized that it was not possible for different High Courts to adjudicate on the same matter. Therefore, they approached the Supreme Court to transfer all petitions, on or after 27th of April; that was a full 50 days before the Ordinance was issued. A full 50 days before the Ordinance was issued, the matter had been put up to the Supreme Court to adjudicate on this matter. Actually, if the matter, I think, is in the Supreme Court, and the Minister of State for Finance, by his own admission, while answering Question No.4202 on 4th May, 2010, told the Rajya Sabha that the dispute had been referred to the Supreme Court, then, how the question arises that the parties did not refer it to appropriate authorities. Fine, let it not refer to it. But the matters reached the Court, which is even higher than the appropriate authority. It

Uncorrected/Not for publication - 09.08.2010

would, in fact, save one layer of litigation. Once the Supreme Court, with all the knowledge and judicious bent of mind at its disposal, decided on this dispute, we could have seen an end on this matter. In any case, the uncertainty was over, after the April 13th order of the SEBI. However, on June 18th, we were all surprised to see an Ordinance. It was all there in the Press. Critics, editorials, newspaper articles, all spoke about the Ordinance, and the way it was rushed through without due application of mind. Sir, in all judicial orders, the Constitution provides a process for dealing with disputes, which could be the High Court, or, which could be the Supreme Court, at the end of the day. How can a politically-led Executive dispose of judicial matters, matters under the realm of the Supreme Court, as it stood on 18th June? How could the political and executive leadership adjudicate and decide that ULIP would be regulated by insurance companies, and it would promulgate an Ordinance to that effect? In fact, without providing any rationale for its decision, to give the regulation of ULIPs to IRDA, the only thing which the Government did was to quote a certain paragraph, Para 21, of the Law Ministry's opinion while promulgating this Ordinance. I do not know what that Para 21 is. In fact, I would urge upon the hon. Finance Minister to lay the Report of the Law Ministry and the opinion of the Law Ministry on the Table of this House so that we can all know what really the Law Ministry's opinion is, because as I will go further, I will show you how the opinion of the Law Ministry has been twisted in this special case. In the Lok Sabha, it was stated, and I quote: "That to save from prolonged litigation", and I further quote: "Keep in mind that in financial

Uncorrected/Not for publication - 09.08.2010

market, if the actions are not taken promptly, to have a remedial measure, then, that will harm the interests of the prospective investors."

(Continued by 2K)

2k/2.40/ks

SHRI PIYUSH GOYAL (contd.): Had it been an ordinary matter, there would have been no need of it. This was stated by explaining the reasons for the Ordinance.

Sir, there are three issues which arise. The first is that of prolonged litigation. In financial market, action should be taken promptly, and it is not an ordinary matter. There are hundreds of disputes in courts of law, most of the litigation being started by the Government. I think we are all aware of the fact that the largest litigant in India is the Government itself. Whether it is in Income-tax, excise or Sales Tax, you name the authority and we have a multitude of litigation. They all cause uncertainties, Sir. There are cases which have led to foreign direct investment stopping in this country because the Income-tax Department thinks of some logic or some interpretation of the law and, then, that is being agitated in different courts and, for three years, there is uncertainty in the market. Does the Government come out with an Ordinance, a Bill or a law to provide for all such uncertainties? If the Government was worried about prolonged litigation, why did it, in the first place, suggest to refer the matter to the High Court and take the plea that since it was not referred to the High Court, we provided an Ordinance? Well, if prolonged litigation was the problem, the Government should have said in

Uncorrected/Not for publication - 09.08.2010

Parliament that 'no', we will bring an ordinance or a law; and Parliament was in session till May, 10th; I think, they could have brought the law. Sir, if it is not an ordinary matter, why rush it now? We are advised that it is not an ordinary matter.

Then, I believe there should be proper application of mind. There should be a public debate. Let the people at large agitate on this issue and, then, it should be referred to the Standing Committee of Parliament and, then, brought to this august House for a decision in the matter. Of course, it is very unfortunate, but I want to mention this with due respect to the learned and wise hon. Finance Minister whom I looked upon as a very seasoned Parliamentarian. Sir, in the Lok Sabha, it was said about the Standing Committees, and I quote, "Yes, had it been a normal legislation, I would have no problem of sending it to the Standing Committee, though I know it very well as the Leader of the House and many of you are fully aware because you are all Members of the Standing Committees that how many Bills having recommendations of Standing Committees are pending for years, not for one, two or three years". Sir, I do not want to say further on this matter because it is very embarrassing; I am a very new Member. But I think, if that is the case, we must review the system of Standing Committees altogether, whether it is efficient or whether we should discontinue sending any Bills to the Standing Committees since they only lead to delays and prolonged delay in finalizing and settling the legislation.

Sir, there are so many other disputes that need urgent legislation. Today morning, an esteemed and senior colleague, Shri Manohar Joshi was talking

Uncorrected/Not for publication - 09.08.2010

about the boundary issue. There are those river water disputes. So many other pressing problems are there. Does the Government want to issue Ordinances on those quickly so that we can be saved from prolonged litigation on all such matters? I would urge the Government to think over it.

Sir, I believe it would have been appropriate to wait for the Supreme Court order since SEBI had already clarified it was a prospective order and no uncertainties were caused as claimed by the Government.

Further, the Ordinance was a rush job. It was not very well thought of. It raised new controversies. Reverse Repo and Repo have never been a matter of debate in this country. But as an illustration, it has been brought into the Ordinance and the Bill. So, I dread to think, if some wise regulator decides to contest the RBI claim on regulating Repos and reverse Repos. So, we have brought new things in the realm of disputes now.

Sir, very sadly, I have to state that in the Ordinance, which I said was badly drafted, the RBI Governor was made only an ex-officio member. He was a member along with the Finance Secretary, along with the Secretary (Financial Services) and four regulatory heads. I believe it is very demeaning. It is very sad that the august body of the Governor of the RBI has been reduced to that level, Sir.

(contd. by 2l/tdb)

TDB/2L/2.45

SHRI PIYUSH GOYAL (CONTD.): Fortunately, they did correct it in the Bill, and elevated him to the Vice-Chairman, and I am grateful for that. But, the damage

Uncorrected/Not for publication - 09.08.2010

has been done. The hon. Governor of the Reserve Bank is a hurt man, and he expressed his hurt and anguish to the hon. Finance Minister, as it is reported in the Press widely. I believe, the RBI Governor also wrote a letter to the hon. Finance Minister, pleading that let the Ordinance lapse, and not bring a Bill on these lines. It is very sad that the Government did not heed the wise words, the words of wisdom of a wise man.

Sir, in the past, as I am given to understand, I would be happy to be corrected, if I am wrong, the hon. Governor of the Reserve Bank never came into such meetings, where seven-eight people were present. He would always meet the hon. Finance Minister on one-to-one independent basis. Whenever there were meetings with regulators, regulatory heads, the Deputy Governor would present the case of the RBI. Now, it is a new trend that the hon. Governor will be summoned, not summoned, but, let us say, will be called for a meeting by the Secretary, Financial Services to attend a meeting of this matter. It is very unfortunate.

Sir, this is a very important point. Without giving adequate reasons, the ULIPS have been included in life insurance. I fail to understand what the reasoning and logic behind that was. However, if they had to do that, the least the Government should have done was to provide the test or proportion or ratio between the insurance component and the investment component of this hybrid product. In the Statement, under rule 71(1) of the Rules of Procedure and Conduct of Business in the Lok Sabha, while issuing the Ordinance, the Ministry of Law and Justice has been quoted to opine, and I quote, "That is primarily" — I

Uncorrected/Not for publication - 09.08.2010

am sorry, I repeat, “ That is primarily the product deals with insurance and incidentally touches upon the domain of securities, then, IRDA has the authority and jurisdiction to deal with the product”. Sir, read this opinion very carefully. “If primarily the product deals with insurance and incidentally touches upon the domain of securities, then, IRDA has the authority and jurisdiction to deal with that product”. It is a crystal clear opinion. It does not need any more deliberation or discussion or anything. It is crystal clear. “Primary” is the operative word. What is that product “primary”? Is it an insurance product or is it an investment product? Is it incidentally touching insurance or is it incidentally touching investment? Here, Sir, I would like to quote this. I have come across, and I am carrying with me four-five policies which I am happy to place on the Table of the House. Sir, most insurance policies under the ULIP have a single premium plan, in which there is a policy management charge, which could be as high as 40 per cent of the first premium. Then, there is a policy management fee, which handles all the administrative cost; brokerage commission, etc., and then there is a small component which is the premium for the life insurance. I will quote from a policy. A sum insured of Rs.1 crore, the policy’s first single premium was Rs.20 lakh. Because it was a high network individual, and he could not negotiate better with the insurance company, the policy management fees was only Rs.22,000, which is one per cent. The yearly premium was Rs.33,000. Kindly note, Sir, it is one-and-a-half per cent of the single premium, it is Rs.33,000. Sir, 19.45 lakhs out of Rs.20 lakh was invested in securities, i.e., 97.5 per cent went to securities. Sir, I would urge the hon. Finance Minister and the Government, please get these

Uncorrected/Not for publication - 09.08.2010

statistics from the insurance companies. You will find that most policies have an insurance component ranging from 2,3,5-10-12 per cent, and an investment component which is in excess of 80 per cent. This point was raised in the Lok Sabha by many Members. It was raised, at least, by three Members, as I read the debate, but it went unanswered, either in the beginning or at the end, or even after the clarification was sought by Shri Sk. Saidul Haque, a Member of the Lok Sabha, no clarification was given on this particular aspect.

(Contd. by 2m-cls)

KLS/2M-2.50

SHRI PIYUSH GOYAL (CONTD): I urge upon the hon. Finance Minister to kindly enlighten us on this particular opinion of the Ministry of Law and Justice. It has been bypassed; it has been misinterpreted to suit the proposed legislation and a contradictory stand is taken in the Ordinance and now in the Bill. Let us go into the letter and spirit of the legal opinion and then we will know what the Law Ministry meant. Sir, it was also stated in the Lok Sabha and I quote from the Law Ministry record that was quoted there that the ULIPs are in operation since last more than ten years, but the SEBI has now come up with the proposition that entities offering ULIPs should get registered with SEBI in respect of the investment component. Sir, SEBI had clarified that all of this was only prospective; it was not affecting what had happened in the ten years. Then, I would urge the House to consider if a wrong comes to the notice of any authority, should they ignore it? Because by a passage of time, a wrong has become right, should they try to set

Uncorrected/Not for publication - 09.08.2010

that wrong, even when it came to their notice, maybe, ten years late, maybe late, maybe, it was the fault of the SEBI? Castigate the SEBI, hold them responsible, and find out what they did for ten years when this product was freely finding place in the market causing anguish to thousands of investors and policy holders. But that does not mean the action now becomes vitiated. Sir, in Para 6 of the statement attached with the Ordinance the joint mechanism is described without reference to the RBI Governor or the Finance Secretary being a part of the Committee. I think the Statement of Objects, while the Ordinance is introduced, it is a very important document and it must be properly addressing all the issues that come with the Ordinance. As I mentioned earlier, the urgency of the Ordinance is not explained at all as there was no chaos caused to old policy holders and the matter was before the Supreme Court. Lastly, Sir, I would like to lay certain salient features of ULIPs, what are these hybrid products. In the Statement of Objects and Reasons, then attached to the Ordinance, ULIPs are hybrid or composite instruments which provide a component of investment and a component of insurance. Excellent, I fully endorse that. But then with 2 per cent or 5 per cent, maybe, 10 per cent in insurance, it is predominantly investment or is it predominantly insurance, that was the moot point which was ignored while framing this Bill. Then, Sir, there are nine types of charges that are charged to unit holders when they take out ULIPs. There is a premium allocation charge, which is okay, that is the insurance component. But there is a use-entry note, there is a commission, there is a brokerage, there is a management charge, then policy administration charges, there is rider premium charge and all of these are in the

Uncorrected/Not for publication - 09.08.2010

policy month. It could be ended up to 40 per cent. I am told that on an average the commission is raised up to 18 per cent and the total debit was up to 30 to 40 per cent. That is again a matter for the Government to investigate. We are going by the Press reports and what knowledge we have. I must mention here, Sir, and it is a very important point, IRDA has now revised all these charges. In July suddenly it revised after ten years of looting the public that no, no, these are very high charges, mutual funds are zero charged, zero entry charges. Suddenly IRDA comes out with fixed commission, restricts policy management charge, restricts the administration charge, and restricts the brokerage. These are all afterthoughts. Thank God that SEBI raised this issue. At least, the unit holders will benefit now, if not anything else. Forget the autonomy of the regulators; forget what mechanism we provide, thank God, the unit holders will save some money now. Sir, one very, very important thing came to my notice 2 o' clock last night, when I was preparing for this debate and I saw it in a policy that I had myself taken up and I am absolutely disturbed and worried for it. Sir, in the case of ULIPs when there is a hybrid product with an insurance and an investment component, in the unfortunate event of death during the policy period, the claim that is given to the insured is the higher of the assured or the NAV.

(Contd by 2N)

Uncorrected/Not for publication - 09.08.2010SSS/2N/2.55

SHRI PIYUSH GOYAL (CONTD.): It is not both. It is the higher of the sum assured or the NAV. In case a person takes out a policy of Rs. 15 lakhs and the premium is 1.5 lakhs every year for ten years -- I have actually taken it from a live policy, it is a live example -- the insurance portion is Rs. 7500 in the first year and Rs. 3000 each year for nine years thereafter. So, in the whole Rs. 15 lakhs, the premium for insurance is only Rs. 34500. The rest is all investment. Suppose, God forbid at the end of the fourth year the insured dies. What happens? His NAV is certainly less than Rs. 15 lakhs because he has only invested one and a half lakh rupees in four years, say Rs. 6 lakhs. So, he will take Rs. 15 lakhs which is the sum assured. Family should be happy that with Rs. six lakhs he got Rs. 15 lakhs. Insurance feels that he has done a great job. But, Sir, this is cheating the public. Suppose, that same person had taken two separate investment products, he had taken out a pure term policy for ten years for Rs. 15 lakhs as an insurance product and separately an investment product invested in a registered, regulated by SEBI Mutual Fund of one and half lakh every year and he would have died unfortunately at the end of four years, you know what he would have got, Sir? He would have got Rs. 15 lakhs from the insurance company and he would have got the NAV of his of Rs. Six lakhs or five and a half lakhs or whatever he had invested from the Mutual Fund. So, the insurance companies are eating up the money of ULIP holders, especially those unfortunate people who died in the course of the policy in life. I think, this is a very dangerous trend and this should be stopped and proper attention should be taken in this matter. Sir, unregulated investment

Uncorrected/Not for publication - 09.08.2010

is at the cost and risk of the investor. Insurance is supposed to protect the person from risks whereas investment creates risks. I think, insurance companies should delve on how the moneys are invested. There are two types of funds that an insurance company invests. One is their own funds out of the mortality premium that they collect. That money is their own. It is at their own risk and cost. They can invest it how they like. There is no regulation required. If I had some money in my pocket, I can invest it how I like. There is no regulation on that. But, Sir, the investors money with the insurance companies holding as a part of ULIP, the investors' money is on their behalf, at the investors risk and cost. This needs to be regulated. This cannot be left without any regulation at all. Sir, more than 80 per cent of ULIP policies specially, the private insurers fail to complete their term and they lapse within the first two to three years. These are called persistence issues. I believe this is a very serious issue. In a lighter vein, what the insurance companies have done is to reverse the business so that public at large insures the insurance companies. I am not stating that. A lawyer from the US said that. There is very poor compliance mechanism. They have a very small body, not competent, no domain knowledge to regulate investments. Further, policies are mis-sold by misrepresentation, false promises and tall claims. Sir, directing investment returns under ULIP amounts to mis-selling. Tax breaks arising from entire investment in ULIP, both the insurance and investment portion, gets tax break. That is mis-selling and I am surprised that the hon. Finance Minister has not realized that the insurance companies are profiteering at the cost of Government of India. So, you take out a policy of one lakh of rupees,

Uncorrected/Not for publication - 09.08.2010

you claim a tax break on it of Rs. 33,000, the Government subsidizes that. Some reason or the other, 60 per cent of the policies lapse in three years. So, insurance companies profit from that money and the Government is subsidizing the insurance companies. This is akin to para-banking. You pool the small amounts from a large base of people, let the bank accounts lapse and retain large sums of money which is basically cheating small and uninformed investor.

(Contd. By USY/1S)

-SSS-USY/20/3.00

SHRI PIYUSH GOYAL (CONTD.): As Benjuman Gam had said, "Investors are specially trained in resistance to counter the sales pitch by specially trained investment agents". Many insurance companies have used the single-premium ULIP to boost their financial performance. Sixty per cent increase in premium income is from the ULIP, mostly single-premium plans, where they get thirty per cent tax rebate. Before the IRDA regulated correctly in July, this year, some companies were charging hundred per cent of premium paid as penalty for surrendering the policy within five years.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): How much more time do you need?

SHRI PIYUSH GOYAL: Just seven minutes more, Sir. I think, a study should be carried out of private insurance companies to show how much profit, how much revenue they have taken out of surrender of such policies. The ULIP states that

Uncorrected/Not for publication - 09.08.2010

policies are subject to market risks and customer shall be responsible for his decision. Hence, it is not a risk on human life, but a risk on share market. And, I don't think that the IRDA is the right authority to regulate the share market operations or share market risks.

Sir, I believe, you are asking me to conclude.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): No; no, I am not asking you. It is up to you.

SHRI PIYUSH GOYAL: Sir, in conclusion, I would like to humbly submit that, in the light of arguments put forward, the Bill should not be passed in its present form and due consideration should be given to my suggestions about how the IRDA and the SEBI can both exercise jurisdiction over the ULIPS, following the international practice where ULIPs, under insurances, are handled by the insurance companies and the investments are outsourced through a duly regulated mutual fund. That is the international practice. And, it is in the best interest of investors and policy holders. Also, there should be a wider public by experts on the subject. Let us not rush, based on the mis-interpreted view of the Law Ministry. It has hardly been debated in the country. Three hours of debate in the Lok Sabha is all that we have had. I think, public opinion has completely been ignored. The comments of the RBI Governor have completely been ignored. Let us, now, take care and see that this does not happen. Take an example. In 2008, the Forward Markets Commission Ordinance was allowed to lapse and, till today, the Bill has not been introduced. Similarly, this Ordinance should also be

Uncorrected/Not for publication - 09.08.2010

allowed to lapse and the Bill should be referred to the Standing Committee and a wider debate should be held before it is passed by the House.

Lastly, what are the powers that the regulator needs to be autonomous? He should be able to draft and issue regulations. He should have full autonomy to regulate the markets. He should take note and decide on inconsistencies, misdeeds and misconducts. He should develop the market in an orderly manner. By this Bill, you have undermined the authority of regulators by saying, "We decide". You have no authority. This will set a precedent for the future and judicial powers of regulators will be compromised. Thus, the proposed mechanism of a Joint Committee should be dropped altogether and the few disputes, which may emerge in the future, can be referred to the courts, as a last resort, with a request to take an urgent view in the matter. Thank you very much.

(Ends)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Goyal, it was a good speech; delivered as if from an experienced Member. Now, Dr. Natchiappan.
(Interruptions)

SHRI RAVI SHANKAR PRASAD (BIHAR): Sir, what is important for his intervention was, with due respect to hon., Finance Minister, as an experienced Finance Minister, he has also to get up and go to the officers to seek some clarifications. That by itself is a great testimonial to the quality of intervention.

SHRI RAJIV PRATAP RUDY: It was inspiring also, Sir.

DR. E.M. SUDARSANA NATCHIAPPAN (TAMIL NADU): Mr. Vice-Chairman, Sir, I support the Securities and Insurance Laws (Amendment and Validation) Bill,

Uncorrected/Not for publication - 09.08.2010

2010. I have to first congratulate our new Member, who has come with all the material and more things about the various products also. He has given a comparative study on various issues. But, I would like to confine myself to the Bill, where we can very easily find the maturity and experience of the hon. Finance Minister to tide over the situation which has arisen among the three regulators.

(Contd. by 2P -- PK)

-USY/PK/3.05/2P

DR. E.M. SUDARSANA NATCHIAPPAN (CONTD.):Sir, in India, we are now having a regulatory system which has been borrowed from the USA and in some or the other way from the UK. When the private sectors are coming into play, they will expect some autonomy in each and every issue. They feel that if there is no control of the Government, then, everything will be proper. But very often we find that it is not true. Even in the USA, the Government has to interfere and tie up the situation in financial markets. They saved their country by making the investment of the Government to the banks thereby saving the people's employment and financial position. This was done by Madam Indira Gandhi as early as in 1974, 1976 and many of the issues were opposed at that time. When the banks were nationalized, certain people were opposed to that but it is because of the nationalization of the banks and financial institutions of certain categories that we are now able to stand the flood of the uneven society which is available in Western countries. We are now followed by even the USA in certain

Uncorrected/Not for publication - 09.08.2010

category of things. Sir, when there was so much of ambiguity among the shareholders and investors, the Government rushed to solve the problem. No doubt, everything can be pushed to the courts. That is the mentality of the colonial system which we have borrowed. If there is any dispute, just throw the ball into the courts; do not solve it. I appreciate the hon. Minister and also our bureaucrats for bringing forward this proposition. If there is a dispute between your own organization, then, you can solve it yourself rather than throwing the ball into the courts. I appreciate the bureaucracy for having come forward with this proposition -- to solve the problem themselves. We are not here to push everything to the courts, or, to be decided by the courts and keep on waiting for 10, 20 years, blaming each other. We have to solve it ourselves. Here are the small investors, retail investors and the people who feel that if both the products, the mutual fund and also the insurance, are available in two-in-one form, then, we will go for that. The people are going like that. But, at the same time, when the SEBI, a statutory authority, says, "I have got the jurisdiction", another statutory authority, IRDA, says, "No, no I am having the jurisdiction, if that is the situation, Sir, then, it is a reflection of how the system is working. The Parliament has created, by statutes, these organizations, these regulatory authorities and appoints matured persons for Chairmanship and other memberships to see that the situation is properly regulated. They have to solve the problem. But they themselves have become the problem now. When they themselves have become a problem, is there a system available in India, more specifically, in our system, to solve the problem? Yes, Sir, there is a system which is properly working under

Uncorrected/Not for publication - 09.08.2010

the high-level coordination committee, chaired by the Governor of the RBI. For the last 20 years, the same members are there, the Revenue Secretary and the Secretary for the Financial Products. The same persons who are now members of this Committee, which is constituted under this Bill, were there -- the Secretary for Department of Economic Affairs and also the Department of Financial Services. At that time, they might have felt that their status was reduced. No it is the system, Sir. When there is a problem between the institutions, they have to sit and solve the problem. Everything has to be reported to the public. We are a democratic country. We are doing everything for the people, by the people and of the people. We are having that system. Why do we say that I am of very much high status, I should not sit with them? This type of mentality should not be there in a democratic process. Sir I have come across many of the things. Even the UPSC used to say that we are a Constitutional authority and we are not answerable to the Parliamentary Standing Committee.

(Contd. by PB/2Q)

PB/2q/3.10

DR. E.M. SUDARSANA NATCHIAPPAN (CONTD.): The Parliamentary Standing Committee went into this and gave a very detailed report as to how it has to be accountable to the Parliament and to the people. It may have been created by a constitutional authority; it may be having certain authorities' exclusions, but, at the same time, it is answerable to the public, to the people, to the Parliament and

Uncorrected/Not for publication - 09.08.2010

to the Parliamentary Standing Committees. That is the system that we are following.

I am very glad to see how this problem is solved here. Sir, I refer to clause 45Y of the Bill. It considers every aspect. I will just show how the autonomy is maintained here. Sir, this is not a regular Committee which is going to meet in every three months. I find from the Bill that this Committee is more or less an *ad hoc* Committee which will come into force only when there is a problem and when that problem is reported by the Regulatory Authority itself. It is not something which is initiated by the Secretary, Department of Economic Affairs or the Secretary, Department of Financial Affairs. They may be members of the Committee but they don't have a right to bring the matter before the Committee. That is very clearly mentioned in clause 45Y (3). I am just quoting it. It says, "In case of any difference of opinion referred to in sub-section (1), any Member of the Joint Committee referred to in clauses (b), (e) (f) or (g) of that sub-section may make a reference to the Joint Committee." Any Member of the Joint Committee can do it. It is not that only the representatives of the Secretaries or the representatives of the hon. Minister can do it. This is the clause which saves the autonomy of the regulatory authority. If you can't solve the problem, then you can refer the matter to this Committee and a meeting of the Committee will be convened by the Secretary, Department of Financial Services in which this matter will be looked into. There will be a discussion on this and whatever verdict that Committee will give that will be considered final and binding. This is a very

Uncorrected/Not for publication - 09.08.2010

democratic way of functioning and hereby a very quick remedy is also provided in case of an emergency.

Sir, one may argue that for everything the RBI Governor is sitting. But it doesn't mean that his status is downgraded by this in any manner. Sir, the RBI is also created by a statute of Parliament. He is also answerable. In American system, the Federal Bank Authority has to depose before the Financial Committee to explain why they increased the Repo Rate or Reverse Repo Rate. They have to explain everything to the Committee and only then they can act upon it. But we have given the authority to the Governor of Reserve Bank to take this decision. Even though a Parliamentary Standing Committee may seek a clarification from him, but he has got the authority to take a decision on his own. In our system, the suggestions of the Parliamentary Standing Committee are only recommendatory in nature. It doesn't have a command over it. At the same time, we give sanctity to the authority of the RBI Governor because we feel that he acts according to the expectation of the people. Therefore, we make the laws and give advice to them. The RBI Governor would never say that he is very sacrosanct and if he is brought under the Finance Minister, his authority is degraded. Actually, when I read the Bill, Sir, I felt that we are degrading the status of the Finance Minister. The Finance Minister is a big man. I don't understand why he should sit as a Committee Chairperson. He has got every right to call the concerned people and ask them as to why they are not settling the dispute among themselves. There is no need of making the Union Finance Minister the Chairperson of such Committees. There is no need of reporting the matter to the Department because

Uncorrected/Not for publication - 09.08.2010

the Finance Minister is representing the whole country. He is representing the Cabinet. Therefore, he is a higher authority and when a higher authority is ready to solve the problem for the sake of the people, why can't the RBI Governor sit as Vice-Chairperson to solve a problem? This is done only for solving a problem and nothing more than that. We can very easily find it out in the Bill.

Then, Sir, the issues which can be drawn in here are very well explained in Clause 45Y (1) (i). The different issues which can be solved by this particular Committee, the different areas into which this Committee can look into, etc., are also mentioned there.

(Contd. by 2r/SKC)

2r/3.15/skc

DR. E.M. SUDARSANA NATCHIAPPAN (Contd.): Sir, I find that it disposes issues in a very time-bound manner. It has given three months' time, that is, within three months from the date of reference made under sub-section 3, its decision thereon to the Central Government. Therefore, it is time-bound. It is for a specific issue. It is not a permanent committee that interferes with every aspect, unless otherwise it is properly referred to by the regulatory authorities themselves, if they cannot solve the problem on their own. Nobody is going to say, 'you solve the problem; why are you coming before us?'

One hon. Member asked, why not it be referred, as decided earlier, to the Supreme Court? Now, what is the use of sending it to the Supreme Court? We are here to decide it. We have our own acumen to work out a solution to the

Uncorrected/Not for publication - 09.08.2010

problem. When no solution can be found, then it could be referred to the Court. Even the Court does not have a solution to all the problems; it has a lot of problems too. Therefore, we cannot carry on issues like this. The Executive sending every matter to the Judiciary is not a Constitutional obligation.

Sir, the amendment to clause 3 of the Insurance Act, 1938, clarifies, "...by whatever name called, which provides a component of investment and a component of insurance issued by an insurer referred to in clause 9 of this Section...", which would become a matter to be considered by the Insurance Act. Similarly, Sir, it is also clarified by way of amending the provisions of the Securities Contracts Regulation Act which explains, 'securities shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a combined benefit risk on the life of the persons and investment by such persons and insured by insurer referred to in clause 9 of Section 2 of the Insurance Act, 1938'. Therefore, it is very clear, which are not the securities. Similarly, Sir, amendment to the Securities and Exchange Board of India Act, where the problem of jurisdiction had come and which was also solved by this provision, gave the explanation for removal of doubts, 'it is hereby declared that for the purpose of this section a collective investment scheme or mutual fund shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment, besides the component of insurance issued by an insurer'.

Uncorrected/Not for publication - 09.08.2010

Therefore, amendment to these three provisions has made things very clear and the issue is resolved. But, the joint mechanism or the constitution of seven members' committee is for the future, in the event of any such problem coming in; it comes into the picture only then. Otherwise, it does not have any role in the day-to-day affairs.

Sir, I would like to draw the attention of the House to certain other matters. We are giving powers to the regulatory authorities by way of a statute. At the same time, the departments have the financial control over these regulatory authorities. Therefore, they feel that they should also be given certain powers and they should be given money out of the Consolidated Fund of India and have the liberty to spend money out of the annual budget, so that they do not have to seek permission even for funding the tour of a Member or Chairman. They have to seek the Department's permission every time for that. But, as per the present system, the regulatory authorities are not directly accountable to the Parliament, except in certain sections which say that under the Insurance Act and the IRDA Act, the Department can issue circulars and directions. But they would be submitting Annual Reports. This is including the RBI. All the regulatory authorities would be accountable to the Parliament. Presently, they are not accountable; they are only submitting certain annual reports. Our Parliament is the supreme authority that can raise issues of the working of RBI, the regulatory authorities of Insurance and SEBI.

(Contd. at 2s/hk)

HK/2s/3.20

DR. E.M. SUDARSANA NATCHIAPPAN (CONTD.): None of us including the opposition are raising this issue on the basis of the Annual Report. Even though our own rules permit us that Annual Reports can be taken up for discussion in the House, but we waste much of the time in shouting and adjourning the House. We are not utilizing that opportunity given by the present statute. Therefore, every authority has begun to think that they are big; they should not be challenged by anybody. They are very accessible to the private sector. Therefore, they can very easily leak out the matter and write articles in the print or electronic media telling that they are controlled by the Government and they are taking political decisions. Yes, we are taking political decisions and that is why we have come to power for five years. If we are doing it properly then the people will assess that this Government has done it properly. People cannot not differentiate the work done by autonomous bodies and the Government. They will say that your Government has done it properly. Therefore, this position is coming up. Therefore, my submission that regulatory authorities should be accountable and all of their transactions should be transparent so that people can understand it. Sir, the Planning Commission has already initiated a Regulatory Authority Bill which was circulated two years ago. I feel that it is high time that these regulatory authorities should be made accountable and their day-to-day decisions should be transparent so that people can understand what is happening in SEBI. At the same time, I would also like to draw the attention of the hon. Minister that the products which are coming out with insurance companies are very attractive for

Uncorrected/Not for publication - 09.08.2010

the common men. Mr. Goel was also referring to incidents where many of the products may not fetch large amount in the event of death of an individual. Even though we need not discuss those things here in this particular Bill, I feel that I have to draw the attention of the hon. Minister to take the advantage of this time. Sir, now different companies are coming forward with different products and schemes and they are increasing their amount of their average assets under management. I can quote certain companies. The Reliance is having more than Rs. 101,320,000; HDFC is having Rs.86,648,000; ICICI is having Rs.73,795,000; UTI is having Rs.64,445,000; Birla Sun Life is having Rs.63,111,000. Of total 38 AMCs, it will come around Rs.675,863,000 as the average assets under the management. Such a huge money is in the hands of the private companies. In the event of the clubbing of insurance and also the investment part, how they are going to give the guarantee to the common men? Sir, it may be different for the SBI Life Insurance which can have the Government support and security. But when we are giving rights to private companies to compete in this business, we have to be very careful and see whether things are happening properly or not. Sir, only 87.66 million households invest in gold and the life insurance industry has 59.7 million households covered by insurance policies. Similarly, households investment in equity is very minimum, that is, .39 per cent which comes to 920,000 households.

(Contd. by 2t/RSS)

RSS/2T/3.25

DR. E.M. SUDARSANA NATCHIAPPAN (CONTD.): The investment in equities is also going down because of the fluctuating things and undependability on certain issues. Though there are 17 million DMAT accounts with NSDS and CDSL, only handful of them seem active. Among the top five Mutual Fund Houses which have been there for over four decades, had slightly over ten million folios, the highest. The other four are Reliance which is having a mutual fund of 7.40 million and about HDFC, I have already given the figures. Therefore, when we are making these issues, we have to be very careful to secure the precious money which is invested by the ordinary citizens of India.

Sir, after bringing the DMAT system and other systems and enforcing the financial restraint in certain ways, we have reduced the number of persons who are participating in the share business. Some people may come and the reduction shows the inefficiency of the system. But I feel that it is a correct one because we are regulating it properly so that the sincere people alone are doing this business in stockholding and other things. I submit that the hon. Minister can consider that there should be a law by which the regulating authorities are subject to the Parliamentary scrutiny and also the credibility, legitimacy and effectiveness of different regulating authorities, even the RBI, should be subject to the Parliamentary scrutiny; then only I feel that this type of creating a new system that so and so cannot be touched, so and so institution cannot be touched, they are

Uncorrected/Not for publication - 09.08.2010

above all, that type of thinking should not be developed in a democratic system.

Thank you very much.

(Ends)

श्री ब्रजेश पाठक (उत्तर प्रदेश): उपसभाध्यक्ष महोदय, आज हम सदन में देश की अर्थव्यवस्था से जुड़े एक बहुत ही महत्वपूर्ण विधेयक, प्रतिभूति और बीमा विधि (संशोधन और विधिमान्यकरण) विधेयक, 2010 पर चर्चा कर रहे हैं।

माननीय उपसभाध्यक्ष जी, यह संशोधन विधेयक हमें सदन में क्यों लाना पड़ा? बीते दिनों में बीमा क्षेत्र को कंट्रोल करने वाली संस्था IRDA और शेयर मार्केट को कंट्रोल करने वाली संस्था SEBI के बीच एक विवाद ने जन्म लिया। ULIP जैसी जनता के लिए एक बहुत ही लोकप्रिय योजना अपने देश में आई और उसमें देश की आम जनता ने ढेर सारे रुपए निवेश किए। उस निवेश को शेयर मार्केट में लगाया गया। इसके बाद SEBI ने एक पत्र जारी कर सभी कम्पनीज़ को कहा, जो कि निजी क्षेत्र में थीं, कि जो कम्पनीज़ ULIP का व्यवसाय कर रही हैं उनको हमारे यहाँ रजिस्ट्रेशन कराना पड़ेगा। IRDA ने इसका कड़ा प्रतिरोध किया और कहा कि इसकी कोई आवश्यकता नहीं है। यह विवाद वित्त मंत्रालय में पहुँचा। वित्त मंत्रालय ने न्यायालय में जाने की सलाह दी। लेकिन, परिणाम कुछ नहीं निकलते देख कर माननीय वित्त मंत्री जी को इस विधेयक को लाने से पहले इस विवाद को समाप्त करने के लिए अध्यादेश भी लाना पड़ा। माननीय वित्त मंत्री जी ने इस बार के बजट भाषण में भी इसका उल्लेख किया था कि हम इस सम्बन्ध में एक कानून लाएँगे।

(2यू/डी0एस0 पर क्रमशः)

-PSV/DS-MKS/2u/3.30

श्री ब्रजेश पाठक (क्रमागत): उसी का परिणाम आज यह संशोधन अधिनियम है। हम इस अधिनियम का स्वागत करते हैं और चाहते हैं कि कानून कोई भी बने, उस कानून में आम

Uncorrected/Not for publication - 09.08.2010

जनता का, गरीबों का, मध्यम वर्ग का ख्याल रखा जाए ताकि उनका धन डूबने न पाए, फँसने न पाए और वे लोग ऐसी महत्वपूर्ण योजनाओं से अपने-आपको विमुख न कर पाएँ।

(उपसभाध्यक्ष (श्री प्रशांत चटर्जी) पीठासीन हुए)

इस संबंध में ज्यादा वक्त न लेते हुए मैं अपनी बात समाप्त करता हूँ।

जय भीम, जय भारत।

(समाप्त)

SHRI N.K. SINGH (BIHAR): Sir, I wish to make just a couple of observations on this proposed Bill since a lot has already been written and considerably commented upon by experts and analysts. My problem with this Bill, Sir, is not what it proposes to do, but what it has, rather, failed to do. I will come to that in a couple of minutes.

As some of the other speakers, firstly, have pointed out that given the first mixed ingredient in the hybrid products and the larger proportionality of security vs. insurance premium in the products and that it could have been referred to a judicial process if bilateral efforts have, really, begun to fail, but I have a considerable sympathy with the fact that you cannot have a penumbra of uncertainty surrounding the behaviour of financial markets which would have far-reaching implications for the working and the health of the financial system and, therefore, expeditious steps by the Finance Ministry was something which, I believe, was unavoidable reflecting itself in the proposed Bill.

Clearly, Sir, there have been worries, secondly, on what it does to the erosion of independent regulatory entities. After all, these entities were created,

Uncorrected/Not for publication - 09.08.2010

principally, with fore-warning them from political interference. Of course, the Finance Minister has been at pains to explain that he has no intention of, in any way, eroding on the autonomy of the Reserve Bank of India and that this should not be read as an intrusion in the autonomous functioning of these independent regulatory entities. Of course, there is a proverbial saying that once you open a little door and a little ajar, then, of course, the door could be begun to be pushed to be wider open and whether, perhaps, the peeping tomb would not have been better than leaving a little door ajar which could be then opened a little wider with a little gusto of breeze is something on which the Finance Minister, I am sure, is more competent than I am. There is one important reason which the Finance Minister has given in the Lok Sabha, and I have considerable sympathy for that reason of how he has to resort to this. He has explained, and with considerable force, that the RBI combines in it two functions. He has no intention of, in any way, eroding the monetary functions of the RBI, but, rather, because the RBI also performs the function of being a banking regulator itself, a player in the securities market, there is an inherent conflict in the RBI's functioning, and that part of the RBI's functioning, which relates to security management and which relates to supervision of the banks, is the only component which might come under the purview of the proposed Council. Mr. Finance Minister, there was an option. That option was that you could take away this part of the function of the security management of the RBI into another entity. Indeed, some other countries, Sir, have done that in avoiding this kind of a contradiction in the RBI's functioning. That, Sir, brings me to four important points which I wish to make.

Uncorrected/Not for publication - 09.08.2010

One was, perhaps, your most distinguished predecessor, Finance Minister Dr. Manmohan Singh, has once, privately, told me, and I have no hesitation in mentioning that.

(Contd. by TMV/2W)

-MKS-TMV-NB/2W/3.35

SHRI N. K. SINGH (CONTD.): Before we push more reforms and more changes, two entities require a lot of reforms which have collected a lot of baggage over time, that is, the Ministry of Finance itself and the Reserve Bank of India, both of whom he presided over with a great deal of distinction.

Sir, what are these economic reform functions? That is what I feel the Finance Minister had an opportunity to do when he brought forward this Bill. The Reserve Bank of India today has three functions, namely, first, the function of presiding over the monetary policy, second, the function of being the principal debt manager of the Government and managing the portfolio of the Government and, third, the act of banking supervision. The Finance Minister may rightly concede that there are inherent conflicts between being a principal debt manager and portfolio manager, and the manager of monetary policy and also banking supervisor. I am not going to say that whether the impossible trinity is possible or not, the so-called impossible trinity having a comparable open capital account with the exchange rate to be more or less market determined and also conducting the monetary policy with a certain degree of latitude. I am not going into the possibility of the congruence in the so-called impossible trinity which economists

Uncorrected/Not for publication - 09.08.2010

talk about, but I am certainly on a more limited point: How to reform the Reserve Bank of India to be able to prevent this inherent conflict of interest between debt management and portfolio management, between banking supervision and conductor of monetary policy. How has the rest of the world handled it? My friend, the first speaker there, has mentioned about wanting to emulate the Financial Services Authority. I am afraid, the Financial Services Authority has been abolished because one of the first act which the new Chancellor of Exchequer in the United Kingdom did in his Press Conference was to say that the FSA had not served the purpose for which it was really created and decided to abolish the FSA beginning from 2012. Instead he has created two other entities, one is an entity called a Special Financial Committee within the Bank of England itself which will take away or obviate these conflicts of interest and the other a Banking Commission to go into the management and evaluation of risks. I put it to you, Mr. Finance Minister, that in the overall matrix of a larger reform of financial institutions and the working of the financial institutions, you might like to bear in mind how your present proposal can be nudged in a more definitive direction of bringing about more fundamental and abiding changes in the working of these institutions with the dynamics of the current economic policy entail upon us. When you begin to create and fulfil your Budget promise of financial stability and Oversight Council you might like to see how the present proposal can be meshed into the working of the Council and when you begin to operate on your other proposal which you brought in the Budget, namely, rewriting the current legislation in the financial domain, how some of these ideas can be reflected, how

Uncorrected/Not for publication - 09.08.2010

far, for instance, the Finance Ministry itself, can be reformed by having what has been debated for long, namely, a separate Debt Management Office within the Ministry of Finance, outside the RBI, to prevent that kind of conflict which arises.

Sir, I end by saying that I very much hope that the present proposal of the Finance Minister is the incipient beginning for much larger reforms which these institutions, some of them have had nascent and some of them have had long historical baggage, will begin to be re-crafted and restructured to meet the contemporary challenges which face the Indian economy. Thank you.

(Ends)

SHRI TIRUCHI SIVA(TAMIL NADU): Thank you, Mr. Vice-Chairman, Sir, I rise to support this Bill, namely, the Securities and Insurance Laws (Amendment and Validation) Bill, 2010 which is introduced to replace the Ordinance allowing insurance companies to sell unit linked insurance plans without seeking the approval of the market regulator, SEBI. Since I realise that it is my duty to support this Bill, on this occasion, I wish to put forth one or two points only.

(Contd. by 2X/VK)

VK-VNK/2X/3.40

SHRI TIRUCHI SIVA (CONTD): The traditional insurance market is in shambles as insurers are not interested in marketing a class of insurance under which the shareholders share a major portion of the investment risk, but get only 10 per cent of the profit. In the case of unit-linked insurance, while the entire investment

Uncorrected/Not for publication - 09.08.2010

burden is passed on to the policyholders, the entire profit also goes to the shareholders.

With regard to the Indian scene I would like to cite one very important thing. During the period 1990 to 1999, the Bombay Stock Exchange Sensitive Index, Sensex rose steadily from 783 to 3,060, an average growth rate of 16.4 per cent. The ULIP entered the Indian life insurance market in a significant way only in 2003. Between January 1, 2003 and January 1, 2008, helped by fund flows from ULIP and foreign institutional investors, the index rose from 3,391 to 20,301, an average growth rate of 43 per cent. The peak of 20,827 was reached on January 11, 2008. In this context, when a turf war arose between the SEBI and the insurance sector, it became essential for the Government to formally set at rest the turf war between SEBI and the Insurance Regulatory and Development Authority. This Bill which has been brought forth to replace the Ordinance, accords jurisdictional powers to the insurance regulator over ULIPs - hybrid products which combine life insurance cover with market investments through mutual funds. It also provides for setting up a joint mechanism -- this is the most important thing to be welcomed -- headed by the Finance Minister to resolve any such differences in future among the country's financial regulators, namely, the Reserve Bank of India, SEBI, IRDA and the Pension Fund Regulatory and Development Authority. So when the Government or the country is focusing on the future economy, this becomes inevitable and this is a very prudent step taken by the Government this clause in the Bill. Alongside, the Bill has also sought to address the apex bank's concerns over hierarchy and autonomy by naming the RBI Governor as the Vice-

Uncorrected/Not for publication - 09.08.2010

Chairman of the Joint Committee instead of making him just a member. There is one more important thing. It is proposed to provide that the Governor of the Reserve Bank of India shall be the Vice-Chairman of the Joint Committee instead of a member. As per the Bill, apart from the Union Finance Minister as Chairperson and the RBI Governor as Vice-Chairperson, the other members of the Joint Committee would be Secretary, Department of Economic Affairs; Secretary, Department of Financial Services and the Chairmen of SEBI, IRDA and PFRDA. It may be construed as a deviation from the Ordinance but the Bill has stated that in case of any differences of opinion among the regulators, reference may be made to the Joint Committee only by any of the respective regulators and not by the Government. So the Government and the Finance Minister would not take any suo motu step. Only whenever any regulator brings to the knowledge of the Joint Committee, then only they act. So this Bill, which has been brought to replace this Ordinance, is very essential one focusing on the development and progress of the country's economy. With these words, I welcome this Bill. Thank you.

(Ends)

श्री आर.सी. सिंह (पश्चिमी बंगाल): सर, मैं समझता हूँ या विश्वास करता हूँ कि हमारे माननीय मंत्री जी बड़े सक्षम मंत्री हैं और मंत्री जी को संकट मोचक कहा जाता है। लेकिन यह समझ में नहीं आ रहा है कि मई महीने में जब session शुरू हुआ था या होने वाला था, उस समय मंत्री जी या सरकार को अध्यादेश क्यों लाना पड़ा, जब कि वे खुद सक्षम हैं? उस समय दो regulators को कहा गया था कि सुप्रीम कोर्ट के decision के बाद उस पर अगली कार्रवाई की जाएगी।

(2y/MP पर जारी)

MP/3.45/2y

श्री आर.सी. सिंह (क्रमागत) : इसी बीच मंत्री महोदय या सरकार ऑर्डिनेंस लाई जबकि वह मामला सुप्रीम कोर्ट में लंबित था। तो क्या और ब्यूरोक्रेट्स को नौकरी देने के लिए यह विधेयक लाया गया है?

सर, आर.बी.आई. के फाइनेंशियल महकमे में केवल एक रेग्युलेटर हुआ करता था, अभी हर संस्था को रेग्युलेटर दिया जा रहा है। SEBI, पेंशन, इंश्योरेंस, टेलीकॉम, पावर, पेट्रोलियम, पॉल्यूशन, ब्रॉडकास्टिंग आदि के तमाम रेग्युलेटर्स आ गए हैं, जबकि पहले एक जगह से आर.बी.आई. सारा काम करता था और काम ठीक भी चल रहा था। तो इसके बारे में मंत्री जी जरूर बताएं कि इसे क्यों लाना पड़ा?

सर, मैं यह भी चाहूंगा कि जो रघुराज कमेटी बनी थी, उस कमेटी की सिफारिश को कितना इंप्लिमेंट किया गया है, इसके बारे में ज़रा जानकारी दें। सर, सुप्रीम कोर्ट में 14 मामले लंबित पड़े हुए हैं। SEBI ने इन कंपनियों पर रोक लगाई थी और IRDA ने उसको नहीं माना, जबकि वित्त मंत्री जी इसके अध्यक्ष हैं, इनको ही फैसला करना था। यदि वे शीघ्र फैसला कर देते, तो शायद यह नौबत नहीं आ पाती।

सर, जहां तक Joint Mechanism का सवाल है, वित्त मंत्री जी उसके चेयरमैन रहेंगे। वे रिज़र्व बैंक के गवर्नर रहेंगे, Secretary in the Department of Economic Affairs रहेंगे, Chairman, IRDA रहेंगे, Chairman, SEBI रहेंगे, Chairman, PFRDA रहेंगे आदि, तो इन सबको मिलाकर एक कमेटी बनाने की व्यवस्था की गई है, जो कहां तक सफल हो पाएगी, इसमें हमको संदेह लगता है।

सर, हम निजी बैंकों से वह अपेक्षा नहीं रख सकते हैं, जो सरकारी बैंकों से रख सकते हैं। फिर सरकार अपना शेयर 55 परसेंट से घटाकर, पब्लिक सैक्टर बैंकों का 51 परसेंट करने जा रही है, जबकि आप शेयर को disinvest करके पैसे का जुगाड़ करने की बात कहते

Uncorrected/Not for publication - 09.08.2010

हैं, लेकिन तमाम बैंकों में 99 परसेंट पैसे गांव और गरीब लोगों के जमा होते हैं, जो उनके उपयोग में नहीं आ पा रहे हैं। वे अगर कर्ज लेना चाहते हैं, तो वह उनको नहीं मिल पाता है और बहुत कम रेट पर अगर कोई इंडस्ट्री लगाना चाहता है तो उसको दिया जाता है। गांवों में अगर हम कर्ज लेना चाहते हैं तो हमको 12 से 14 परसेंट पर लोन देते हैं और इंडस्ट्री लगाने जाएंगे तो हमको 2 परसेंट पर मिलता है, जबकि मेरा उसमें कुछ भी धन नहीं रहता है। इनकी तरफ सरकार का ध्यान नहीं जाता है और कर्ज लेने के बाद जब किसान अपनी फसल अच्छी नहीं होने पर suicide करते हैं, माफी की बात कही जाती है, तो उन गरीबों को कर्ज तो मिलता नहीं है, जिनको असल में मिलना चाहिए, उस धन का उपयोग कहीं और होता है। इसलिए इस बिल में इस बात का ध्यान रखा जाना चाहिए था। 1969 में श्रीमती इंदिरा गांधी ने बैंकों का राष्ट्रीयकरण करवाया था और राष्ट्रीयकरण के बाद बैंकों का पैसा देश के डेवलपमेंट

(THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair.)

के लिए खर्च करने की बात थी और देश के हित में काम हुआ है। सर, एक बात की ओर और ध्यान दिलाना चाहूंगा। 2015 तक बैंकों से 1,07,958 कर्मचारी रिटायर करेंगे और इनकी जगह पर दूसरे नए कर्मचारियों को लेने की अभी तक कोई व्यवस्था नहीं की गई है, जैसा ए.के. खंडेलवाल जी की कमेटी ने रिपोर्ट में दिया था, उसकी तरफ मैं ध्यान दिलाना चाहता हूँ।

सर, जो प्राइवेट सेविंग एजेंसीज़ हैं, वे लोगों को आज भी धोखा दे रही हैं, पता नहीं किस तरीके से उनको परमिशन मिलती है?

उपसभाध्यक्ष : पांच मिनट हो गए हैं।

श्री आर.सी. सिंह : सर, दो मिनट...

उपसभाध्यक्ष : दो मिनट ज्यादा हो गए हैं।

Uncorrected/Not for publication - 09.08.2010

श्री आर.सी. सिंह : सर, ज्यादा नहीं होगा। तो वे लोगों को धोखा देते हैं और कहते हैं कि ढाई से तीन साल में तुम्हारी रकम को डबल कर देंगे। वे कहते हैं कि बैंक हमारी गारंटी दे रहे हैं, सरकार दे रही है, जबकि लोगों का पैसा डूबने की सारी संभावना है। फिर किस तरीके से सेविंग एजेंसीज़ को परमिशन मिलती है, इस बात को ध्यान में रखा जाना चाहिए, धन्यवाद।

(समाप्त)

(2Z/SC-KS पर आगे)

2z/3.50/ks

SHRI PRASANTA CHATTERJEE (WEST BENGAL): Sir, at the outset, I express my displeasure at the Bill not having been put before the Standing Committee, as demanded in the other House also by my esteemed colleagues.

Sir, the proposed mechanism of forming a joint mechanism is nothing but a knee-jerk reaction and it is not a product of a serious study of the existing arrangement for addressing intra-contradictions of regulatory authorities in the market.

Sir, the hon. Finance Minister in his explanation has said that the dispute began in January. On 10th February, the Finance Secretary discussed it. On 12th March, there was a mutual discussion in Hyderabad. The High Level Committee on Financial Market discussed it on 26th March. On 9th April, SEBI had given the order and on 10th April, IRDA had given another order.

Sir, the Parliament was in session till May 7th. But the Government did not bother to bring this Bill when the Parliament was in session and, instead, issued an Ordinance. I want to know from the Government what had prompted the

Uncorrected/Not for publication - 09.08.2010

Government to issue the Ordinance when it could bring this Bill during the last session.

Sir, my next question is what had prompted the Government to wait for the verdict of the Apex Court? On 4th May, the hon. Minister of State for Finance in his reply to Question No.4202 has said, and I quote, "The Government had asked the two regulators to get a legal opinion on the issue"? But strangely, the Government felt no necessity to wait for the verdict of the Apex Court, which is still to come.

My next question to the Government is: why had the Government not explained in the Ordinance the reasons for regulating ULIP by IRDA rather than SEBI?

What is the guideline of SEBI? On 9th April, SEBI directed 14 insurance companies, most of which are private life insurance companies belonging to ICICI or Reliance Ambani group, to stop dealing in ULIPs. SEBI's explanation is that the amount received under ULIP is invested in two ways -- one part is for insurance cover and the other is investment in the securities' market. According to SEBI, in some ULIP products, premium to buy insurance is as low as two per cent of the total amount whereas the balance is being invested in securities' market.

Our question is: in an insurance-linked scheme, why should they invest a part of premium in the securities' market? What is your experience in the global scenario? The same thing had happened in America where investment in the stock market brought a big depression and created a global crisis. Such a kind of

Uncorrected/Not for publication - 09.08.2010

crisis may also come to our country, if we allow the insurance related schemes to invest in the stock markets. Rather, it should have been invested in developing the social sector. That should be brought into account.

The RBI had constituted two committees. One was a Standing Technical Advisory Committee on Financial Regulation, which was constituted in 2003. The other was a Working Group on Conflict of Interest in the Indian Financial Services Sectors to identify the sources and nature of potential conflicts and suggest possible measures and actions to be taken for mitigating them. So, the RBI should have played an important role. Then, there is a High Level Committee on Capital and Financial Market (HLCCFM). They referred the matter on 26.3.2010 to take a legal opinion. They should have played a more important role.

My next question is on the inclusion of Provident Fund Regulatory and Development Authority, PFRDA. This PFRDA itself is constituted under an Executive Order. The PFRDA Bill is still pending and not passed in the Parliament.

We have every objection to the formation of PFRDA also. So, when it is not at all a statutory body, then, why is PFRDA kept in the joint mechanism?

At this juncture, it would have been better that without placing the Bill here, the whole matter should have been referred to the Standing Committee on Finance so that it could go into the details of the issue and get to the root of this kind of a problem and conflict and so that there is no recurrence of such things. The interest of the investor must be looked into. We are very much concerned about the interest of the investor. At the same time, we are also very much

Uncorrected/Not for publication - 09.08.2010

concerned that the insurance related schemes must not invest funds in stock markets. All these things could lead to a crisis.

The Governor of the Reserve Bank of India himself, after meeting the hon. Finance Minister, expressed publicly that the proposed Bill was going to dilute the role of the RBI. That should not have been done. At this juncture, when there is a difference of opinion, my concrete proposal is that the hon. Finance Minister may please withdraw the present Bill and bring another comprehensive Bill before the Standing Committee to have a detailed discussion and, then, bring a new legislation before Parliament because Parliament is the highest authority and Parliament should take a decision on this.

With these words, I thank you and conclude my speech.

(Ends)

(followed by 3a/tdb)

TDB/3A/3.55

THE VICE CHAIRMAN (PROF. P.J. KURIEN): Dr. Ashok Ganguly. Please take only five minutes.

DR. ASHOK S. GANGULY (NOMINATED): Sir, given my position in this House, I have made it a practice to be brief. It is not that I can't speak for 70 minutes, but I restrict myself to a very short speech. First of all, I think, I must say that the Finance Minister must have been compelled to bring this Bill to the House. It is a great pity. Because one would have expected that the regulatory authorities in their good sense would have solved this problem, and this issue would not have arisen. Now, that it has arisen, there is no solution to it, rather than finding a

Uncorrected/Not for publication - 09.08.2010

mechanism going forward, if such a situation to happen again. However, having been on the Board of the Reserve Bank of India for nine years under three very eminent, including the present Governor, I must say that it has used its independence, its discretion with maturity and with foresight, keeping all the time and in consultation with the Finance Ministry. They have done a tremendous job during the global financial crisis. This has to be acknowledged, and we must not use this Bill as a process of denigrating a great institution which has been created in this country. Be that as it may, in spite of the Finance Minister's suggestion that the IRDA and the SEBI go to the court and seek a solution, they did not do it. It is not very clear why they did not do it. They have brought it upon themselves. As a matter of fact, the Reserve Bank of India has every right to persuade them to find a solution, it is not very clear why they failed to find the solution. Under the circumstances, I think, as far as hybrid instruments are concerned, the Finance Minister was left with no opportunity but to bring this Bill forward. My hope is that such a situation will not arise in the future and the Finance Minister may not have to preside on such a situation in the future, and the regulatory authorities would have learnt their lessons to find solutions by their wisdom and goodwill. My only suggestion to the hon. Finance Minister before I conclude is this. Mr. Finance Minister, since the Vice-Chairman of this Committee is the Governor of the Reserve Bank, and since in your absence, he is likely to preside over the meeting, I would suggest for his impartiality and for him to be able to be above all the situation that the Deputy Governor responsible for banking supervision may be inducted into this Committee to act as the representative of the Reserve Bank of

Uncorrected/Not for publication - 09.08.2010

India, in case the Vice-Chairman has to preside over this Committee. With that minor modification, and not with great excitement, but with the practical knowledge that this was the only solution that was pushed to the Finance Ministry by the regulators themselves, I would suppose this Bill as a caution to the other regulators that if they wish to maintain their autonomy, they must act in an autonomous, wise and honourable manner. Thank you, Sir.

(Ends)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, Shri Mysura Reddy. You can follow the example of Gangulyji, with regard to the time.

SHRI M.V. MYSURA REDDY (ANDHRA PRADESH): Sir, since we are in "Others" category, we would get one minute extra, i.e., six minutes.

Sir, this is an Ordinance which was brought to resolve the dispute between two regulators. But, both the regulators are fighting for the control of small investors' money. In this issue, even though it may be personal, I don't want any redressal of my grievance. But, I want to bring this issue to the notice of the hon. Minister as to what is going on in this ULIP so that some redressal mechanism can be created, instead of keeping the redressal mechanism among two regulators.

(Contd. by 3b-klS)

KLS/3B-4.00

SHRI M.V. MYSURA REDDY (CONTD): Sir, my son took ULIP from Bajaj Allianz Life Insurance Company Limited and paid rupees one lakh every year for three years. But the insurer put his investment up to Rs.2,85,00, which means 95 per cent is put in instrument and only 5 per cent in insurance. What the Minister may

Uncorrected/Not for publication - 09.08.2010

call or what Bajaj Allianz can say whether it is insurance policy or the instrument which is more. But, ultimately, after three years he surrendered his policy. He got only Rs.2,73,000 which means his NAV is Rs.3,45,000. So, he has lost his net gain also, he lost Rs.15,000 in net. The net gainer is the Bajaj Allianz of Rs.87,000. So, these are unfair trade practices. One Mr. Rangasamy from Coimbatore paid Rs.1,00,000 in SBI Life which is a public sector undertaking. He might have gone for some loan and he might have been forced to take this insurance scheme. He discontinued and surrendered his policy. After three years, he got only Rs.10,000 for investing Rs.1,00,000. But if an individual had done this thing, we might have said that this is a cheating. But IRDA, the regulator regularizes by some kinds of regulations and guidelines. There are 14 companies which are in the insurance business. So, I request the Minister to furnish before this House the number of policies taken, the number of policies discontinued or surrendered since 2005 only. More than that I do not require and I think the House also does not require. Insurer might have done share trading and might have made some shares out of small investors' money. Sir, one case is with regard to HDFC dealer's share trading fraud which is a classical example. In small trade only within 20 days they made rupees two crores out of the small investors' money by way of ULIP only. Since these kinds of things have been going on, the Government might have brought in a good legislation after giving thought and care. In these cases both the regulators failed. IRDA failed and SEBI failed. They were unable to protect the small investors. What is the purpose of resolving the dispute between the regulators? The Government might have given

Uncorrected/Not for publication - 09.08.2010

much thought and care for protecting the small investors, instead of doing that, they have done this. Regarding Ordinance also if I speak it will be repetition of what Mr. Goyal has already told. So, there is no use of arguing on this Ordinance. But one small incident I would like to bring to the notice of the Minister. Sir, there are many hybrid products which are coming. In the joint mechanism, the RBI, SEBI, IRDA are the members. But if somebody has brought a hybrid feature like a steel company where FMC is involved, it is among these four regulators only. If FMC comes, again he has to bring a new legislation. This is the issue in these hybrid instruments. You might have given a lot of thought how to resolve this problem also. But one thing that I would like to bring to the notice of the House is the reply of our Finance Minister on price rise on 5.8.2010. I will quote only this and then conclude my speech within the given time. He said, "I cannot forget the days of 1990s when the country's gold was to be placed to a foreign bank just to borrow a few hundred million dollars, when the Finance Minister of this great country had to go to a foreign country, a rich country, to meet the Finance Minister of that country, but had to wait for some time to get the appointment. I would not like if any Finance Minister of this country has to face that type of a humiliation situation. .."

(Contd by 3C/SSS)

SSS/3C/4.05

SHRI M. V. MYSURA REDDY (CONTD.): I am very happy and proud of that. We should not forget that for this economic growth, hundred crore people are paying

Uncorrected/Not for publication - 09.08.2010

six lakh crores of taxes to the exchequer and are also silently paying toll tax on all infrastructure projects. The Finance Minister is only the fund manager. The *Aam Aadmi's* economic power is the sole economic strength of this country, not the strength of a few corporate houses. The ULIP business is one percent of GDP. The Government might have been given a lot of thought and care in bringing this piece of legislation which may protect the interest of innocent investor instead of throwing the common man to the vultures of corporate sector. Thank you.

(Ends)

DR. BHALCHANDRA MUNGEKAR (NOMINATED): Sir, I support the Bill for the following reasons. Sir, as we understand there is fundamental difference between controlled economy and regulated economy. We have also clearly acknowledged that the global financial crisis in 2008 in US arose primarily because that the financial sector of the US economy was not regulated and it engulfed the entire western economy and no economy of the world could remain insulated from this. Under this condition I think, this legislation had to be viewed in the context of the requirement of economy at a given point of time. This is not the legislation which will be there permanently for 50 years. Even our Indian Constitution was amended immediately after two or three months. The question is: as the economy is to be regulated, the regulators of the regulated economy also need to be regulated. And it is in this context the Insurance Act, 1938, the Securities Contract (Regulations) Act, 1956 and The Securities and Exchange Board of India Act, 1992 clearly specify the distinction between the life insurance business and the securities on the one hand and the collective investment for mutual fund on the

Uncorrected/Not for publication - 09.08.2010

other. I think, this is the need of the hour and as far as the insulation of economy from the point of view of any kind of financial sector which constitute the nerves of economy is concerned, I support the Bill with all caution that we shall be able to take care of prevention of unfair practices. Thank you. (Ends)

SHRI RAJEEV CHANDRASEKHAR (KARNATAKA): Sir, as we all know the financial markets and financial sectors of our country are today valued at tens of thousands of crores and has shown systematic and solid growth over the past two decades since liberalisation. But more than the size growth, the markets have grown in terms of its transparency, governance and regulation — making our markets one of the best regulated markets in this part of the world. As we enter this debate, we must not forget what made this possible. It was the independent regulation of the financial markets and the independence and capability demonstrated by RBI and SEBI over these years and the independence and capabilities of men like Dr. YV Reddy, and Mr. Damodaran in the RBI and SEBI. And as we all know India escaped most of the trauma of the recent 2009 global economic recession because our economic regulators had managed our financial markets well and sensibly, resisting populist and fashionable trends and bureaucratic pressures that were constantly proposed in the guise of reforms. It is precisely this orderly transformation of our markets into a transparent and well regulated market that we are today throwing into question, with this back door intrusion of the political and bureaucratic executive into the realm of independent regulation. Sir, I have spoken in this House many times on Independent Regulation and as a proponent of strengthening Independent Regulation, I can

Uncorrected/Not for publication - 09.08.2010

say this with all the power at my command, that this Bill sets a very bad precedent. The problem that the Bill is attempting to solve is neither a unique problem nor is it new. As a matter of fact, as more and more independent regulators are introduced into our scheme of governance, the problems, and, therefore, the challenges of regulatory overlap and regulatory disputes will arise. We must realize that. So, if a sectoral regulator like IRDA or TRAI attempts to regulate a sectoral entity and a functional regulator like the markets regulator like SEBI or competition regulator like CCI attempts to regulate the function qua the markets of competition — there will be potential regulatory conflict.

(Contd. By NBR/3D)

-SSS/NBR-SCH/3D/4.10.

SHRI RAJEEV CHANDRASEKHAR (CONTD.): However, the solution cannot be and must not be the type suggested by this Bill. Regulatory disputes and regulatory adjudication cannot compromise the concept of independent regulation of the sector or the function, as this Bill, very obviously, ends up doing. Sir, let us acknowledge it openly. This Bill brings in bureaucratic and political oversight into a critical and sensitive area of regulatory dispute adjudication which is undesirable and retrograde.

Sir, let me give you an example of what will happen in future if this precedent is followed. The TRAI is the Telecom Regulator. It is also tasked with managing competition in telecom. If it regulates competition and, at the same time, the Competition Commission intervenes in the telecom sector to manage

Uncorrected/Not for publication - 09.08.2010

competition, there is potentially going to be a conflict between these two regulators. So, is it the case of the Government that the dispute arising between the TRAI and the CCI will be adjudicated by the Department of Telecom or the Minister of Telecom? It is clearly not in keeping with the Government's view of strengthening independent regulation.

It is similar in the case of ULIPs. As my colleague, Mr. Piyush Goyal, has said that ULIPs should be regulated on issues of insurance by the IRDA and when it comes to markets and investments, it cannot but be regulated by the market regulator. If there is this kind of a dispute -- real or imaginary -- it must be still settled through an appropriate independent body with no bureaucratic interference and involvement.

If the Government is, for some reason, averse to courts resolving this dispute, then the solution should be, as Mr. Piyush suggested, to have an independent appellate body of whatever type or form, without compromising with the word 'independent.'

Brining bureaucracy into the sensitive area of financial sector regulation is contrary to the Government's own stated object of strengthening independent regulation in this country.

I request with all humility at my command the hon. Finance Minister to re-look at this Bill again. The creeping influence of the Government is bad news for the future of independent regulation in this country. I am sure, he does not want it to be a part of his legacy and I hope sincerely that he would look at creating an

Uncorrected/Not for publication - 09.08.2010

independent regulatory disputes appellate commission or some such idea that could replace the current structure or proposal. Thank you,

(Ends)

श्री प्रकाश जावडेकर (महाराष्ट्र): वाइस चेयरमैन सर, मुद्दा यह नहीं है कि बिल क्या है, मुद्दा यह है कि संदेश क्या गया है। What is the message? I will just stick myself to that. संदेश यह है कि आपने आरबीआई की स्वायत्ता पर चोट की है। You have compromised with the autonomy. और जैसे लोगों ने कहा कि RBI has conducted itself over the years so maturely that we should not have denigrate it like this. अभी हम इज़राइल में गए थे। वहां हम इज़राइल के सेंट्रल बैंक गवर्नर स्टेनले फिशर से मिले, जो दुनिया के बहुत बड़े अर्थशास्त्री हैं। Passionately, he was telling us what is the importance of the Central Bank which can, in situation of economic difficulties and perils, bring the nation out of it. He gave examples how that country conducted itself with independence. That is the reason why we hurt. इसलिए मेरी पहली बात यह है, मुझे पता नहीं है लेकिन यह न्यूज़ आई है कि आरबीआई गवर्नर ने आपको चिट्ठी लिखी है, मेरी पहली मांग यह है कि वह चिट्ठी आप टेबुल करिए, जिससे सभी लोग यह जान सकें कि उनका दुःख क्या है। क्योंकि पब्लिकली उन्होंने एक रिऐक्शन भी दिया था और वह आपसे मिले भी थे, इसलिए वह चिट्ठी आप सार्वजनिक कीजिए। The Reserve Bank of India, over the years, has always been dealing with all currency management. It is always a banker's bank. It is the supervisor as far as the words 'banking', 'finance' and, lastly, 'fiscal discipline' are concerned. So, if you have any problem with inter-regulatory mechanism, you could have created an improved mechanism under the RBI. You could have provided teeth, as suggested by my friend, Mr. Piyush, to

Uncorrected/Not for publication - 09.08.2010

the HLCCFM, or, even entirely a new mechanism could have been created. He should have through about it.

The last point is, the Bill is based on the opinion of the Law Ministry. Many times reference has come.

(CONTD. BY USY "3E")

-NBR/USY-PSV/3E/4.15

SHRI PRAKASH JAVADEKAR (CONTD.): So, my second demand is this. Please table the legal opinion, given by the Law Ministry. Let us judge what you have drafted as a Bill and what the legal opinion, from the Law Ministry, says. Are they in tandem? Or, are they jut opposite to each other? And, why should we not send it to the Standing Committee. We have created a mechanism. मैंने दो सालों में पार्लियामेंटरी डेमोक्रेसी में यह देखा है कि जितनी चर्चा यहाँ होती है तो प्रेस वाले भी होते हैं, तो मैं अपनी पार्टी की लाइन बताऊँगा, वे अपनी पार्टी की लाइन बताते हैं, लेकिन जब स्टैंडिंग कमेटी में इकट्ठा होते हैं तो सबकी भलाई किसमें है और larger interest क्या है, इसको देखते हुए चर्चा होती है। इसके साथ ही उसके testimonies होते हैं, उसमें लोग साक्ष्य के लिए आते हैं, witnesses आते हैं। वह mechanism हम क्यों छोड़ दें? हमें वह mechanism छोड़ना नहीं चाहिए। इसके साथ ही जो हमने तैयार किया है, उसे standing committee को दे दें, इससे क्या बिगड़ने वाला है? अभी तो आपके एक Ordinance से उस dispute का हल हो गया और अभी तुरंत दूसरा कोई dispute तो पैदा नहीं होता। अगर यह लगे कि इसकी टेक्निकल जरूरत है तो आप उस ordinance को और आगे भी बढ़ा सकते हैं। उसके lapse होने से भी कुछ नहीं होगा, यह मेरा argument है। अगर उसको lapse नहीं होने देना है तो इसे कर सकते हैं, लेकिन बिल जाने दीजिए। ऐसा नहीं कि हर बिल को तीन महीने में ही करते हैं। स्टैंडिंग कमेटीज़ every week मिलती हैं। हम अभी HRD कमेटी में हैं, उसके पास

Uncorrected/Not for publication - 09.08.2010

मिनिस्ट्री ने नौ-नौ बिल्स भेजे हैं। हम एक-एक बिल को हर सप्ताह तैयार कर रहे हैं। चार-चार सप्ताह में, एक-एक महीने में बैठकर, यह हो सकता है। इसलिए मुझे लगता है कि यह होना चाहिए। I am very confident that you will agree to these suggestions. Thank you very much.

(Ends)

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Thank you, Mr. Vice-Chairman, Sir. First of all, I would like to congratulate my friend, Mr. Goyal. I knew his father. But, no doubt, his presence in the House will add to the deliberating and debating quality of this House. The way he presented his case in his maiden speech, studied the entire gamut of the subject, speaks well of it. And, that should be the job of a parliamentarian. I commend him, as an elderly chair, that he has prepared his case so thoroughly. It is not necessary that all of us will agree with him. This is the Chamber, this is the system where we agree to disagree. There will be divergence of views; there will be differences of opinion. And, through those divergences, through those differences of opinion, through discussion, we will arrive at a solution. Therefore, I would like to take this opportunity to compliment him. He has his certain issues. But I am confining myself to three aspects of the issue. So far as the areas are concerned, whether it should be regulated by the IRDA or by the SEBI; what the nature is, what the percentage is, what the component is, all these issues are to be decided by the regulators themselves. You look at the chronology of the events. First of all, as I mentioned in the other House, neither I had an intention nor the purpose of this Bill is to interfere with the autonomy of the regulators. Regulators have not come

Uncorrected/Not for publication - 09.08.2010

on their own. Whether you are in Government, or, whether we are in Government, we bring the Bills; we discuss them in the Parliament. We clear the statute to institutionalize the regulator. Therefore, regulators are the creation of the Parliament, of the Executive. Last fifteen years, almost twenty years, since the economic reforms, various regulators have come into existence.

(Contd. by 3f -- PK)

PK/3f/4.20

SHRI PRANAB MUKHERJEE (CONTD.): But we must keep in mind that regulators will have to operate, will have to function within the powers vested in them by Parliament, by passing a law. Here you look at the chronology of the events. It started from January. Not only the Government advised them, but the Ministers also advised them. We may delegate the political institutions but can you have a Parliamentary system without political institutions, without political executives? Can the Chamber of Commerce, can the economic guilds run the Parliamentary systems? Can you have Hamlet without Prince of Denmark? It is the political institutions, political party or the leaders of the system who create the regulators; regulators are not created by the Resolutions of the trade bodies or the Chambers of Commerce or of the Economic Guilds; it is the creation of a political institution like Parliament. The Parliament is nothing but consisting of the representatives of political parties. Therefore, in our approach, we should not create confusions. Here, the question is that two regulators disputed. When they disputed, they were asked to settle themselves, because it is not good for the

Uncorrected/Not for publication - 09.08.2010

financial market, it is not good for the investors, it is not good for the health of the economy. There is an existing mechanism. There is a high-level coordination committee on Financial Matters. Mr. Goel was dealing with it. It was referred to them. It is chaired by the Governor RBI. From 1990, it is in existence. They advised them, " you settle among yourselves bilaterally. " That is why, it was taken off the agenda. It is not that it was not referred to them. The High-Level Coordination Committee is chaired by the Governor, RBI. Thereafter, they were advised that, well, if you cannot sort it out yourselves, you agree to file a joint petition to the competent court which will decide and you accept their judgement. They agreed. My grievance is, they agreed. They made me to make a public announcement that both of them have agreed to file a joint petition to the competent court and they will accept the verdict of that. What do you expect me to do? I will just remain a mute spectator in honouring the autonomy of the institutions. If they quarrel like peculiar children, I am afraid, my concept of autonomy is not like that. Nobody else but here I alone am accountable to you. No independent regulator is accountable to Parliament and through Parliament to the people. We do not have that that system. It is not like American Senate. We have our own Parliamentary system. (Contd. by PB/3g)

PB/3g/4.25

SHRI PRANAB MUKHERJEE (CONTD.): We have our own mechanism and we shall have to work in that. I cannot look at things like what should have been or what could have been. When it will happen, it will happen. Nobody is going to

Uncorrected/Not for publication - 09.08.2010

interfere with the autonomy of the RBI. Why has the RBI Act been amended? It is because the RBI has two roles as monetary policy maker, as a totally independent monetary advisor to the Government of India. Nobody is interfering with it; but what would be branch expansion policy of the banks for which the RBI is the Regulator? Are you not asking me questions day in and day out about the branch expansion? As a regulator of the banks, as regulator of the security market, if there is a conflict between the regulators, what is the scheme? It is not related to conflict between the Government and the regulator, not disagreement between Government and regulator. If there be a disagreement between the regulators, then only the regulator can make reference to this joint mechanism. Originally, it was thought that any member, including the official members, could make a reference to it. But, thereafter, it was thought that 'no'; it will be interpreted as my young friend Javadekar said; I was very much concerned with what message I would like to convey, I did not want it; I have no intention because many of these were enacted by us when we were in Government. We created it and they were created with good intentions but that doesn't mean that they will transgress the jurisdiction of the others. What is the role of the Executive? The role of the Executive is also to look into such things. If one authority transgresses the jurisdiction of the other authority, the Executive cannot remain a silent spectator in the name of autonomy, in the name of honouring the autonomy. That is an utopian idea to my mind. That is not accepted. What we have done in the Bill is that as and when such a situation will arise when two regulators will quarrel on jurisdiction, not on other matters, then, the first effort will be to let them sort it out

Uncorrected/Not for publication - 09.08.2010

bilaterally. If they fail to do so, let them go to the high level coordination Committee chaired by Governor, RBI. If they fail to do so, then it will have to come here, if they feel. They will have to make recommendation; it is not *suo motu*. The aggrieved party will have to make a reference to this Joint Mechanism, and, in that case, the Joint mechanism will take the decision. The Joint Mechanism is chaired by the Finance Minister. I am not talking of the individuals; I am talking of the institutions. The Finance Minister is accountable to you. You can dismiss him in no time by simply passing a No Confidence Motion. He represents the people and he is accountable to the people through you. If somebody feels -- and with due respect to him -- that he is above the Finance Minister in the matter of money and finance, he may believe so. I have respect for his belief but I cannot accept it. It is not practicable. These aspects ought to be kept in. I entirely agree. Our Reserve Bank has done a wonderful job.

(Contd. by 3h/SKC)

3h/4.30/skc

SHRI PRANAB MUKHERJEE (Contd.): In every statement, I repeat like a parrot that Government and RBI had worked in tandem, in close cooperation, to overcome the financial crisis. But does that mean that when legislation is to be made covering the financial regulators, the RBI will have to be excluded? From where does this logic come in? If they did not have any regulatory role, there would have been no occasion for that; but there is a regulatory role. The Ordinance was brought in to see to it that when two regulators come into conflict in respect of jurisdiction, this mechanism would be in place. Mr. Javadekar, my

Uncorrected/Not for publication - 09.08.2010

young friend, had asked for two documents to be placed on the Table of the House. He knows the functioning of the Government very well; these can never be laid. But I can assure him that everything in the Bill, right from the title, subtitle, clause 1, to the last point, is drafted by the Law Ministry. The administrative Ministry does not draft the Bill. The administrative Ministry only states its intention, but so far as the drafting is concerned, it is to be done by the Law Ministry. That is always the case and not only in this case. And what transpired between me and the Governor, RBI, is definitely classified. Nowadays, it has become a practice to go to the media, but I cannot go to the media; I can only come to you and unburden myself before you. But there is no question of compromising the autonomy of any regulator. If they come into conflict or there is a difference of opinion or they enter come into the jurisdiction of the other, then, this situation would arise.

Certain questions have been raised as to why we did not wait for the Supreme Court? Now, what was the nature of the Supreme Court's judgement? The first one was about transferring all the cases. How much time would that have taken? There was a need for urgency. Question has been raised, 'why not in the Parliament?' All of us are working in the Parliament. We all know what the parliamentary calendar was during this period of time. If we wanted to sort it out, was it possible to have a regular legislation in the Parliament? Did we pass the legislations which were pending before the Parliament during that period? During the Budget Session, we could not give much time even to discussions on the working of the individual ministries here and discussions on the demands-for-

Uncorrected/Not for publication - 09.08.2010

grants in the other House. We could not give enough time. Therefore, it was almost impossible to have this piece of legislation passed. I do agree that all Bills must be scrutinized by the Standing Committee, and that has been the practice, but an Ordinance is not an ordinary piece of legislation. An Ordinance is brought because there is urgency, and as and when an Ordinance is brought, it is put into operation immediately. Therefore, it requires Constitutional propriety and Parliamentary authority; it requires to be ratified and approved by the Parliament within six weeks of the beginning of the next Session. The Ordinance is being issued during the interregnum. Therefore, my young friend, Mr. Javadekar, would agree with me on the very rationality of an Ordinance. An Ordinance does not make a major law; Ordinance amends certain provisions of the law -- it could also be more than one law -- which appears to be absolutely necessary to be put into immediate effect.

(Contd. at 3j/hk)

HK/3j/4.35

SHRI PRANAB MUKHERJEE (CONTD.): It is not a major law. This was debated. I myself was the Chairman of the Parliamentary Standing on Home Affairs. At that point of time, we discussed it in detail and -- there must be records of those discussions -- I myself gave the view, being the Chairman, that don't bring the ordinance. If an ordinance has an urgency, it has to be implemented. What I am to do as the Chairman of the Standing Committee, I am to give it *ipso facto* approval or I am to make some suggestions which you cannot do immediately but which you can do prospectively in a much later date. That is the problem of

Uncorrected/Not for publication - 09.08.2010

sending an ordinance to the Standing Committee. If there is any major substantial change in the spirit, letter or concept of the law, and if you very strongly feel that the autonomy is going to be challenged by the provisions of this law, then surely you can think of it. I can think of what type of regulatory mechanism could be here or what appellate jurisdiction could be here because all of them are statutory authorities. Now we can go on creating tier after tier but when the net result comes it shows that it consumes time and quick decisions are not taken when they are required. Keeping that in view, this was thought necessary. A question has been raised why PFRDA has been brought. Yes, it is not statutory. Parliament could not pass the law, but that does not mean that it is not a regulator. It is conducting all the functions of a regulator. When it is conducting as a regulator and if there is a conflict, it will have to be kept outside, it is not possible. That is why we have PFRDA also. Now I come to the substantive part why ULIP should be treated as the insurance. I am not going into the percentage of it or I am not going into the individual cases which some hon. Members have referred to; surely those will be looked into and I will ask the Department to look into them. I am just quoting why it should be treated as insurance and within the jurisdiction of IRDA. The SEBI Act recognizes that the mutual fund is in the nature of a collective investment scheme and that SEBI is authorized to look into that aspect. But Section 11 AA (iii) of the SEBI Act expressly states that a contract of insurance which comes under the Insurance Act shall not be deemed as collective investment scheme. Section 11AA of the SEBI Act keeps categories such as public deposits raised by a company and NBFC out of its purview and the rational

Uncorrected/Not for publication - 09.08.2010

clearly being to avoid the multiplicity of regulatory authority on the same product and on the same subject matter. Now where it went wrong? It had ignored the fact that the units issued under ULIP do not have one undivided share in assets of a scheme but for much more than undivided share. They include a death benefit which is linked to the premium paid and in case of pension it is annuity contracts, and they are based on traditional policies which do not issue any unit under the said policies.

(Contd. by 3k/RSS)

RSS/3k/4.40

SHRI PRANAB MUKHERJEE (CONTD.): Therefore, the main argument that it is one undivided share, does not hold good in this case. ULIPs are significantly different from units of the Mutual Fund. Benefits under ULIPs in case of a death of a policy-holder are higher of the sum assured or the fund value as on the date of death. In a Mutual Fund on the other hand, the benefit is limited only to the fund value and not to the death of the unit holder. Thus, ULIPs are not inexplicably linked with the life of a policy-holder and the sum assured. They are like a compound and not a mixture where individual components would be segregated. It is not possible in case of ULIPs. That is the rationality of what we have suggested.

Some other question was raised that in the amendment we have made, there are some corrigendum also because it was found after the Ordinance, as

Uncorrected/Not for publication - 09.08.2010

per the internal practice in the Ministry of Finance that the senior-most Secretary becomes the Finance Secretary. On the other hand, Controller of Capital Issues and Capital Issue Division come under the Department of Economic Affairs. It may not be always possible to have the Secretary Economic Affairs to be the Finance Secretary. The Finance Secretary would be the senior-most Secretary in the Ministry of Finance, maybe Expenditure Secretary, maybe Financial Services Secretary, maybe Revenue Secretary. So, we have made it that Secretary who will be the in charge of Financial Services and who will be the in charge of the Department of Economic Affairs. That amendment we have already indicated. A reference has been made about clause 6. Clause 6 is a validation clause. It was needed because to make it clear that the amended sections of the various Acts, SEBI Act, Insurance Act and IRD Act, have been in force at all material times and it shall not be called in question in any court. To avoid that, a validation provision has been provided in clause 6.

Now, another question was raised by Mr. N.K. Singh. Of course, that is a major reform outside the purview of the discussion of this Bill. But we are also going to have an FSDC which I announced in my Budget speech. The discussion paper I have put in the website. It is in the domain of the public knowledge, and then, I am awaiting the comments. Some comments have come, but I am awaiting for more comments, and there I would like to see that what mechanism we could have. It is proved that there are a large number of regulators who are in different fields and there will be conflicts with the growing economy, with expansion and with the complexity of the system, there will be conflicts. I do

Uncorrected/Not for publication - 09.08.2010

believe that the arrangement which I have made is not a knee-jerk, but it is not a very long term arrangement. It is some sort of *ad hoc* arrangement and I had to do it for the time being to overcome the crisis. But it requires that what type of institutional arrangement we could have where these types of conflict resolution is possible without wasting time.

So far as the writ jurisdictions of the High Courts and Supreme Court are concerned, it is supreme. Nobody can restrict that. Whatever mechanism we have, we cannot put restrictions on the writ jurisdictions of the High Court and Supreme Court. (contd. by 3l)

MKS-ASC/4.45/3L

SHRI PRANAB MUKHERJEE (CONTD.): That will always prevail. But short of that, what type of mechanisms we can think of and whether FSDC can meet our requirements, that will depend when I come out with the proposal to the House. Whether it will be a statutory body or not, that also we are debating on. But there should be a mechanism which will take care of the problems which are emerging. Because Indian economy is emerging, capital market has developed substantially and in various other radius, we are growing, more and more regulators will come to exist, and they will operate. There may be overlapping. Keeping that in view, a permanent institutional mechanism is needed, and let us collectively think what type of mechanisms we can provide in the system. Thank you, Mr. Vice-Chairman.

With these words, Sir, I request my colleagues to give their seal of approval to the proposals made in the Bill. Of course, the Ordinance has already been

Uncorrected/Not for publication - 09.08.2010

replaced by the Bill passed by the Lok Sabha. Here, the proposal is that the Bill, as passed by the Lok Sabha, be taken into consideration and I propose that it should be approved. (Ends)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Thank you, Mr. Finance Minister.

Now, the question is:

That the Bill further to amend the Reserve Bank of India Act, 1934, the Insurance Act, 1938, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 7 were added to the Bill.

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

SHRI PRANAB MUKHERJEE: Sir, I move:

That the Bill be passed.

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

(Ends)

Uncorrected/Not for publication - 09.08.2010

MKS-ASC/4.45/3L

**THE FOREIGN TRADE (DEVELOPMENT AND REGULATION)
AMENDMENT BILL, 2009**

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we will take up the Foreign Trade (Development and Regulation) Amendment Bill.

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA):

Sir, I move:

That the Bill further to amend the Foreign Trade (Development and Regulation) Act, 1992 be taken into consideration.

Mr. Vice-Chairman, Sir, the Foreign Trade (Development and Regulation) Act, 1992 is an Act to provide for the development and regulation of foreign trade by facilitating imports into and documenting its reports from India, and also for matters connected therewith or incidental thereto. Since the enactment of the Act in 1992, there have been many developments. The requirements have arisen necessitating amendments to the Act. Accordingly, a Foreign Trade (Development and Regulation) Amendment Bill, 2001 was introduced in the Rajya Sabha. The proposal, as such, was examined by the Department-related Parliamentary Standing Committee which submitted its Report in the year 2002. Subsequently, it was decided to withdraw the Amendment Bill, 2001. It subsumes the changes which were proposed by the Parliamentary Standing Committee in the Amendment Bill. Thereafter, on the 25th of November, 2009, this present Amendment Bill has been introduced and the earlier Bill of 2001 was withdrawn.

(Contd. by TMV/3M)

Uncorrected/Not for publication - 09.08.2010

-MKS-TMV-AKG/3M/4.50

SHRI ANAND SHARMA (CONTD.): Sir, the amendments, which are proposed through the present Amendment Bill, provide for imposition of Quantitative Restrictions as a safeguard measure and these Quantitative Restrictions are in accordance with the WTO Agreement and Article XIX of GATT. It is important to understand the need for Quantitative Restrictions. When there is a surge in imports, when there are imports of a particular commodity or manufactured goods from another country at prices which are lower than the prices at which they are produced in that country or they threaten the domestic industry or will cause injury to the domestic industry, Quantitative Restrictions are imposed. Though the present legislation does have the inherent powers to take measures, there is no statutory provision under any law for the imposition of Quantitative Restrictions. Therefore, this is an enabling and empowering provision which will ensure that if a situation were to demand so, the Government can intervene and impose Quantitative Restrictions as a safeguard measure.

The Bill also proposes to bring in tighter trade controls in the case of dual-use goods and related technologies. That is in conformity with the provisions of the Act which has been passed by the Parliament in 2005, that is, the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act. This is quite essential because the implementing agency is the Director-General of Foreign Trade. So, if we have to implement that provision, it should be reflected in the Foreign Trade Development (Regulation) Act.

Uncorrected/Not for publication - 09.08.2010

We also propose to bring in technologies and services within the ambit of the Act and that is to facilitate the trade in services and technologies. Since 1992, India's trade in services and technologies has increased manifold and there is, of course, potential for the trade in services to increase further. Therefore, what the Bill provides is to bring into its ambit those services and technologies which benefit from the Foreign Trade Act or the incentives which are provided by the Government, from time to time, and also to ensure that without prejudice to any other law, rule or regulation, we bring in the provision for granting permit or licence which shall be necessary for import or export of any goods, nor any goods shall be prohibited for import or export except as may be required under the Foreign Trade Act or rules or orders made thereunder. This is being done to ensure that all the restrictions on imports or exports of goods notified by various Ministries and various Departments, from time to time, are consolidated and made available at one place so that a person or an institution or an entity applying for it does not have to make multiple applications seeking multiple permissions. This would be again in conformity with India's commitment in the WTO and will not amount to any waiver of any statutory requirement. This will also cut the transaction cost and is an enabling provision which will facilitate the trade by our institutions or business bodies or entities.

We also propose to delete one word which was earlier there, that is, "gravely" from the term "gravely prejudicial" in section 8 of the Act. Since having the adjective "gravely" in the main body of the Bill or the Act makes it difficult to prove what is "gravely prejudicial" when such cases go to the court. We are

Uncorrected/Not for publication - 09.08.2010

trying, through this Amendment Bill, to rationalise and improve the system of levying and realising fiscal penalties through an effective mechanism and enabling the Customs and Central Excise Settlement Commission for settlement of customs and excise duty and interest.

(Contd. by 3N/VK)

VK-AKG/3N/4.55

SHRI ANAND SHARMA (CONTD): We have also brought in a provision. The words 'certificate, scrip or any instrument bestowing financial or fiscal benefits' -- which are given under the Foreign Trade Policy -- have been added along with the word 'licence' in Section 9. Sir, the Statement of Objects and Reasons of this Bill makes it very clear that what we are doing, the changes which are being brought, will ensure that (a) we protect the domestic industry; (b) we empower through the Act of Parliament imposition of Quantitative Restrictions and also take measures to ensure that all our commitments, as have been accepted through this Act of 2005, which I referred to particularly, on the Weapons of Mass Destruction and their Delivery Systems and technologies, are brought within the purview of this Bill. I am sure the principle objective of this amendment Bill, which has been through the Standing Committee; and, as I have said, we have accepted all the recommendations of the Standing Committee, will be accepted by the hon. Members. With these words, I commend the Bill to the House.

The question was proposed.

Uncorrected/Not for publication - 09.08.2010

SHRI RAVI SHANKAR PRASAD : Sir, are we sitting beyond 5 p.m.?

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes. I think that is the sense of the House. This Bill will not take much time.

SHRI RAVI SHANKAR PRASAD (BIHAR): As the hon. Minister has stated, it is an enabling Bill because certain legislative instruments were required to be added, more precisely, Section 9 for imposition of Quantitative Restrictions and Section 14, to be precise, taking action particularly with regard to the applicability of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. This imposition is being sought to be done in compliance of our GATT obligations. That is what I understand. Obviously, I am supporting the Bill, but some of the general concerns I would like to highlight. I would really appreciate if the hon. Minister, Shri Anand Sharma, in reply, would meet some of the points I am trying to highlight. If we read clause 9A, where you have taken upon yourself the power to impose Quantitative Restrictions, there is a proviso to that whereby if the article is being imported in a quantity of less than 3 per cent then you will not impose that restriction. If it is coming from a combination of many countries, then it will be 9 per cent. Kindly see the disconnect. The hon. Minister in his opening remarks stated that it is designed to ensure level-playing field for Indian manufacturers. Now you are putting the cap of 3 per cent. If the export is less than 3 per cent, you would not impose the restriction. Now, how this 3 per cent is going to be determined? Take the case of China. How many goods are exported in a transparent way and how many come in a non-transparent way, I think, Mr. Minister, you know much more than me. दीवाली के

Uncorrected/Not for publication - 09.08.2010

लक्ष्मी-गणेश भी आजकल चीन से आ रहे हैं। मुझे आपको इससे अधिक और कोई उदाहरण नहीं देना है कि लक्ष्मी-गणेश, जो इस देश के कुम्हार बनाते हैं - पटना में, जब मैं बच्चा था, तो घरों में छोटे-छोटे बच्चे बनाया करते थे - वे भी आजकल चीन से आ रहे हैं।

(30/आरजी पर जारी)

RG/SCH/5.00/30

SHRI RAVI SHANKAR PRASAD (contd.): Go to any part of Delhi. I am not talking on the quality of those goods. That is a separate chapter altogether. Even in small items, the market is flooded with Chinese goods. I am sure much of those are coming through a process which is not legal. Now, in this situation, if you are going to impose a three per cent cap, it is surely going to be flouted with impunity. And, I regret to say that it is indeed being flouted with impunity. Now, what is the mechanism available to you? There are porous borders with Nepal. Chinese aggressive designs are well-known; I am not sure, this is not an occasion for me to debate about the Foreign Policy. But the aggressive design of China is too well-known. It wants to become an economic power. China has a problem with India because India is emerging as a great economic power. The world is taking cognizance of that. Therefore, this kind of a thing, which is going on, is something a matter of deep concern.

The second thing which I would like to raise in this regard is: How do we synchronise with the Free Trade Agreement? I am sure that is also one of the obligations being undertaken by your Department, that is, the Free Trade Agreement with many countries. And, there is an insistence of SAARC obligations on other countries. Now, how are the two going to be synchronized as far as the

Uncorrected/Not for publication - 09.08.2010

cap of three per cent is concerned? It is a question which is a little grey area, and we would like to have clarity on that. Sir, apart from the apprehensions from China, one more issue which I would like to highlight is this. Now, what is the object? As has been stated by the hon. Minister, for which I compliment him, he wants Indian manufacturers to come up, at least, in some of the substances. Now, what additional efforts are we making to ensure that the Indian manufacturing sector does come up? I am sure, the hon. Minister, my good friend, Shri Anand Sharma, is aware that he is the Minister for both imports and exports. Both come under his Ministry. Therefore, in order to compete properly, the quality, the effectiveness and the credibility of Indian manufactured goods are equally important so that we are able to compete. Then, we will have a level-playing field. What is the situation in that connection? Certainly, there is an enabling provision, and I am supporting it. But those concerns are required to be reflected. I am sure you are aware that the manufacturing sector is still not in a very happy state, and you will have to acknowledge it. The contribution of the manufacturing sector used to be very substantial in the GDP of the country. But it is going down and down. Therefore, how are you going to meet this challenge in the context of the Quantitative Restriction is a question to be considered. Take the case of the Indian agriculture. The contribution of Indian agriculture in the GDP is 17 per cent. But seventy per cent of India lives on agriculture. You are quite aware of this fact. माननीय मंत्री महोदय, भारत के किसानों की क्या स्थिति है, मुझे यह आपको बताने की जरूरत नहीं है, आप भी बहुत दिनों से राजनीति कर रहे हैं। भारत का किसान चाहता है कि उसे उसकी फसल का उचित दाम मिले। भारत का किसान यह भी

Uncorrected/Not for publication - 09.08.2010

चाहता है कि उसका जो उत्पादन है, उसकी जो प्रोडक्टिविटी है, उसका मैनुफैक्चरिंग सैक्टर में समन्वय हो, जैसे फूड प्रोसेसिंग है या बाकी अन्य चीज़ें हैं। Many other manufacturing processes are there. And, I don't think, you will dispute with me when I say, food products-related manufacturing process is indeed a manufacturing process. उसे आप मैनुफैक्चरिंग के दायरे से निकाल नहीं सकते हैं। Now, you go to any mall; you go to any consumer market. The Indian markets are flooded with manufactured food products from a foreign country. I don't think the Indian product could not be of that level.

(Continued by 3P)

3p/5.05/psv-ks

SHRI RAVI SHANKAR PRASAD (contd.): Now, in this light, if this kind of a thing keeps on coming, how would we safeguard the Indian agriculture? माननीय मंत्री जी, भारत के किसानों की दशा पर चिन्ता होती है। आप यह जो quantitative restrictions लगाने की बात सोच रहे हैं, उससे भारतीय किसानों का कितना भला होगा और अभी तक उनका कितना भला हो पाया है, यह एक बड़ा गम्भीर सवाल है। हम यह चाहेंगे कि अगर आप उसके बारे में थोड़ा मार्गदर्शन करें, तो बड़ी कृपा होगी।

Hon. Minister, I have one worry which I want to mention through the Chair. Don't bring the Inspector Raj in a very deadly form through this Bill. I am a little worried about it. Look at the experience that we have had in the last fifty-sixty years. License-permit-control-quota raj crippled the entrepreneurship of the Indian entrepreneur. I hope you are aware of that. I do not want to go much into the details of that. But under the garb of this whole regulation, the way the Inspector Raj is peeping from behind the curtain is a cause for worry for me. I

Uncorrected/Not for publication - 09.08.2010

would like to have an assurance from you on what sort of mechanism you are going to have to ensure that it does not kill the entrepreneurship and that you make the system transparent. I will come to why I am saying this. Let me give you a very concrete example.

The Indian IT sector -- you are aware of it and even the Standing Committee has taken note of that -- constitutes 6 per cent of the GDP. Its export potential is in the region of about 50 billion dollars. I hope you are aware of that. It gives substantial employment, to two-three lakhs direct; let us not go into the other. We are very proud of the Indian IT industry which has risen because of Government support or in spite of that support and made a great mark the world over. The range of export, the hon. Minister is aware, is from the lowest end to the highest end, which is R&D, which is BPOs, which is software, hardware and every thing. Now, in IT industry, it is very difficult to ascertain from where import started and export ended or vice-versa. What is the stage of IT industry under this Act? Are we going to cripple that entrepreneurship is a question which is not very free from difficulty? Sir, I was just going through the Report of the Standing Committee. I would like to quote, with your permission, Sir. Let me just read out para 5 of this Report. After hearing the Secretary, Department of Information Technology, "Members raised questions regarding the regulatory authority for IT sector. India's stance on strict visa rules in the developed world, financial benefits for the Indian IT industry and so on were answered by the Secretary and the DGFT. He agreed to go into section 16 once again. Regarding quantitative restrictions, the DGFT confirmed that there was no intention to cover services and

Uncorrected/Not for publication - 09.08.2010

technology and will make it abundantly clear in the relevant clause"? Now, with my little legal training, Mr. Minister, I went through the law as it has been tabled and I could not get an assurance of that commitment made before the Standing Committee. I may be wrong. I would like to have some clarity from you. But why I am a firm advocate of the IT industry? Now, even President Obama today has to openly say that he has to put a cap on the Indian IT industry; they have unfurled the flag of Indian entrepreneurial and professional abilities all over the world. Now, the country, and the IT industry, in particular, is entitled to have an assurance that under the garb of the operation of this Act, Clause 9 is not operated in such a way that in respect of their legitimate right, which is both import and export, their international obligations get frustrated.

(contd. by 3q/tdb)

TDB-DS/3Q/5.10

SHRI RAVI SHANKAR PRASAD (CONTD.): That is the question I would like to be assured with. One more issue, lastly, I have to flag to the hon. Minister and that is about the Weapons of Mass Destruction And Delivery System Act, 2005. Certainly, dual technology ought not to be there, which may permit a dubious exporter or importer, as the case may be, to violate these security considerations. But the only thing I would like to highlight, Mr. hon. Minister is a very interesting experience. It was last year in New York, our baggage was being checked very thoroughly. We went in a Parliamentary Delegation. One Member of Parliament was keeping a small scissors for his mustache, and we had a great tiff there at the airport. He, in his very inimitable style, said, "Ravi, let us leave it. After all, it is a

Uncorrected/Not for publication - 09.08.2010

weapon of mass destruction". I am sure, under the garb of this Act, Mr. Minister, there has to be transparency, there has to be fairness, and there has to be a very reasonable mechanism to ensure that only those who are dubious are caught, and those who are promoting exports are not harassed. Sir, these are some of my concerns; otherwise, I support the Bill. Thank you, Sir.

(Ends)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, Shri Rajeev Shukla. ... (Interruptions) ...

श्री रवि शंकर प्रसाद: उपसभाध्यक्ष जी, आप पहले उनसे बोलवा दिए होते।

SHRI RAJEEV SHUKLA (MAHARASHTRA): See, this is the prerogative of the Opposition, so I don't want to take away that prerogative. Let them be in Opposition, and let us remain in the Treasury Benches. ... (Interruptions)

धन्यवाद उपसभाध्यक्ष जी, the Foreign Trade (Development and Regulation) Amendment Bill, 2010, had been introduced in the Rajya Sabha on 25th November, 2009. After that, it had been referred to the Standing Committee. The Standing Committee studied thoroughly the provisions of the Bill, and it made certain recommendations. On the basis of those recommendations, certain amendments have been brought, and this Bill has been brought in Parliament by the hon. Minister. I would like to congratulate Shri Anand Sharma for bringing in such a pragmatic Bill, which will not only augment and foster the growth of export and import in the benefit of the country but also do away with all aberrations. I am surprised to listen to the speech of my hon. colleague who was saying that it will bring the inspector raj back, as far as imports and exports are concerned.

Uncorrected/Not for publication - 09.08.2010

Actually, this Bill is going to discourage inspector raj, and it will help doing away with intricacies in the law, and it would be much easier for Indian exporters and importers to grow their business. The main changes recommended by the Committee included amendments to ensure that the interpretation of various provisions of the Foreign Trade (Development and Regulation) Amendment Bill do not adversely affect the growth of various service sectors, particularly the information technology. He was talking about information technology. Special provisions have been made in the Bill to help this sector. We also want our IT sector to grow because the IT sector is doing wonders in the world. So, special provisions have been made here. For the first time, service and technology, both have been brought into the ambit of this Bill. So, this Bill is going to help to catapult the growth of the IT Sector, in turn, the service sector and technology also. All legal safeguards have been provided in the Bill. But, at the same time, it has been kept in mind that everything is in accordance with the WTO provisions and the GATT provisions. So, we do not violate anything.

(Contd. by 3r-cls)

KLS/3R-5.15

SHRI RAJEEV SHUKLA (CONTD): The Bill also proposes to bring technology and services within the ambit of the Act in order to facilitate trade in services and technology. I am emphasizing this point deliberately. The Bill further provides that without prejudice to anything contained in any other law, rule regulation, notification or order, no permit or licence shall be necessary for import or export of any goods, nor any goods shall be prohibited for import of export except, as may

Uncorrected/Not for publication - 09.08.2010

be required under the Foreign Trade (Development & Regulation) Act or rules or orders made thereunder. So, it gives plethora of opportunities to our exporters and importers as well. So, where is the question of bringing back the 'inspector raj'? In fact, it is open-ended, every thing has been opened except certain provisions under this Bill and the powers have been given to the Director-General of Foreign Trade. In case of weapons of mass destruction also, powers have been given to the DGFT and that has to be done in order to contain terrorism and in order to provide internal security to our nation. In the interest of our national security, it is very essential that these provisions should have been brought. In India in energy sector soon we will be having nuclear energy plants. We are already working on a legislation which will soon be brought before the Parliament. All these provisions have to be there because we cannot take the risk. So, this is another important factor which has been brought into it. Sir, section 8 of the Bill gives the Director General of Foreign Trade powers to suspend or cancel the Importer-Exporter Code number if there is reason to believe that any person has made an export or import in a manner gravely prejudicial to the trade relations of India. The Bill proposes to delete the word 'gravely' in Clause 8 of the Bill since having the adjective 'gravely prejudicial' in the body of the Act makes it difficult to prove what is 'gravely prejudicial' when such issues go to court. This amendment would enable swift and exemplary action in trade dispute matters, when unfair practices have been adopted by certain exporters or importers which are prejudicial to the trade relations of India with other countries. On the one hand, this is going to save the exporter from the harassment and at the same time, all

Uncorrected/Not for publication - 09.08.2010

the precautions are being taken. In fact, I would like to request the Commerce Minister that being an important clause of the Bill, he should take all precautions to see that those exporters who are bringing name to the country, they are brought to the book, and their tendencies are curbed so that India does not get a bad name. I was told that about ten or fifteen years back, maybe, ten or twelve years back, India was the biggest exporter of tea to Russia. One Calcutta based exporter, who was the largest tea exporter to Russia, what he did was that first he started adulterating tea with sawdust and used to mix 30 to 40 per cent sawdust into tea. Later on, he enhanced the level up to 50 per cent. Finally, he booked two containers of sawdust in the garb of tea from Poland and he exported 100 per cent sawdust to Russia in the garb of tea. Subsequently, it was caught by the Russian officers; it was shown on television there. There was a massive hue and cry in Russia and finally the Indian tea was discouraged, almost banned and Sri Lanka and other countries became the largest exporters of tea. So, one exporter damaged the reputation of Indian tea in the whole of Russia. So, it is good that the Minister has also made these provisions that the Director General of Foreign Trade has got the powers to take action against exporters who will try to bring bad name to the country. So, in the garb of 'gravely prejudicial' words, the exporters, the good exporters, the genuine exporters will not be harassed. Sir, in the same Bill effort has been made to ensure that all restrictions on imports and exports of goods notified by various Ministries and Departments are available at one place which would reduce transaction costs and avoid delay in clearance of consignments. This is in conformity with India's commitment to WTO and will not

Uncorrected/Not for publication - 09.08.2010

amount to any waiver of any statutory requirement under any other law as applicable.

(Contd by 3S/SSS)

VNK-SSS/5.20/3S

SHRI RAJEEV SHUKLA (CONTD.): I was talking about inspector raj. All these facilities are being provided. So, there is no more transaction cost and, at the same time, delay in clearance is also avoided because you must have seen that whenever these consignments go to customs for clearance, the exporters are always harassed. They have to pay something. They have to do some favours for clearance of their consignments. So, all these precautions are being taken. The Bill provides for rationalizing and improving the system of levying and realizing fiscal penalties through an effective mechanism and enabling the Customs and Central Excise Settlement Commission for settlement of customs and excise duty and interest. Apart from that, in order to realize the money of various Government Departments certain provisions have been brought into the Bill by which nobody is a defaulter. All the defaulters will also be brought to book. So, I think, put together this Bill is very pragmatic, modern and it will definitely bring an environment of growth in terms of export and it will facilitate the importers also. So, I think, it is going to augment the foreign trade of the country. Thank you.

(Ends)

श्री गंगा चरण (उत्तर प्रदेश): धन्यवाद सर। मैं Foreign Trade (Development and Regulation) Amendment Bill पर बोलने के लिए खड़ा हुआ हूँ। मंत्री जी ने जो Amendment Bill लाया है, उसमें उन्होंने Foreign Trade (Development and

Uncorrected/Not for publication - 09.08.2010

Regulation) Act, 1992 के प्रावधानों को amend किया है, वह प्रशंसनीय है, स्वायत्तयोग्य है और उन्होंने इंस्पेक्टर राज को खत्म करने की बहुत कोशिश की है, जिससे निर्यातकों और आयातकों को परेशानियां होती थीं। इसमें जो भ्रष्टाचार था, उसको दूर करने का प्रयास किया है। हम इस बिल का स्वागत करते हैं।

सर, मैं कुछ प्रावधानों पर आपके माध्यम से मंत्री जी से clarification चाहूंगा। उन्होंने घरेलू उद्योगों को बचाने के लिए जो quantitative restriction रखा है, Developing Countries को जो तीन परसेंट की छूट दी है, यह छूट क्यों दी गई है? जो Progressive Countries हैं या Developing Countries हैं, क्या उनके दबाव में यह छूट दी गई है? मैं समझ नहीं पा रहा हूँ कि यह छूट क्यों दी गई है।

सर, मैं आपके माध्यम से मंत्री जी से अनुरोध करना चाहता हूँ, क्योंकि WTO में sign के बाद हमारा देश ग्लोबल मार्केट में अपना स्थान बना रहा है और हमें यह प्रयास करना चाहिए कि हमारे जो निर्यातक हैं या हमारे उद्योग घराने से जुड़े हुए जो लोग हैं, उन्हें ज्यादा से ज्यादा सुविधाएं मिलें और हमारा देश विदेशी व्यापार में अग्रणी हो। हमें कम से कम चीजों को इम्पोर्ट करना पड़े और हम ज्यादा से ज्यादा चीजों को एक्सपोर्ट करें। हमें ऐसी व्यवस्था करनी चाहिए।

सर, विदेशी व्यापार से ही सबसे ज्यादा विदेशी मुद्रा का collection होगा। मैं कुछ सुझाव देना चाहता हूँ, जो हमारे विदेश व्यापार नीति के लिए आवश्यक हैं। मैं बिल से हट कर भी कुछ बोलना चाहता हूँ। हमारे यहां हर्बल्स/जड़ी-बुटियों का उत्पादन सर्वाधिक होता है, इसलिए एग्रीकल्चर सैक्टर में इसको प्रोत्साहन दें और इसका एक्सपोर्ट हो, उसकी हम सुविधा दें। इसके लिए कुछ एयरपोर्ट्स भी बनाए जाएं। किसान जो हर्बल्स पैदा करते हैं, उनकी मार्केटिंग विदेश व्यापार करे। इससे हमें सबसे ज्यादा विदेशी मुद्रा अर्जित हो सकती है। चूंकि हिमालय में या हिन्दुस्तान के जंगलों में जो जड़ी-बुटियां हैं, वे दुनिया के किसी भी

Uncorrected/Not for publication - 09.08.2010

देश में नहीं हैं, इसलिए उनका एक्सपोर्ट करके हम विदेशी मुद्रा अर्जित कर सकते हैं। इस समय हमारी देशी गाय, गौ-मूत्र और गोबर का trading सबसे अधिक हो रहा है।

(3t/MP पर क्रमशः)

MP/3T/5.25

श्री गंगा चरण (क्रमागत) : अभी कानपुर में एक गोशाला है, तोशनीवाल जी उसके अध्यक्ष हैं। उन्होंने बताया कि उन्होंने गोमूत्र से cold drink type एक पेय बनाया है और पूरे अमेरिका ने उस गोमूत्र के पेय को इम्पोर्ट कर लिया है। तो इन चीजों को यदि हम बढ़ावा देंगे, तो हमारे गांवों में रहने वाले जो लोग हैं, वे भी विदेश व्यापार से जुड़ सकेंगे। अभी तो बड़े-बड़े व्यापारी ही जुड़े हैं। अभी हमारे देश में, निचले स्तर तक इस विदेशी व्यापार से कोई नहीं जुड़ा है, किसान नहीं जुड़े हैं। कैसे हम आम आदमी को जोड़ें कि हमारे घरों में बनने वाली चीजें भी विदेशों में बिकने लगे, इसको हमें प्रोत्साहन देने की जरूरत है। जैसे हमारा "योग" आज world में सबसे ज्यादा बिक रहा है, उसकी ट्रेडिंग हो रही है। जो हमारे इस योग विद्या से जुड़े हुए ऋषि-मुनि, महात्मा हैं, मैं कहूंगा कि हमें इसको भी सरकारी स्तर से promote करना चाहिए कि आज स्वास्थ्य के लिए योग सबसे ज्यादा जरूरी है और इसकी हमें ट्रेडिंग करने की जरूरत है। आप विदेश व्यापार मंत्री हैं, मैं इसके लिए सुझाव देना चाहता हूँ कि हमारा जो विदेश व्यापार विभाग है, इससे हम हर देश में अपनी देशी चीजों की ट्रेडिंग कर सकते हैं। हम इनकी मार्केटिंग कर सकते हैं।

इसी तरह गंगा जल है। गंगा जल से किन-किन बीमारियों का इलाज होता है, ब्लड प्रेशर, कैंसर, शुगर, तमाम बीमारियों का इलाज गंगा जल से होता है, जो हमारे यहां आम आदमी को available है, उसका भी हम व्यापार कर सकते हैं, तो इन सब चीजों से, हमें अपने देश को दुनिया की सबसे बड़ी ताकत बनाने के लिए, इक्कीसवीं सदी में महाशक्ति बनाने के लिए प्रयास करना चाहिए और खास तौर से जो डेवलपिंग कंट्रीज़ हैं, उनके शोषण से हम कैसे बचें, इस ओर ध्यान देना चाहिए। आज 9 अगस्त है और "भारत छोड़ो आंदोलन" का

Uncorrected/Not for publication - 09.08.2010

नारा आज ही के दिन दिया गया था। मैंने कल "हिंदुस्तान" अखबार में पढ़ा कि हमारे जो स्वतंत्रता सेनानी हैं, उन्होंने "अंग्रेजो भारत छोड़ो" का आंदोलन चलाया, बड़ी कुर्बानियां दीं, यातनाएं सही, जेल गए, शहीद हुए, तब देश आजाद हुआ और आज हम कह रहे हैं कि अंग्रेजो, भारत आओ, तो हमें इससे भी बचने की जरूरत है। कुछ लोगों के मन में शंकाएं हैं कि बहुराष्ट्रीय कंपनियां कहीं पुनः हमारे देश को गुलाम न बना दें, इन शंकाओं को दूर करने का भी हमें प्रयास करना चाहिए, सचेत रहना चाहिए कि हमारा भारत कहीं पुनः इन बहुराष्ट्रीय कंपनियों का गुलाम न हो जाए, क्योंकि अभी तक हमारे देश में विदेशी कंपनियों का 1,68,000 डॉलर निवेश हो चुका है। तो हमें यह प्रयास करना चाहिए कि जो हमारे देश के उद्योगपति हैं, उनको हम कैसे ज्यादा से ज्यादा प्रोटेक्शन दें, संरक्षण दें, सुविधाएं दें कि वे बाहर जाकर विदेशी कंपनियों को टेक-ओवर र सकें। जैसे हमें खुशी हुई जब हमने पढ़ा कि ईस्ट इंडिया कंपनी को हमारे एक भारतीय ने खरीद लिया है। जिस ईस्ट इंडिया कंपनी ने दुनिया में राज किया, आज उस कंपनी को एक भारतीय ने खरीद लिया है, तो हमें अपने भारतीय उद्योग को पूरी मदद करने की जरूरत है, न कि हम बाहरी लोगों को बुलाकर उनको सारी सुविधाएं दें और अपने भारतीय उद्योगों को चौपट कर दें, उनको खत्म कर दें या यहां के उद्योगपतियों को खत्म कर दें। इस चीज़ से जो समाजवादी सोच के लोग हैं, खास तौर से वह उनके लिए चिंता का विषय बना हुआ है। जिन्होंने आजादी की लड़ाई लड़ी - फ्रीडम फाइटर्स, उनके लिए भी यह चिंता का विषय है कि यह देश, जिसके लिए हमने जेल की यातनाएं सही हैं, संघर्ष किया है, कहीं यह पुनः गुलाम न हो जाए। एक तरह की आर्थिक गुलामी में हमारा देश जकड़ न जाए, क्योंकि आज इस समय कांग्रेस के नेतृत्व में यू.पी.ए. की सरकार चल रही है। महोदय, कांग्रेस ने आजादी की लड़ाई लड़ी है, महात्मा गांधी जी के नेतृत्व में, पंडित जवाहर लाल नेहरू के नेतृत्व में, और भी उनके साथ जो तमाम लोग, समाजवादी दर्शन से जुड़े हुए लोग हैं, खास तौर से कम्युनिस्ट पार्टी के जो लोग हैं, इन सबके लिए यह एक चिंता का विषय है कि कहीं अमेरिका और साम्राज्यवादी शक्तियों द्वारा दुनिया को आर्थिक तौर से गुलाम बनाने

Uncorrected/Not for publication - 09.08.2010

की आजकल जो साजिश रच रही हैं, हमारा देश भी उसका शिकार न हो जाए। इस चीज का भी हमें ध्यान रखने की जरूरत है, सचेत रहने की जरूरत है और अपने औद्योगिक घरानों को यह बताने की जरूरत है कि हम आपके साथ खड़े हैं, आप जाइए विदेश में, विदेशी कंपनियों को टेकओवर कीजिए, खरीदिए, हम आपकी पूरी मदद करने के लिए तैयार हैं। इन शब्दों के साथ मैं अपनी बात समाप्त करता हूँ, शुक्रिया।

(समाप्त)

(3U/SC-USY पर आगे)

-NBR-USY/3U/5.30

SHRIMATI JHARNA DAS BAIDYA (TRIPURA): Mr. Vice-Chairman, Sir, the Foreign Trade (Development and Regulation) Act, 1992 was enacted to provide for development and regulation of foreign trade by facilitating imports into and augmenting exports from India. Since the enactment of the said Act certain requirements have arisen necessitating amendments to the said Act. This Act provides a statutory provision for safeguard measures, enabling imposition of quantitative restrictions. This is a welcome step. And, I support this Bill in view of the havoc made by the withdrawal of quantitative restrictions. We had strongly protested the withdrawal of quantitative restrictions, which has created serious crisis in the agro industries in the country. That led to even farmers committing suicides. This Act is nothing in comparison to the damages that are going to be inflicted after the India-EU Free Trade Agreement by October, 2010. The proposed amendments would enable the Government to impose quantitative restrictions as a safeguard measure to provide the domestic industry a level-playing field. But the danger is lying elsewhere with the conclusion of Indo-EU

Uncorrected/Not for publication - 09.08.2010

Free Trade Agreement by October, this year. Already, the Free Trade Agreement with the ASEAN has created problems for India industries.

The Government is set to conclude negotiations on the India-EU Free Trade Agreement by October, 2010. Despite this having far-reaching consequences, the negotiations are being conducted with extreme secrecy and are keeping the Indian Parliament and the State Governments in the dark. The Free Trade Agreement, with the European Union, seeks to lower Indian tariffs to zero or near zero levels for 90 per cent of agricultural products, which leave untouched the huge subsidies the EU agriculture enjoys. This will allow the EU to dump subsidized European farm products in the Indian market. We have already seen the impact of such Free Trade Agreements on Indian agriculture with cheap palm oil imports destroying domestic production.

On intellectual property, the EU is asking for TRIPS-plus provisions and the rewriting of Indian patent and copyright laws. The Government is even discussing the re-writing of such laws with the EU. This shows the scant respect, which the current UPA Government has for the Parliament. Accepting product patents for drugs and pharmaceuticals under the TRIPS has already restricted the access to cheap medicines for the Indian people. A further set of pro-monopoly and pro-corporate measures being demanded by EU extension of patent life by five years, reduction of farmers' rights in favour of agro business, data exclusivity, etc, are all geared to further harm the interests of the people and their access to medicines, seeds and food.

Uncorrected/Not for publication - 09.08.2010

The EU is also asking India to brand as 'counterfeit' all pharmaceutical products that are not in conformity with EU's patent laws that India exports to other countries through EU's patent laws, that India exports to other countries through EU territory.

The India-EU Free Trade Agreement also proposes massive cuts in import duties on industrial goods, which will greatly impact India's manufacturing sector that is already facing job loss and shrinking markets.

(Contd. by 3w -- PK)

-USY/PK/3W/5.35

SHRIMATI JHARNA DAS BAIDYA (CONTD.): The investment and services provisions are asking for financial liberalization that this Government wanted to carry out and we, the Left opposed. While, India largely uses tariff barriers to protect its industry and agriculture, the EU uses non-tariff barriers, such as, engineering and phyto-sanitary standards and also heavy subsidies, particularly, in agriculture. In these discussions, the focus is almost entirely on tariffs and creating TRIPS Plus provisions — it is completely skewed for opening the Indian market to EU and not India gaining market access. While India is discussing amending its laws, discussions on the EU's laws and non-trade barriers are not there even on the agenda.

This Bill seeks to bring in tighter exports or trade control in the case of dual-use goods and related technologies and providing enabling provision for establishing controls as are in the Weapon of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.

Uncorrected/Not for publication - 09.08.2010

The provision for dispensing with requirement of obtaining licence/permit for import and export needs to be examined and scrutinized properly and the Act should enlarge the lists of items to be imported with licence, requiring prior licence for import of such items which help in increasing our domestic production capacity.

Enabling India to become a major player in world trade requires not only the promotion of exports, which it is doing by following approaches like Focus Products and Focus Area, but similar measures also need to be taken to safeguard Indian industries from the onslaught of foreign imports that could have detrimental effects on indigenous industries. As India's comparative advantage lies in producing commodities that are labour-intensive, it is imperative to protect this sector, most importantly, the textile sector. The Indian textile industry is the largest in the country in terms of employment generation and, currently, generates employment for more than 35 million people. It not only generates jobs in its own industry but also opens up scopes for the other ancillary sectors. Analysis of India's import data reveals that the textile sector has been affected adversely since the removal of quantitative restrictions on India's imports in 2001 and specially post the expiry of the Multi-Fiber Agreement (MFA) in 2005. There has been a sharp surge in the growth rates of textiles. Imports of table cloths and serviettes have shown an average rise of more than 500 in value per year over the periods 2001-04 and 2005-09. Countries like China, Hong Kong, Thailand and certain EU countries like Italy, France figure among the list of countries exporting those textile products to India that have shown extremely high growth rates over

Uncorrected/Not for publication - 09.08.2010

the aforementioned periods. India's markets are free for imports from China, which figure persistently in the list of importers into India. This becomes even more significant in view of the massive trade balances that India is running against China.

I conclude with the support of this Bill and demand a white paper on WTO and its impact on Indian peasantry. Thank you. (Ends)

(Followed by 3X/PB)

PB/3x/5.40

SHRI D. RAJA (TAMIL NADU): Sir, while broadly supporting this Bill, I rise to raise a few issues for the consideration of the Government and of the Minister.

Sir, we have been always maintaining that in a growing competitive global atmosphere, India, as a sovereign country, should maintain its right to impose quantitative restrictions. In the past also, we strongly argued for that. Now the Bill has made it very clear that the Government of India will maintain that sovereign right. In Chapter 3A on Quantitative Restrictions, it has been made very clear that 'it may, by notification, in the official gazette impose such quantitative restrictions on the import of such articles as it may deem fit.' I think, it is a very positive provision in the Bill. This is exactly what we have been telling the Government. We have been saying, 'don't withdraw the Quantitative Restrictions.' It may hit the domestic industry; it may bring very adverse impact on the economy as a whole. Now, by experience, I think, the Government has realized it and so it has declared

Uncorrected/Not for publication - 09.08.2010

through this provision that it would maintain its sovereign right to impose Quantitative Restrictions whenever it is needed. So, I find that it is very positive and I welcome this.

Secondly, Sir, Section 2 of the Bill talks about various issues, i.e., "import" and "export" means- (I) in relation to goods, bringing into, or taking out of, India any goods by land, sea or air. (II) in relation to services or technology - (i) supplying, services or technology -- (A) from the territory of another country into the territory of India; (B) in the territory of another country to an India service consumer; (C) by a service supplier of another country, through commercial presence in India; (D) by a service supplier of another country, through presence of their natural persons in India;" It goes on like this. There, I think, the question of investments will become very crucial, and, I think, the Government will have to consider some kind of regulatory mechanism for investments because in the telecom sector we have been facing this type of problem. Even though the scale of the investments, foreign investments, has been provided there as 70 per cent, but we are not allowing more than 50 per cent practically. There, I think, the Government can consider setting up of a kind of regulatory mechanism for investments.

Thirdly, Sir, I talk about Section 3 of the Bill. I quote, "Notwithstanding anything contained in any other law, rule, regulation, notification or order, no permit or licence shall be necessary for import or export of any goods or provision for services or technology, nor any goods or provision for services or technology shall be prohibited for import or export except, as may be required under this Act

Uncorrected/Not for publication - 09.08.2010

or rules or orders made thereunder." I think, Section 3 do away with all licence requirements. This would come in conflict with other regulations in other service sectors. The Government can have a relook at it to see whether it can lead to some kind of a conflict. I have that apprehension because as our good friend, Shri Ravi Shankar Prasad said, it is not bringing back the licence raj. But there should be some kind of regulatory mechanism.

(Contd. by 3y/SKC)

3y/5.45/skc

SHRI D. RAJA (Contd.): We cannot leave everything to the market forces or external players to play havoc with our economy. I think, Government will have to re-look at this provision of the Bill.

Then, Sir, I wish to raise one more important issue, that is, with regard to the Special Economic Zones. This Bill talks about Special Economic Zones. I do not know what the role of the Director General of Free Trade is as far as dealing with Special Economic Zones is concerned. How are we going to deal with issues related to Special Economic Zones? The Government will have to address this issue, which is haunting several sections of our people. It is not only the question of land, but there are other issues related to Special Economic Zones as well. This, I think, the Government will have to consider.

Sir, the Act may be called the Foreign Trade Development and Regulation (Amendment) Act, 2009. Foreign trade is a broad concept and many issues can be brought under the subject. I wish to raise a very concrete issue here. The

Uncorrected/Not for publication - 09.08.2010

previous speaker had also referred to it. It is about Free Trade Agreements. Now, there are negotiations on these Free Trade Agreements with the European Union. I think, Government should not sign Free Trade Agreements without getting the approval of Parliament or the State Assembly. I am just raising this issue, which the Government will have to respond to. The Government of the day goes for some agreements whether Parliament ratifies it or not. Then it becomes *fait accompli*. With the European Union, there are many things at stake. Perhaps, Government is aware of the issues at stake if the Free Trade Agreements with the European Union are concluded: (1) The future capacity of our agriculture and manufacturing sectors to grow, upgrade, develop, agro-processing and value-added products if local production gets displaced by imports through FTS and is taken over by FTA partners; (2) The future of our service sector to diversify beyond the IT sector and to become globally competitive in a large number of service sectors; (3) Employment losses in sectors where imports from FTA partners will displace our workers and producers in manufacturing and agriculture; and (4) Loss in equity because of large and powerful multi-national enterprises taking advantage of a liberalized investment regime.

Now, these are all genuine apprehensions. Government may say, 'no', but these are all genuine apprehensions. Not only the Left, but there are other forces which are agitating on these issues. These are all the apprehensions and I think these apprehensions are genuine. You may say that these apprehensions are not genuine, but it is for the Government to consider.

Uncorrected/Not for publication - 09.08.2010

Then, Sir, Government will have to be very transparent. When Government negotiates on Free Trade Agreements with the European Union, there must be transparency and the country and the Parliament should know about it. The Government will have to come with a white paper, or any paper for that matter, to explain the position of the Government on Free Trade Agreements. I can go on listing out what the stakes are when the Free Trade Agreements are concluded. We are in a very competitive world and the competitive atmosphere has affected our domestic industry considerably in the past. We will have to safeguard our own domestic industry as well as our agriculture and service sectors, for which Government will have to address these apprehensions.

With these words, I broadly support this enabling legislation and thank you.

(Ends)

(Followed at 3z/hk)

HK/3z/5.50

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): Mr. Vice-Chairman, Sir, I thank the hon. Members for broadly supporting the Foreign Trade (Development & Regulation) Amendment Bill, 2009 and the valuable contribution which most of the speakers have made beginning with my dear friend, Shri Ravi Shankar Prasad, Shri D.Raja, Smt. Baidya who has made here maiden speech and other hon. Members. However my colleague in the Treasury Benches, Shri Rajeev Shukla, is not present, he extended his full support. The priorities have clearly registered with the Members of the House that this is an

Uncorrected/Not for publication - 09.08.2010

empowering legislation. Enabling provisions are there which I had explained in my opening statement particularly to ensure that as a trade safeguard measure we put in place a mechanism, the statutory provision, for quantitative restrictions to be imposed if there is an import surge, if there is dumping and if there is injury or threatened injury to Indian trade and to the Indian industry. These measures will be entirely in conformity with Article 19 of GATT's Agreement as well as with the WTO. We have said that when we put in place such restrictions those are not country-specific, but we are looking at the interests of the country, interests of its economy and interest of the industry. Shri Ravi Shankar Prasad did raise some specific issues. First with regard to the quantity of 3 per cent that is exempt and how will we come to calculate that quantity of 3 per cent and whether that is correct or not? Sir, I would like to inform the hon. Member that the statistics of imports -- as he himself is aware; he has been in the Government and dealt with the subject -- are maintained by the DGCI&S for each product and from all the countries, and by those statistics import in excess of 3 per cent can be easily determined. When it comes to imports by illegal processes, as the hon. Member did mention to, those are not imports. This is smuggling which is an illegal activity for which Customs and other organizations, which are in-charge of border controls, have to take effective measures. It is not only in this country but in other countries too where Customs Departments have the mandate to deal with such illegal processes or illegal activities to push in goods made in another country without payment of any tariffs and duties into another country. Hon. Member did specifically refer to the flood of toys and also some of the religious idols. Now

Uncorrected/Not for publication - 09.08.2010

what is legally imported is within the parameters of the laws or the tariffs which are clearly prescribed under the rules framed thereunder. But the Government does take action when required to protect the domestic industry and to ensure that nothing is done which is injurious to our commerce as well as to our own manufacturing industry. We have taken action, number of them through the Directorate General of Safeguards and also through the Directorate General of Anti-Dumping when complaints are made by the industry.

(Contd.by 4a/KSK)

KSK/5.55/4A

SHRI ANAND SHARMA (CONTD): But, the Government *suo motu* has taken action. We did impose a ban on the import of all toys vide a notification in the last June. That was because of the health hazard and safety standards. So, all toys, which do not comply with our safety standards, have been banned. So, this was not what was alleged or speculated as country-specific, but, yes, we did impose those restrictions and that includes import of toys from China. We did also impose a ban on the import of mobile handsets which did not have IMEI numbers, that is, International Mobile Equipment Identity, or, only 40s IMEI. Those cannot be imported into this country. In December last year, they were all immobilised, made unoperational. We have also, through notification, banned the import of milk and milk by-products including chocolates and chocolate products from China. Again, that is done because of health hazards, because of some toxic substances which were found in the milk by-products emanating from that country. In case of China, in particular, there is also special mechanism. As

Uncorrected/Not for publication - 09.08.2010

hon. Ravi Shankar Prasadji would know, when China entered into an agreement for acceding to the WTO, its accession agreement had a very clear provision, which was the transitional products specific safeguard mechanism which is applicable only to China where the countries concerned can impose restrictions if there is a market disruption. So, there are various measures which are available. They are invoked as and when required. I would specifically refer to the manufacturing sector. What was said by him, though the present Bill is not meant to be dealing with that subject, but yes, a concern has been expressed on manufacturing, making the industry competitive, and also on the agriculture sector which is the source of subsistence for a large number of our citizens. Even though agriculture may contribute only 17 per cent of the GDP today, but the fact remains that at least 60 per cent of our citizens are dependent on agriculture. Therefore, how do we empower the farmer, how do we ensure that this sector grows? Though FDI in agriculture is something which is not permissible as per the present policy, yet, in agro processing and food processing, definitely, it is there, particularly when we look at the backend. I will first deal with the agriculture because it is of a national concern. The productivity is low. It is not because the farmers are not hard working, or, efforts are not being made. The fact remains that only the Green Revolution ensured that we became self-sufficient in food production, not dependent on imports. But, at the same time, India has a history of settled cultivation of more than 5,000 years. Therefore, the productivity levels may not be the same as you may find in South American countries or in many countries of African continent where the land is virgin, fertile

Uncorrected/Not for publication - 09.08.2010

and has not been cultivated for prolonged periods of time. But, agro processing and food processing industry is engaging the Government's attention and very serious too, including investment, building of infrastructure, value chains and technology. This is where I would like my friends, particularly, Shri D. Raja and other colleagues from the Left, to understand that our post-harvest losses are close to 40 per cent; if not 40, then not less than 35 per cent. That much of food is just lost, particularly fruits and vegetables where we are the second largest producer in the world. Imagine losing that 35 per cent and also think about saving that 35 per cent, adding to the food chain which will strengthen food security availability. Through processing, through infrastructure building, millions of jobs in this country will be created. Farmer will get more remunerative prices, and also, the same products, what was being referred to by Shri Ravi Shankar Prasadji, though it was not done now, the processed food, packed food was available in the shelves of the stores, not during the UPA Government, but well before that.

(continued by 4b - gsp)

GSP-6.00-4B

SHRI ANAND SHARMA (contd.): When it comes to the liberalization, I would just like to remind the hon. Member that it was the present Prime Minister who was the Finance Minister in a Congress Government, who started this process. You were referring to the 'inspector raj', we don't believe in creating an environment which is disruptive or suppressive of commerce and industry.

Uncorrected/Not for publication - 09.08.2010

Coming to manufacturing sector, it is again our concern. The share of manufacturing sector in India in our GDP is stagnating where it was in 1992. I am not saying it has not grown but our economy has grown manifold. But in percentage terms, its proportion to the GDP remains where it was, and, it is engaging my priority attention. That is why, in the beginning of this year, we declared that we will give this country a national manufacturing policy, create manufacturing and investment zones for integrated development to bring in high-technology to make our manufacturing industry competitive. In other emerging economies, the share of manufacturing is, at least, 8 to 9 per cent more than what the share of manufacturing in the GDP of India is. We have to do this; we recognize that because we are a country with large number of people. We will be adding, perhaps in one decade, close to 200 million to our workforce. We have to ensure that they are made employable. For that, we have to focus on necessary infrastructure, environment, and, training; and, the Government is seized of that. There is a draft Manufacturing Policy which we have put out in public domain on the 31st March for stakeholders' consultations, and, I hope that we have received useful inputs. It has generated absorbing debate in the country, and, surely, after taking on board the inputs which we have received, we will be able to create a national consensus for a policy, which after the industrial policy of 1991, will give a specific thrust to India's manufacturing sector.

Sir, there were some concerns expressed on the services front. There are no restrictions as such which are being imposed on the services. When we are talking of services and technology, we are only talking of those -- it is both for

Uncorrected/Not for publication - 09.08.2010

imports and exports -- who are directly benefiting from the incentive schemes under the Foreign Trade Policy, not otherwise.

We are conscious of the strength of the Indian IT industry, Indian pharmaceutical industry, Indian generics which have made enormous contribution in ensuring the availability of life-saving medicines to poor people at affordable prices worldwide. Therefore, what we are concerned about is Mode 4 in the services. When we talk to our interlocutors, bilaterally, or, through the regional economic groupings, or, while negotiating an agreement, we ensure that our services sector, where we have very high level of ambition, is not weakened in any manner. Of course, these are decisions, which are sovereign decisions by other countries whether they raise the bar, raise the fee, lower the number of professionals, and, these issues are regularly taken up by the Government with the concerned Governments or in the multilateral forums as and when required.

I would like to refer also to what was said regarding the WMD Act by the hon. Member in her maiden speech. She has raised many concerns. I must tell her with all respect, while I was listening to her most attentively; surely, this is a policy paper which emanates from some think tank within the party.

(Contd. by SK-4C)

Sk/4c/6.05

SHRI ANAND SHARMA (Contd.): It is not well-informed. It raises those concerns which we have been hearing for a long time. But, many of those concerns are not correct. Particularly, when it comes to what is being negotiated, that is being pure speculation, and I will come to that because my dear friend, Shri

Uncorrected/Not for publication - 09.08.2010

D. Raja, also referred to that. But, before I do so, I will refer to the WMD Act. What does this Bill seek to do, Sir? It only seeks to incorporate enabling provisions for the implementation of regulation on trade of dual use goods. Also, as I had said, this Parliament had passed an Act on Weapons of Mass Destruction and Technologies, that is, trade in that, in 2005. Therefore, we have to bring this provision to implement the same. But, this is also as per our international obligations with the United Nations Security Council Resolutions as well as with the Chemical Weapons Convention, and goods which are proposed to be regulated are notified. There is no ambiguity on this. Let me make it very clear that there is no ambiguity as to what can be imported or not. There is this COMET List, that is, the special chemicals, organisms, material, equipment and technology. That list is in public domain and what cannot be traded in is clearly notified. So, if there are any concerns on this issue, these are not, I will say, correct. I would like to allay any misapprehensions or any fears. Now, when we are talking about the various FTAs which are being negotiated, discussed, there are many references made. A reference has been made on the ongoing negotiations on trade and investment agreement with the EU; how it is going to affect our manufacturing industry; how it will affect our agriculture and our services. I would like to inform the hon. Member that these negotiations started after the Indo-EU summit, six years ago, had set up a high level group on trade and investment which recommended that India and EU enter into such an agreement. Now, why does India do that? It is because other countries are engaging. Look at the number of trade agreements which China has signed even

Uncorrected/Not for publication - 09.08.2010

with ASEAN countries, even with Europe, even with the United States. If you look at it, we are only trying to move in the right direction and not to be left out in what you yourself referred to as competitive globalised economy. So, if India has to be a major player, which we are being acknowledged as, then, we have to engage with other countries. And, agreements are negotiated by experts. Agreements are not negotiated by the Prime Ministers or the Ministers. It is the sector specific experts who negotiate. With EU, there have been negotiations going on for five years. Ten rounds of negotiations have been completed. Countless hours and human resources have been expended. Now, if it was as easy as India walks into negotiations and accepts the wish list of the other country or their negotiators and signs on it, then this agreement would have been concluded in the year 2006. We are here in 2010 and it is still being negotiated. I must speak for our negotiators. They are our citizens. They are our experts. They are scientists. They are trade experts. They negotiate keeping in view the supreme national interest of the country. They are as sensitive to India's interest, as concerned about our industry and our economy as the hon. Member is and we ourselves are. So, what always is negotiated is based on a mandate and that mandate, under our system of governance, is given by TERC, that is, Trade and Economic Relations Committee, which is chaired by none else than the Prime Minister of the country and has all the sensitive and strategic sectors represented which discusses and then gives the mandate.

(Contd. by yrsr - 4d)

Uncorrected/Not for publication - 09.08.2010

-SK/YSR/6.10/4D

SHRI ANAND SHARMA (CONTD.): After the negotiations conclude we go back to the TERC; and from there it goes to the Cabinet Committee on Economic Affairs. All those who sit in the Cabinet are also elected representatives and they have a responsibility. Then only we inform the Parliament. We bear in mind our strengths. Therefore, we have our own negative list, as was done in the case of the FTA with ASEAN.

I must inform the hon. Member that the reference that it has hurt Indian agriculture or Indian industries is not correct. We have ensured that the interest of the farmers, the interest of the fishermen, and the interest of the plantation sector are fully protected.

There was a mention of import of palm oil. We have applied rates, and we have bound rates when we talk of tariffs. It is 90 per cent when it comes to the refined palm oil and 75 per cent for crude. But applied tariffs are zero per cent and 7.5 per cent. Why? India has a huge shortage of edible oils. We have to import 8-9 million tonnes of edible oil. If we don't import, we will not have edible oil available here. They are further subsidised. After importing at zero duty, we further subsidise it for the public distribution system. You must ask the Chief Ministers or Ministers who are dealing with this subject in your respective Governments in the States, which are ruled by non-Congress or non-UPA parties that how important it is to ensure availability. Therefore, please be assured that when it comes to these matters or when it comes to the interest of Indian generic industry, India is not going to accept any condition which subverts or affects the

Uncorrected/Not for publication - 09.08.2010

interest of the Indian pharmaceutical industry. As and when a situation arose, we took up these matters very firmly. We intervened at the highest level and made it very clear, particularly when it comes to the availability of life saving medicines which Indian pharmaceutical industry has ensured. The Government will not accept any proposition, any action of any foreign Government which is TRIPS-plus agreements which we are party to. We have our own intellectual property regime. Beyond that India is never going to accept anything.

And the last word is on whether the Government is moving in a transparent manner. We are transparent. Governments have accountability to the people and to Parliament. But, at the same time, we have a parliamentary democracy in India. We have our Constitution. We don't have a system like some other countries where ratifications take place before negotiations. Negotiations are conducted by negotiators. If we don't find a satisfactory solution, we don't do that. Trade is a two-way process. It does not go in one way. Trading takes place between countries only on the basis of supply and demand. If your economy, your industry needs something maybe for value addition, you will import. And when you produce something which some other countries need, they will import it. This is how the commerce goes. This is how the investments go. Time is not there for me to delve into the issue of investment business. I would just say one thing. Please don't feel that we will be swamped by multi-nationals. Yes, we welcome the Foreign Direct Investment. But, today, it is the Indian corporate entities, which are encouraged and supported with an enabling environment and provisions by the Government and by our financial institutions to

Uncorrected/Not for publication - 09.08.2010

step out of India and go in for acquisitions and mergers. Some of the biggest takeovers, acquisitions and mergers in Europe and America in recent history have been made by Indian companies beginning from Tatas, Mahendras, and Wockhardt. I have a long list to give. It is not that others are coming and taking over the Indian industry. Who would have thought that Jaguar, Land Rover, and Corus steel, all the iconic symbols of the UK, will be taken over by the Tata Group? Same goes for the wind energy. Same goes for pharmaceuticals and many other sectors. The purpose, as I have explained, Sir, for bringing this Bill is only to ensure that our practices are in harmony with the WTO Agreement.

(Contd. by RSS/4E)

RSS/4E/6.15/

SHRI ANAND SHARMA (CONTD.): And what was required to be done, has been incorporated in this Amendment Bill. I am grateful to the Members for their contribution. I have tried sincerely to respond to all questions, all concerns. With these words, I would commend that this Bill be passed by this august House.

(Ends)

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, the question is,

That the Foreign Trade (Development and Regulation) Amendment Bill, 2009 be taken into consideration.

The question was put and the motion was adopted.

THE VICE-CHAIRMAN: Now, we shall take up Clause-by-Clause consideration of the Bill. Now, in clause 2, there are 3 amendments- Nos. 4 to 6 by the Minister.

CLAUSE 2--AMENDMENT OF SECTION 2

SHRI ANAND SHARMA: Sir, I move:

Uncorrected/Not for publication - 09.08.2010

4. That at page 2, lines 28 and 29 be *deleted*.
5. That at page 2, line 30, *for* the bracket and alphabet ©, the bracket and alphabet (b) be *substituted*.
6. That at page 2, lines 41 and 42, *for* the words "or in respect of which conditions have been imposed on grounds" the words "because of imposition of conditions on the grounds" be *substituted*.

The questions were put and the motions were adopted.

Clause 2, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, in new clause 2A, there is one amendment- No. 7 by the Minister.

NEW CLAUSE 2A- AMENDMENT OF TITLE OF CHAPTER II.

SHRI ANAND SHARMA: Sir, I move:

7. That at page 3, *after* line 18, the following be inserted, namely:-

'2A. In the principal Act, in sub-heading bellow "Chapter II", for the words "EXPORT AND IMPORT POLICY", the words "FOREIGN TRADE POLICY" shall be *substituted*.

The question was put and the motion was adopted.

New Clause 2A, as amended, was added to the Bill.

THE VICE-CHAIRMAN: Now, in clause 3, there are two amendments- Nos. 8 and 9 by the Minister.

CLAUSE 3- AMENDMENT OF SECTION 3

SHRI ANAND SHARMA: Sir, I move:

8. That at page 3, *for* lines 20 and 21, the following be *substituted*, namely:-

Uncorrected/Not for publication - 09.08.2010

"(a) in sub-section (2),-

(i) for the words "import or export of goods", the words "import or export of goods or services or technology" shall be ***substituted***:

(ii) after sub-section (2), the following proviso shall be inserted, namely:-

Provided that the provisions of this sub-section shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefits under the foreign trade policy or is dealing with specified services or specified technologies".

9. That at page 3, ***for*** lines 23 to 30, the following be ***substituted***, namely:-

"(4) Without prejudice to anything contained in any other law, rule, regulation, notification or order, no permit or licence shall be necessary for import or export of any goods, nor any goods shall be prohibited for import or export except, as may be required under this Act, or rules or orders made thereunder."

The questions were put and the motions were adopted.

Clause 3, as amended, was added to the Bill. .

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, in clause 4, there is one amendment No.10 by the Minister.

CLAUSE 4- SUBSTITUTION OF NEW SECTION FOR SECTION 5

SHRI ANAND SHARMA: Sir, I move:

10. That at page 3, ***for*** lines 31 to 38, the following be ***substituted***, namely:-

Uncorrected/Not for publication - 09.08.2010

'4. For section 5 of the principal Act, the following section shall be *substituted*, namely:-

5. The Central Government may, from time to time, formulate and announce, by notification in the Official Gazette, the foreign trade policy and may also, in like manner, amend that policy:

Provided that the Central Government may direct that, in respect of the Special Economic Zones, the foreign trade policy shall apply to the goods, services and technology with such exceptions, modifications and adaptations as may be specified by it by notification in the Official Gazette."

The question was put and the motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, in clause 6, there are two amendments Nos.11 and 12 by the Minister.

CLAUSE 6- AMENDMENT OF SECTION 7

SHRI ANAND SHARMA: Sir, I move:

11. That at page 3, line 42, *for* the words "import and export of services", the words "import or export of services or technology" be *substituted*.

12. That at page 3, line 43, *for* the words "service provider", the words "service or technology provider" be *substituted*.

The questions were put and the motions were adopted.

Clause 6, as amended, was added to the Bill.

Uncorrected/Not for publication - 09.08.2010

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, in clause 7, there are two amendments Nos.13 and 14 by the Minister.

CLAUSE 7- AMENDMENT OF SECTION 8

SHRI ANAND SHARMA: Sir, I move:

13. That at page 4, line 5, ***after*** the words "foreign trade policy" the words "or any other law for the time being in force" be ***inserted***.

14. That at page 4, ***for*** lines 27 and 28, the following be ***substituted***, namely:-

'(B) in sub-section (2), for the words "import or export any goods", the words "import or export any goods or services or technology" shall be ***substituted***'.

The questions were put and the motions were adopted.

Clause 7, as amended, was added to the Bill.

THE VICE-CHAIRMAN: Now, in clause 8, there is one amendment No.15 by the Minister.

CLAUSE 8- AMENDMENT OF SECTION 9

SHRI ANAND SHARMA: Sir, I move:

15. That at page 4, ***for*** lines 29 to 31, the following be ***substituted***, namely:-

'8. In section 9 of the principal Act,---

(a) in sub-sections (1), (3), (4) and (5), for the word "licence", wherever it occurs, the words "licence, certificate, scrip or any instrument bestowing financial or fiscal benefits" shall be substituted;

Uncorrected/Not for publication - 09.08.2010

(b) for sub-section (2), the following sub-section shall be substituted, namely:-

"(2) The Director General or any officer authorized by him may, on an application and after making such inquiry as he may think fit, grant or renew or refuse to grant or renew a licence to import or export such class or classes of goods or services or technology as may be prescribed and, grant or renew or refuse to grant or renew a certificate, scrip or any instrument bestowing financial or fiscal benefit, after recording in writing his reasons for such refusal."

The question was put and the motion was adopted.

Clause 8, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, in clause 9, there are 11 amendments Nos. 16 to 26 by the Minister.

CLAUSE 9-- INSERTION OF NEW CHAPTER IIIA

SHRI ANAND SHARMA: Sir, I move:-

16. That at page 4, *for* line 32, the following be *substituted*, namely:-
 "9. After Chapter III of the principal Act, the following Chapter shall be inserted, namely:-"
17. That at page 4, line 36, *for* the words "article is", the words "goods are" be *substituted*.
18. That at page 4, line 39, *for* the word "articles", the word "goods" be *substituted*.
19. That at page 4, line 40, *for* the words "an article", the words "any goods" be *substituted*.

Uncorrected/Not for publication - 09.08.2010

20. That at page 4, line 41, *for* the words "that article", the words "such goods" be *substituted*.
21. That at page 4, line 42, *for* the words "that article originates", the words "such goods originate" be *substituted*.
22. That at page 4, line 43, *for* the word "countries", the word "country" be *substituted*.
23. That at page 4, line 45, *for* the words "that article", the words "such goods" be *substituted*.
24. That at page 5, line 10, *for* the word "articles", the word "goods" be *substituted*.
25. That at page 5, line 12, *for* the word "articles", the word "goods" be *substituted*.
26. That at page 5, *for* lines 16 to 21, the following be *substituted*, namely:-
- ‘(b) "domestic industry" means the producers of goods (including producers of agricultural goods) —
- (i) as a whole of the like goods or directly competitive goods in India; or
- (ii) whose collective output of the like goods or directly competitive goods in India constitutes a major share of the total production of the said goods in India;’.

The questions were put and the motions were adopted.

Clause 9, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, in clause 10, there is one amendment No. 27 by the Minister.

Uncorrected/Not for publication - 09.08.2010

CLAUSE 10- AMENDMENT OF SECTION 10

SHRI ANAND SHARMA: Sir, I move:-

27. That at page 5, *for* line 38, the following be ***substituted***, namely:-

"subject to such requirements and conditions and with the approval of such officer, as may be prescribed:

Provided that the provisions of clause (b) shall be applicable, in case of import or export of services or technology, only when the service or technology provider is availing benefit under the foreign trade policy or is dealing with specified services or specified technologies."

The question was put and the motion was adopted.

Clause 10, as amended, was added to the Bill.

(followed by 4f)

MKS-VNK/6.20/4F

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause 11.

There are three amendments (Nos. 28-30) by the hon. Minister.

Clause 11 - Amendment of section 11

SHRI ANAND SHARMA: Sir, I move:

28. That at page 5, *for* lines 39 to 46, the following be ***substituted***, namely:-

'11. For section 11 of the principal Act, the following section shall be substituted, namely:-

11.(1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the foreign

Uncorrected/Not for publication - 09.08.2010

trade policy for the time being in force.

(2) Where any person makes or abets or attempts to make any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy, he shall be liable to a penalty of not less than ten thousand rupees and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more.

(3) Where any person signs or uses, or causes to be made, signed or used, any declaration, statement or document submitted to the Director General or any officer authorised by him under this Act, knowing or having reason to believe that such declaration, statement or document is forged or tampered with or false in any material particular, he shall be liable to a penalty of not less than ten thousand rupees or more than five times the value of the goods or services or technology in respect of which such declaration, statement or document had been submitted, whichever is more.

(4) Where any person, on a notice to him by the Adjudicating Authority, admits any contravention, the Adjudicating Authority may, in such class or classes of cases and in such manner as may be prescribed, determine, by way of settlement, an amount to be paid by that person.

(5) A penalty imposed under this Act may, if it is not paid by any person, be recovered by any one or more of the following modes, namely:—

(a) the Director General may deduct or require any officer subordinate to him to deduct the amount payable

Uncorrected/Not for publication - 09.08.2010

under this Act from any money owing to such person which may be under the control of such officer; or

(b) the Director General may require any officer of customs to deduct the amount payable under this Act from any money owing to such person which may be under the control of such officer of customs, as if the said amount is payable under the Customs Act, 1962; or

(c) the Director General may require the Assistant Commissioner of Customs or Deputy Commissioner of Customs or any other officer of Customs to recover the amount so payable by detaining or selling any goods (including the goods connected with services or technology) belonging to such person which are under the control of the Assistant Commissioner of Customs or Deputy Commissioner of Customs or any other officer of Customs, as if the said amount is payable under the Customs Act, 1962; or

(d) if the amount cannot be recovered from such person in the manner provided in clauses (a), (b) and (c)—

(i) the Director General or any officer authorised by him may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the District in which such person owns any property or resides or carries on business and the said Collector on receipt of such certificate shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue; or

(ii) the Director General or any officer authorised by him (including an officer of Customs who shall then exercise his powers under the Customs Act, 1962)

Uncorrected/Not for publication - 09.08.2010

and in accordance with the rules made in this behalf, detain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid, as if the said amount is payable under the Customs Act, 1962; and in case, any part of the said amount payable or of the cost of the distress or keeping of the property, remains unpaid for a period of thirty days next after any such distress, may cause the said property to be sold and with the proceeds of such sale, may satisfy the amount payable and costs including cost of sale remaining unpaid and shall render the surplus, if any to such person.

(6) Where the terms of any bond or other instrument executed under this Act or any rules made thereunder provide that any amount due under such instrument may be recovered in the manner laid down in sub-section (5), the amount may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of that sub-section.

(7) Without prejudice to the provisions contained in this section, the Importer-exporter Code Number of any person who fails to pay any penalty imposed under this Act, may be suspended by the Adjudicating Authority till the penalty is paid or recovered, as the case may be.

(8) Where any contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy has been, is being, or is attempted to be, made, the goods (including the goods connected with services or technology) together with any package, covering or receptacle and any conveyances shall, subject to such

Uncorrected/Not for publication - 09.08.2010

conditions and requirements as may be prescribed, be liable to confiscation by the Adjudicating Authority.

(9) The goods (including the goods connected with services or technology) or the conveyance confiscated under sub-section (8) may be released by the Adjudicating Authority, in such manner and subject to such conditions as may be prescribed, on payment by the person concerned of the redemption charges equivalent to the market value of the goods or conveyance, as the case may be.” ‘.

29. That at page 6, lines 1 to 52 be *deleted*.
30. That at page 7, lines 1 to 15 be *deleted*.

The questions were put and the motions were adopted.

Clause 11, as amended, was added to the Bill.

Clause 12 was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause 13.

There is one amendment (No. 31) by the hon. Minister.

Clause 13 - Amendment of section 14

SHRI ANAND SHARMA: Sir, I move:

31. That at page 7, lines 24 and 25, *for* the words and brackets "the goods (including the goods connected with services or technology)", the words and brackets "goods (including the goods connected with services or technology)" be *substituted*.

The question was put and the motion was adopted.

Clause 13, as amended, was added to the Bill.

Uncorrected/Not for publication - 09.08.2010

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause 14.

There is one amendment (No. 32) by the hon. Minister.

Clause 14 - Insertion of a new Chapter IVA

SHRI ANAND SHARMA: Sir, I move:

32. That at page 7, *for* line 26, the following be *substituted*, namely:-

"14. After Chapter IV of the principal Act, the following Chapter shall be inserted, namely:-"

The question was put and the motion was adopted.

Clause 14, as amended, was added to the Bill.

THE VICE-CHAIRMAN: We shall now take up clause 15. There is one amendment (No. 33) by the hon. Minister.

Clause 15 - Amendment of section 15

SHRI ANAND SHARMA: Sir, I move:

33. That at page 8, *for* lines 36 and 37, the following be *substituted*, namely:-

'15. In the principal Act, in sub-heading below "CHAPTER V", for the word "REVISION", the word "REVIEW" shall be substituted.'

The question was put and the motion was adopted.

Clause 15, as amended, was added to the Bill.

THE VICE-CHAIRMAN: We shall now take up clause 16. There is one amendment (No. 34) by the hon. Minister.

Uncorrected/Not for publication - 09.08.2010

CLAUSE 16 - Amendment of title of Chapter V

SHRI ANAND SHARMA: Sir, I move:

34. That at page 8, *for* lines 38 to 40, the following be *substituted*, namely:-

‘16. In section 15 of the principal Act, in sub-section (2), in the proviso, for the word "goods", the words and brackets "the goods (including the goods connected with services or technology)" shall be substituted.’.

The question was put and the motion was adopted.

Clause 16, as amended, was added to the Bill.

Clauses 17-19 were added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause 20.

There are four amendments (Nos. 35-38) by the hon. Minister.

Clause 20 - Amendment of section 19

SHRI ANAND SHARMA: Sir, I move:

35. That at page 9, *for* lines 14 to 16, the following be *substituted*, namely:-

‘(a) in clause (b), for the word "licence", the words "licence, certificate, scrip or any instrument bestowing financial or fiscal benefits" shall be substituted;

(b) for clause (c), the following clause shall be substituted, namely:—

"(c) the class or classes of goods (including the goods connected with service or technology) for which a licence, certificate, scrip or any instrument bestowing financial or fiscal benefits may be granted under sub-section (2) of section 9;"

(c) in clauses (d) and (e), for the word "licence", the words "licence, certificate, scrip or any instrument bestowing financial or fiscal benefits" shall be substituted;

Uncorrected/Not for publication - 09.08.2010

(d) in clause (f), for the word "goods, the words and brackets "goods (including the goods connected with service or technology)" shall be substituted;

(e) in clause (g), for the words, brackets and figures "sub-section (3) of section 11", the words, brackets and figures "sub-section (4) of section 11" shall be substituted;

(f) for clause (h), the following clause shall be substituted, namely:-

"(h) the requirements and conditions subject to which goods (including the goods connected with the service or technology) and conveyances shall be liable to confiscation under sub-section (8) of section 11;" ;

(g) for clause (i), the following clause shall be substituted, namely:-

"(i) the manner in which and the conditions subject to which goods (including the goods connected with the service or technology) and conveyances may be released on payment of redemption charges under sub-section (9) of section 11; and."

36. That at page 9, line 17, ***for*** the brackets and alphabet "(b)", the brackets and alphabet "(h)" be ***substituted***.

37. That at page 9, line 18, ***for*** the word "articles", the word "goods" be ***substituted***.

38. That at page 9, line 20, ***for*** the word "articles", the word "goods" be ***substituted***.

The questions were put and the motions were adopted.

Clause 20, as amended, was added to the Bill.

Uncorrected/Not for publication - 09.08.2010

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause 1.

There is one amendment (No. 3) by the hon. Minister.

Clause 1 - Short title and commencement

SHRI ANAND SHARMA: Sir, I move:

3. That at page 1, line 3, *for* the figure “2009”, the figure “2010” be *substituted*.

The question was put and the motion was adopted.

Clause 1, as amended, was added to the Bill.

THE VICE-CHAIRMAN: We shall now take up the Enacting Formula. There is one amendment (No. 2) by the hon. Minister.

Enacting Formula

SHRI ANAND SHARMA: Sir, I move:

2. That at page 1, line 1, *for* the word “Sixtieth”, the word “Sixty-first” be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

THE VICE-CHAIRMAN: We shall now take up the Long Title. There is one amendment (No. 1) by the hon. Minister.

Uncorrected/Not for publication - 09.08.2010

Long Title

SHRI ANAND SHARMA: Sir, I move:

1. That at page 1, in the long title, the word “further” be *deleted*.

The question was put and the motion was adopted.

The Long Title, as amended, was added to the Bill.

SHRI ANAND SHARMA: Sir, I move:

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

(Ends)

SHRI D. RAJA: Sir, we should congratulate the Minister for the drastic amendments he has given.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes, I have already told him.
...(Interruptions)...

SHRI RAVI SHANKAR PRASAD: He has created history as the largest number of amendments are being moved by him.

THE VICE-CHAIRMAN: Okay. The House is adjourned to meet tomorrow at 11.00 a.m.

The House then adjourned at twenty-five minutes past
six of the clock till eleven of the clock on
Tuesday, the 10th August, 2010.

