

LOK SABHA

SYNOPSIS OF DEBATES* (Proceedings other than Questions & Answers)

Wednesday, July 24, 2019 / Shravana 2, 1941 (Saka)

SUBMISSION BY MEMBERS

Re: Demand for Statement and Clarification from the Prime Minister on the Statement made by the US President over the Kashmir issue.

THE MINISTER OF DEFENCE (SHRI RAJ NATH SINGH)

responding to the issue raised by several hon. Members, said: No discussion was held on the issue of Kashmir between the Prime Minister of India and the President of the United States of America. I would like to make it clear that there is no question of accepting the mediation of any country on the issue of Kashmir because it will be against the spirit of the Shimla Agreement. I would also like to make it clear that if any negotiations are held with Pakistan, it will not be limited to Kashmir but on Pakistan occupied Kashmir as well.

* Hon. Members may kindly let us know immediately the choice of language (Hindi or English) for obtaining Synopsis of Lok Sabha Debates.

***MATTERS UNDER RULE 377**

1. **SHRI KANAKMAL KATARA** laid a statement regarding need to set up Agriculture based industries, Dairy Sector, Horticulture in Banswara parliamentary constituency, Rajasthan.
2. **SHRI JAI PRAKASH** laid a statement regarding need to provide rail link from Hardoi to Gursahaiganj via Auhadpur in Uttar Pradesh.
3. **DR. NISHIKANT DUBEY** laid a statement regarding drinking water problem in Godda parliamentary constituency.
4. **SHRI C. P. JOSHI** laid a statement regarding need to develop 'Mrigvan' an area in Chittorgarh Fort, Rajasthan as a biological park.
5. **SHRI NARENDRA KUMAR** laid a statement regarding need to establish a National Sports University in Jhunjhunu, Rajasthan.
6. **SHRIMATI ANNPURNA DEVI** laid a statement regarding pollution caused by Iron factories in Kodarma district, Jharkhand.
7. **DR. DHAL SINGH BISEN** laid a statement regarding need to upgrade Balaghat Zila hospital in Madhya Pradesh as a Medical College.
8. **SHRI SANGAMLAL GUPTA** laid a statement regarding sewerage system in Pratapgarh Parliamentary Constituency, Uttar Pradesh.

* Laid on the Table as directed by the Speaker/Chair.

9. **SHRI RODMAL NAGAR** laid a statement regarding need to ensure proper implementation of Ayushman Bharat Yojana in Madhya Pradesh.
10. **SHRI JAMYANG TSERING NAMGYAL** laid a statement regarding telephone connectivity in Ladakh, Jammu and Kashmir.
11. **SHRI SUKHBIR SINGH JAUNAPURIA** laid a statement regarding need to expedite construction of Isarda dam project in Tonk district, Rajasthan.
12. **SHRI NITESH GANGA DEB** laid a statement regarding setting up of AIIMS at Sambalpur, Odisha.
13. **SHRI DEVUSINH CHAUHAN** laid a statement regarding BSNL service.
14. **SHRI JUGAL KISHORE SHARMA** laid a statement regarding BSNL service in Jammu and Kashmir.
15. **DR. SANGHAMITRA MAURYA** laid a statement regarding need to include Pali language as a subject in UPSC examination.
16. **SHRI PARBHUBHAI NAGARBHAI VASAVA** laid a statement regarding need to include people belonging to Hadpati, Rathod Tanvima and Nayaka communities of Gujarat in the list of Primitive Tribal Groups.

17. **SHRI B. MANICKAM TAGORE** laid a statement regarding privatisation of airports.
18. **KUMARI RAMYA HARIDAS** laid a statement regarding need to sanction stoppage for three express trains at Wadakkanchery and Mulankunnathukavu in Kerala.
19. **SHRI V. K. SREEKANDAN** laid a statement regarding need to lay a pitline at Palakkad town Railway Station, Kerala.
20. **DR. THAMIZHACHI THANGAPANDIAN** laid a statement regarding bio-diversity protection and conversation project for Pallikaranai Marshland, Tamil Nadu.
21. **PROF. SOUGATA RAY** laid a statement regarding changing the name of West Bengal.
22. **SHRI KANUMURU RAGHURAMA KRISHNARAJU** laid a statement regarding cancellation of flights from Gannavaram airport, Andhra Pradesh.
23. **SHRIMATI VANGA GEETHA VISWANATH** laid a statement regarding illegal use of spy cameras.
24. **SHRI KRUPAL BALAJI TUMANE** laid a statement regarding alleged irregularities in coal mining under Western Coal Fields Limited in Chandrapur, Maharashtra.

25. **SHRI MAHESH SAHOO** laid a statement regarding rules to be followed for transporting goods.
26. **SHRI HAJI FAZLUR REHMAN** laid a statement regarding need to develop Shaikh-ul-Hind Maulana Mahmood Hasan Medical College, Uttar Pradesh into higher centre.
27. **SHRI M. SELVARAJ** laid a statement regarding modernisation of Nagapattinam port.
28. **SHRI N.K. PREMACHANDRAN** laid a statement regarding including Vetan community of Kerala in the list of Scheduled Tribes.

**THE UNLAWFUL ACTIVITIES (PREVENTION) AMENDMENT BILL,
2019-Contd.**

SHRI VINAYAK BHAURAO RAUT: We need to take stringent action against the terrorists activities in the country. This amendment Bill will strengthen the National Investigation Agency which remains always vigilant for the security of the country. The previous Governments could not be so much successful in containing the terrorism. Those Governments brought a number of Acts like MISA, TADA, MCOCA, POTA etc. but this Government has been successful in its endeavour to curb terrorist activities. It is the first time ever in the history of this country that the Minister of Home Affairs was received with open arms in

Jammu and Kashmir. It is because people have faith in the Prime Minister and the Minister of Home Affairs. This amendment will help the authorities to confiscate the property of a terrorist. There were a number of channels through which economic assistance was provided to the terrorists and there was an urgent need to restrict the activities of such people. There was a need to take legal action not only against an organisation but also an individual. This amendment Bill will help in doing all these things. My suggestion is that appropriate changes should be brought about in the legal provisions to check the delay caused by the judicial process.

SHRI PINAKI MISRA: My party wholeheartedly supports the Government in matters of national security. I feel better coordination with the States and an all-inclusive structure is needed at the national level through cooperation of multi agencies and joint task forces. Many more offences such as espionage, money laundering, drug trafficking, hijacking, assassination, bio terrorism, narco-terrorism etc also needs to be included within the ambit of scheduled offences. Prevention is more important than execution and prosecution. The NIA is not clear as to what preventive powers it has got. Prevention is always best served by acquisition of information. So, prosecuting agencies must work in close coordination with the other allied agencies like IB, FIU, DRI etc. to ensure that they are equipped to prevent rather than merely prosecute. Given the high rate

of acquittal, the firming up of the entire judicial system is essentially required. The 180 days' time period given to the police under the NIA to file a chargesheet should be brought down to 90 days.

SUSHRI MAHUA MOITRA: I vehemently oppose this Bill. This Bill seeks to designate individuals as terrorists without due process. The Bill enables the NIA to be able to go to any State and arrest, seize and search properties without the permission of the State's DGP or even without his knowledge. This is completely against the federal structure of our country. There already exists provision entailing death penalty or life imprisonment of the individuals involved in terrorism. Likewise, provisions are there to criminalise membership support and raising funds of a terrorist organisation. So there is no need to designate individuals without due process. I urge upon the Government to withdraw this Bill.

SHRI SUNIL KUMAR PINTU: The way the incumbent Government has been able to crack down on terrorism in the country is indeed laudable. The evil of terrorism has been restricted to the cross border terrorism in Kashmir. With this amendment Bill, NIA will have all the more powers to deal with the cases of terrorism which would prove to be a deterrent to the occurrence of terrorists' activities.

KUNWAR DANISH ALI: As per the data available with the National Crime Records Bureau as many as 70 per cent persons incarcerated had been arrested on charges levelled by the Agencies but they have not been able to prove them guilty. As per the report of Amnesty International more than half of the undertrials in India belong to dalit, tribal or Muslim communities. Lives of such people get ruined. I would like to ask the hon. Minister of Home Affairs whether the Government shall compensate those who are not proved guilty of crime at the end of the day. I would like to know from the Government the provisions made to prevent the misuse of this law. I urge upon the Government to withdraw this Amendment Bill.

SHRIMATI SUPRIYA SADANAND SULE: Terrorism is not something which is UPA versus NDA. National security is the moral responsibility of any Government. If there are terrorists, yes there should be zero tolerance. If there are activists, the beauty of leadership is to listen. The leader has to be just. If an activist disagrees with the Government, what is wrong. You should encourage. That is the beauty of India's democracy. With several treaties, we have still not been able to go to a foreign land and arrest people. So, I think we need to strengthen our relationship. Let it be fair and just and no misuse of power should be done in this country.

DR. VENKATESH NETHA BORLAKUNTA: We are very particular about the national security and integrity. Under the Act, the Central Government may designate any organization as a terrorist organization that participates in acts of terrorism. The Bill additionally empowers the Government to designate individuals as terrorists on the same grounds. So, a little bit more clarifications needed between these organizations and individuals. The coordination and cooperation between the NIA Director-General and the State DGP is to be needed. Otherwise, it is taking away the rights of the States. So, I request the hon. Minister to kindly consider this suggestion because that is against the spirit of federal system.

DR. S.T. HASAN: Terrorism is a global problem and there should be a stringent law to deal with terrorism. My objection is that an officer of a Inspector level can also arrest a person on the basis suspicion alone and can send him to jail. A person should be proved guilty only after full inquiry. Innocent people should not be implicated.

DR. MOHAMMAD JAWED: I stand here to oppose the Unlawful Activities (prevention) Amendment Bill. The amendments in the Bill intend to give absolute powers to the Government. That is why, it has become more dangerous. The power of designating an individual as a terrorist on the basis of suspicion alone is dangerous. People have spent years and years in jails because of wrong

implications. The Act does not contain provisions for anticipatory bail. In the current political climate, an emphasis on human rights will be seen as anti-national. Failure to get bail means that the person has spend his entire time in jail. The burden of proof under UAPA is on the person accused. It is now for the person accused to prove his innocence.

SHRI VISHNU DAYAL RAM: We must take all the necessary steps to maintain the sovereignty and integrity of the country. Our Government believes in the policy of zero tolerance. Stringent law must be there to arrest the culprits. There is no ill will in this. The Bill has been brought only to simplify the procedure. Amendments have been brought to strengthen the investigating agencies. Terrorism is spreading its tentacles in all over the world. Today there are so many countries in the world which are badly affected by terrorism. This Bill is in the interest of the country, therefore, I support this Bill.

SHRI E. T. MOHAMMED BASHEER: I oppose this Bill. This Bill is more dangerous than TADA, POTA and AFSPA. If this Bill is passed, then it will place extra-arbitrary, dictatorial, fascist and draconian powers in the hands of the Government, which is more dangerous. This would give an open general license for the NIA to go to any State and do things according to their wish and pleasure. This needs to be objected as it is against the structure of cooperative federalism. I am humbly urging the Government to withdraw this Bill.

ADV. A. M. ARIFF: There is no doubt that terrorism is the greatest threat to humanity. Therefore, we need to have strong laws to protect our country from terrorism. There is much evidence to show that the growth of terrorism is sponsored by the international weapon manufacturers and their agents. The National Security Act is widely being misused in Uttar Pradesh. There are numerous instances of misuse of TADA and POTA in the country. Both the Acts were repealed due to arbitrary powers and widespread misuse. Again, the UAPA has been abused by successive Governments to target human rights defenders.

SHRI RAM MOHAN NAIDU KINJARAPU: Though we are making a law which is trying to make it difficult for the terrorists to escape and easier for us to capture them. The Bill, where we designate individuals as terrorists, makes it even harder for the innocent who gets suppressed under this Act to come out. In more than 50 per cent of the cases registered under the UAPA, the accused have been acquitted. There are several cases of innocent people being subjected to this kind of laws who are finally proven not guilty and acquitted. However, they lose their time and they become social outcast. In this kind of situations, it is the responsibility of the Government to provide proper rehabilitation and compensation to them. The Government should ensure a proper monitoring system to see how the NIA is being accountable. It has been my personal observation that when someone criticizes the Government, it is being portrayed as criticizing the

country. I request Central Government to appreciate criticism when it comes to the betterment of this country.

SHRI ASADUDDIN OWAISI: I stand to oppose the Bill because this Bill violates articles 14 and 21 of the Constitution. One can only be called a terrorist after a court convicts him. Clause 11 of the Bill seeks to insert ‘as amended from time to time’. This is compromising the Parliament’s sovereignty. I strongly oppose this clause 11. Security Council resolution 1535 says that any law you make to counter terrorism must comply with international human rights. That is also violated in this Bill. As regards the provision regarding seizure of property, how can NIA take the State property? That is a violation of federalism. This Bill provides for police detention for six months. This is too much. I hope that this Government will have a zero tolerance on miscarriage of justice.

SHRI K. SUBBARAYAN: I strongly oppose the Bill. Its aim is to designate an individual as terrorist. This is an affront to the Fundamental Rights of citizens and their right to a fair trial. Bypassing the DGP to seize the property and conduct investigation is a serious infringement on the federal system. The most dangerous objective of this Bill is that it will facilitate selective and discriminatory usage of the law.

SHRI P. RAVEENDRANATH KUMAR: Terrorism is the biggest threat to humanity. Our country is one of the most affected countries by terrorism. I request the Government to initiate a plan of action to protect our youth from being lured by anti-social elements and to create awareness among young generation informing them about the impact of terrorism and its consequences in case of any involvement. I support this Bill with the suggestion that the Government should ensure the protection of the innocent people and their Fundamental Rights.

***SHRI THOL THIRUMAAVALAVAN:**

SHRI MOHANBHAI SANJIBHAI DELKAR: I rise to support this Bill. We all should understand that this Bill is against the terrorists. Stringent laws create fear in the minds of the criminals. Strict decisions of the Government have resulted in mitigation of terrorist activities in the country.

SHRI HANUMAN BENIWAL: Our country is presently engaged in a big fight against terrorism. Some days back, the Government had brought the NIA Bill. That Bill sent out a message across the world that India has given more teeth to the NIA. Besides this, the Government is trying hard to get Pakistan declared a terrorist country and I hope, India will soon get rid of terrorism.

* Please see supplement

SHRI KARTI P CHIDAMBARAM: Several hon. Members have opposed this Bill particularly because this will lead to centralization of power in the hands of the Central Government and the federal structure and individual liberty being violated. Every Government thinks that if it has a tougher law, it will be able to handle terrorism. The Government should assure us that this law would not be misused. Every Government thinks that it needs more and more tougher laws, more and more centralised laws. But I would like to ask whether it would have been able to prevent terrorist attacks on Pathankot and Pulwama, if this law had been there earlier. So, we need to maintain balance between our fight against terrorism and individual liberty.

DR. SATYA PAL SINGH: At the outset, I would like to thank the Government for formulating a series of laws against terrorists, financial defaulters and enemies of humanity. I rise to support this Unlawful Activities (Prevention) Amendment Bill. Terrorism emanates from different sets of horrific ideology and hence we need different laws to fight this menace. Some of my colleagues raised a question on the necessity of a stringent law. For the reasons of the law being weak in nature, such a milieu of fear and terror has engulfed this country that no one feels safe today. So, laws need to be framed commensurate with the gravity of crime. Those need to be proclaimed as terrorists who extend assistance, support and finance to the terrorists. Only by doing so we can stop the terrorists outfits

from spreading their tentacles. This Bill provides for a definitive time frame for the completion of the investigation of crimes related to terrorism. The question is whether we can bring in such a law that will ensure time bound trial even in court. Terrorism being a national problem, it must be dealt with at the national level.

SHRI HASNAIN MASOODI: A law cannot be said to be just, reasonable and fair if it gives wide and unguided power to the investigating agencies to conduct an investigation because fairness, reasonableness and justice should be at every stage of investigation, trial and sentencing. Here, this Act gives some pre-trial powers to the investigating officer which are in the nature of punishment before the trial. Seizure of property can be done even before the trial commences or before the person is held guilty by the competent court but this Bill intends to give that power to the investigative officer. The Bill also gives powers to the Central Government to include any person in the Fourth Schedule and designate him as a terrorist.

SHRI N.K. PREMACHANDRAN: I rise to oppose the Unlawful Activities (Prevention) Amendment Bill, 2019 as this legislation is having every chance to be misused and abused and the innocent and individual people will be harassed. I also reasonably apprehend that this legislation will be misused against the political opponents. The arbitrary powers have been given in the hands of NIA, and thereby, the Government creates an atmosphere of fear and threat in the minds of

the people who do not subscribe to the political philosophy of the Government. We have a bitter experience of POTA and TADA. This UAPA Bill is intended to revive POTA in a different language that cannot be accepted in a refined and vibrant democracy. The Union Government and the Parliament has no legislative competence to legislate this matter because this matter comes under Entry 1 and Entry 2 of list II, that is the State List. Law and order and police is absolutely a State subject. So, the federal character of the Constitution is also being lost. If the Government believes that he or she is involved in terrorism, then he could be included in the category of terrorists. It is against the principles of natural justice.

SHRI M. BADRUDDIN AJMAL: I can say this much that not only me but also the entire nation is with the Government in uprooting terrorism. Every person involved in terrorist activities is a traitor. Now a days a person is being declared traitor even in petty cases of crime which is against the principle of justice. I would also like to urge the Government to control the increasing incidents of mob lynching.

THE MINISTER OF HOME AFFAIRS (SHRI AMIT SHAH) *replying said:* At the outset, I would like to thank all the hon. Members from the Treasury Benches and the Opposition Benches who have given their valuable opinions on this Bill. It stands to be my duty to try to remove the apprehensions of the hon. Members about this Bill, so that this Bill may be passed unanimously. The efforts

to make the law tougher to deal with terrorism are being questioned and suggestions are being rendered that laws are not able to contain the terrorist activities and hence the route of dialogue should be adopted. I totally disagree to this suggestion. Rather, I believe that this country needs much tougher laws in order to uproot the terrorism. At the same time, I would also like to state that it is not this Government but the erstwhile Congress Government which formulated this stringent law. At that time also, the formulation of this law was a good step in order to combat terrorism. Today, in its bid to bring ameliorative provisions in this law, this Bill brought by our Government is also a good step. Therefore, raising the issue of federal structure or the likes in the context of this Bill does not sound good. The entire House should unanimously express its solidarity in our fight against terrorism. Members from the opposition benches raised a question that there should not be a provision to declare a particular individual terrorist. In this regard, I would like to say that you should not take only the provisions of the Bill into account but also the way these provisions are likely to be implemented. The Bill has unambiguous provisions delineating situations in which a particular individual shall be declared a terrorist. If a person perpetrating or participating in terrorist activities, nourishing terrorism, providing finance for promoting terrorism and instilling the literature and philosophy of terrorism in the mind of the youth is declared a terrorist, then I believe that none of the Members should have any

objection on it. This Bill contains the provision for appeal also. In the case of a person being declared terrorist, he may approach the Government with an appeal and thereafter he may go to the review committee headed by the retired judge of the High Court, in case his appeal is rejected by the Government. He may move to the court also, if such an appeal is rejected by the review committee also. The provision to declare an individual terrorist has also been included in this Bill with a view to keeping a check on the setting up of terrorist outfits by changing their names. I am of the opinion that terrorism lies in the mind of the individual, not in the terrorist organisations. It is the group of individuals which constitute an organisation. If terrorism lies in the mind of a person, it cannot be checked just by putting a ban on the organisation. I believe that it is the primary responsibility of the Government to uproot terrorism and as such the provision to declare an individual as a terrorist was imperative to be included in the Bill. Such provisions already exist in other countries of the world. In addition to that, the procedure for declaring an individual terrorist has been carefully drafted so that it cannot be misused. The provisions dealing with the rights of seizure and attachment under Section 25 (1) do not go against the principles of cooperative federalism. An issue has been raised that assigning investigation rights to PI would lead to deterioration in the investigation process. In this regard, I would humbly like to say in this House that NIA is a special force equipped with specialised training. A

very well defined administrative hierarchy and review mechanism is already in place under the NIA. So, there are no possibilities of misuse or any deterioration in the investigation process if it is assigned to PI. So, our only objective is to facilitate speedy investigation and trial. If someone is not guilty, he must be acquitted and if he is guilty then he has to be kept behind the bar. Another issue was raised that accused persons are not produced before the court for a long period of time, which is not true. I would say that there is a provision that they have to be produced before a competent authority within 24 hours. The only change that has been made is related to remand period which has been extended from 14 days to 30 days because various dimensions are associated with the complex crime investigation cases taken up by the NIA. Burden of proof still lies with the NIA and we have not brought any amendment in this Bill on this issue. The responsibility of proving the guilt lies with the NIA. Anyone who pose danger to the unity and integrity of India or to the safety of the people by misusing the computer resources, the computers of such kind of people would be seized and will be analyzed. I assure that this Bill is only meant to end terrorism and it will never be misused. It was said that social activists should not be treated as terrorist or extremists. I would like to say that in this country a lot of people are working with dignity in the society. Police is not keen to catch them but we don't have any mercy for the people who are working for urban Maoism. We will act severely

against those who arm uneducated and poor people to serve their purpose. I would also like to say that whenever any Bill is brought in this House to combat terrorism then we should express our views cutting across the party lines. Moreover, it is the prime duty of the Government to provide strong legislation for the agencies which are engaged in the security of the people and the borders of this country so that they can combat terrorism effectively. So, keeping in view the urgency of such law, we have brought this Bill to eliminate terrorism. Lastly, I would also like to say that passing this Bill unanimously would also send a strong message across the country and the whole world particularly to the terrorist outfits. I would like to appeal all the Members to support this Bill and pass it unanimously.

The Bill was passed.

STATUTORY RESOLUTION

*Re: Disapproval of Banning of Unregulated Deposit Schemes Ordinance,
2019 (No. 7 of 2019) promulgated by the President on 21 February,
2019.*

And

THE BANNING OF UNREGULATED DEPOSIT SCHEMES BILL, 2019

SHRI ADHIR RANJAN CHOWDHURY *moved that* this House disapproves of the Banning of Unregulated Deposit Schemes Ordinance, 2019 (No. 7 of 2019) promulgated by the President on 21 February, 2019.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR) moving the motion for consideration of the Bill said: This Bill has been brought to prevent the grabbing of hard earned money of millions of poor and innocent people across the country through unregulated deposit schemes. However, this Bill was passed on 13th February, 2019 during the 16th Lok Sabha after having a comprehensive discussion in this regard. But due to the paucity of time, Rajya Sabha could not pass this Bill and then the tenure of 16th Lok Sabha came to an end. So, the Government of India had to promulgate an Ordinance in this regard. Now, once again, I have brought this subject before the House. Initially, I was of the opinion that there is no need of another round of discussion this time because comprehensive discussion had already taken place earlier. But I can very well understand that most of the new Members of 17th Lok Sabha would also like to express their views in this regard. The Government has brought a comprehensive Bill wherein foremost right would lie with the depositor. For this purpose, time limit has also been prescribed for taking action and authorities have also been designated. Similarly, power to frame rules has also

been conferred to the States. So, I would like to urge upon all the Members to participate in this discussion and give their suggestions accordingly and pass it unanimously.

SHRI ADHIR RANJAN CHOWDHURY *initiating said:* The hard earned money of crores of poor people across the country have been looted through unregulated deposit schemes. Thousands of people have committed suicide and are suffering from hunger. In West Bengal also, lakhs of people have suffered a lot due to these fraudulent activities against which we have been raising our voice time and again. So, strict action should be taken against these fraudulent activities. There are various types of complexities involved in the regulation mechanism of the non-banking sector. Therefore, there is an urgent need of central regulation for a seamless mechanism. Similarly, financial illiteracy is also one of the main shortcomings of the masses due to which various companies easily lure them and commit fraud with them. With regard to the magnitude of the deception or the fraudulent activities across the country, I wish to share the figures that in the past four years, 146 cases of this nature had been investigated by the CBI, 56 by the ED, 32 cases by the Ministry of Corporate Affairs and SFIO and 978 cases were referred to various investigating enforcement agencies by the State Coordination Committees. I am making two-three suggestions. To establish the fact that an inducement was made knowingly and with malicious intent by an individual, is a

tedious, nearly impossible task. There is every possibility that these loopholes may be used to unfairly frame innocent citizens who may have had incomplete knowledge and who were as much victims of the scheme as the depositors were. Section 31 of the Bill, which allows police officers to search without a warrant, has insufficient safeguards to prevent exploitation. This is a loophole that is open to exploitation. The authorization given to the Central Government to create a database of all deposit activities could raise questions about privacy and surveillance. This authorization is perhaps too premature and needs to be clarified. This Bill could adversely hit real estate developers and jewellers, who offer payments in installments, with up to 50 per cent discounts promised in monthly contribution. Real estate developers who offer fixed returns till possession come under "unregulated deposits". The Government should take stringent steps to instil confidence among the people and if needed, it can bring even a more stringent Bill than this. We will extend all our support to you.

SHRI S. C. UDASI: Despite increasing awareness and tightening regulations, investors continue to fall for the scheme promising high popping returns. In spite of having the Ordinance on this unregulated deposit scheme, what happened in the case of IMA company in Karnataka which lured so many poor people into depositing money. The company took the route of LLP which is not part of this Bill and because of this the provisions of the Ordinance could not take

effect and no action could be taken against them. It sought investments from the public and issued Limited Liability Partnerships to investors, thereby making them partners. It paid investors or partners 'dividends' every month. This is how they cheat the people. People invest in their companies in the name of dividend and lose huge sums of money. The LLP model allowed IMA to be excluded from the definition of deposit. So, this is my humble request to the hon. Minister that the LLP should be added in this Bill so that people are not cheated. There are 116 types of cryptocurrencies with a market capitalization of 120 billion US dollars all over the world. They are not legal tenders. Cryptocurrency is also another form of ponzy. Digitally you can be cheated and you can be lured. But the investor's investment should be protected. The Government should impose a blanket ban on cryptocurrencies or the Government should have regulated cryptocurrencies. With these words, I fully support the Bill.

SHRI KALYAN BANERJEE: Chit funds are operating in our country right from 1982. There are regulatory agencies. But unauthorized chit funds are also being run in our country. Why the regulatory agencies like Reserve Bank of India and SEBI did not act on them? Had they taken some action, we would not be facing this situation now. These chit funds were allowed to be run without having any licence. The Government should put a blanket ban on all chit funds. I have only one point to make in respect of the Bill. Law and order comes under the

Seventh Schedule, List II, Entry I. If any offence is committed, States have the power regarding that. The reference made by the competent authority under sub-Section 1 shall be deemed to be with the consent of the State Government. The Government is, therefore, interfering with the power of the states. I have another thing to say as to why the people are running for chit funds, ponzi funds etc. The ground reality is that everyday the Government is deducting the rate of interest. If the Government wants to stop it, it should give people higher rate of interest. I have heard so many things about Saradha and Rose Valley but why the trail has not commenced yet?

SHRI BELLANA CHANDRA SEKHAR: I would like to thank you for giving me an opportunity to deliver my maiden speech on this Bill. It is happening that in the hope of better returns for themselves and their families, the poor people find that the promoters of the company have vanished or their money has been unfairly diverted. In my state, the 'call money' racket was quite infamous where poor persons were given small amount of loans at extremely high interest rates on a daily, weekly and monthly basis. In case, the women were unable to repay the amount, they were exploited sexually. A similar type of case was that of 'Agrigold' scam. The poor people and middle class people were lured to invest with the promise of very high returns. However, on one fine day, the promoter of this company closed down the company. Apart from these two Vizianagaram, a

company called Indie-trade also did a similar fraud. Having seen all this from close quarters, I totally support this Bill. I also hope that this proposed Bill has adequate mechanisms by which the depositors can be repaid without delay by attaching the assets of the defaulting establishments. However, the Bill should also ensure that no hardship is caused to genuine businesses or to individuals borrowing money from their relatives or friends for personal reasons or to tide over a crisis.

SHRI SANJAY HARIBHAU JADHAV: Different companies in different States ran different schemes and looted the common people. The KBC company in Maharashtra lured a number of people, many out of whom have left this world. The owner of the company is enjoying his life in foreign country. Another company called Metrey duped several women in Maharashtra. I, therefore, request the hon. Minister that the money looted by these companies from poor people should be returned to them.

SHRI DNV SENTHILKUMAR S: While supporting the Bill, I would like to bring a few things to the notice of the hon. Minister of State for Finance. I would like to ask as to why people are being pushed towards these schemes. I would tell you that the banking sector has been imposing more fines on the savings accounts and for all the small transactions. Take the case of MGNREGA, after the sixth transaction, even in MNREGA account, the fee is debited from the savings account. I would like to bring this thing to notice of the Minister to take corrective

measures. The SBI, during 2016-17, collected the fine of Rs. 2,677 crore for not maintaining the minimum balance in accounts by the poor people. Before 2014, there was no fine for not maintaining minimum balance. I would like that these penalties for all the banks be regulated.

SHRI SUNIL KUMAR PINTU: The chit fund companies are engaged in depositing the money of the poor, labourers, shopkeepers etc. by luring them with higher rate of interest in the whole country. These companies after some time fly away with the money of such poor people. An stringent law should therefore be enacted to control such companies and the chit fund companies should be banned in the entire country. The Sardha Chit Fund Company and the Sahara India Company have looted the poor people in the country. I would request the hon. Minister to make a provision in this Bill to ensure that the shopkeepers and the labourers get small amount loans from the banks easily so that they are not trapped by such companies and money lenders.

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SNEHLATA SHRIVASTAVA
Secretary General

**Supplement covering rest of the proceedings is being issued separately.

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NOTE: It is the verbatim Debate of the Lok Sabha and not the Synopsis that should be considered authoritative.

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