

RAJYA SABHA

*SYNOPSIS OF DEBATE

(Proceedings other than Questions and Answers)

Tuesday, May 12, 2015/ Vaisakha 22, 1937 (Saka)

MATTERS RAISED WITH THE PERMISSION OF THE CHAIR

1. Curtailing of Funds in Most of the Art and Cultural Institutions

PROF. JOGEN CHOWDHURY: The allocation of funds made by the Government in this year's Budget for various existing major national art and cultural institutions is ridiculously low. Such low allocation of funds will not only discourage the institutions, but make them crippled and inactive. In fact, art and culture also attracts tourists and tourism brings money to the exchequer. So, we need to have a very thoughtful visionary plan. Furthermore, art and culture-oriented societies will make us better human beings and help solve various social problems we are facing at present in India.

(Shri K.K. Ragesh, Shri Md. Nadimul Haque, Shrimati Jaya Bachchan and Shri Vivek Gupta associated themselves.)

2. Incident of Alleged Burning Alive of Dalit Family in Nagaur in Rajasthan

SHRI NARENDRA KUMAR KASHYAP: This incident took place in Baswani village of Nagaur district of Rajasthan. When dalit Babulal Meghwal's family was sleeping in their hut, it was set

*This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.

on fire by their neighbours. Their hut was burnt completely. Babulal Meghwal's mother died on the spot in this incident whereas his son, Harendra is seriously injured.

GOVERNMENT BILLS

The Constitution (One Hundred and Twenty-second Amendment) Bill, 2014

THE MINISTER OF FINANCE, THE MINISTER OF CORPORATE AFFAIRS AND THE MINISTER OF INFORMATION AND BROADCASTING (SHRI ARUN JAITLEY): I move that the Bill further to amend the Constitution of India, as passed by Lok Sabha, be referred to a Select Committee of the Rajya Sabha consisting of the following Members:-

1. Shri Bhupender Yadav
2. Dr. Chandan Mitra
3. Shri Ajay Sancheti
4. Shri Madhusudan Mistry .
5. Shri Mani Shankar Aiyar
6. Dr. Bhalchandra Mungekar
7. Shri Naresh Agrawal
8. Shri K.C. Tyagi
9. Shri Derek O'Brien
10. Shri A. Navaneethakrishnan
11. Shri Satish Chandra Misra
12. Shri K.N. Balagopal
13. Shri Dilip Kumar Tirkey

14. Shri C.M. Ramesh
15. Shri Praful Patel
16. Shrimati Kanimozhi
17. Shri Anil Desai
18. Shri Naresh Gujral
19. Mir Mohammad Fayaz
20. Shri D. Raja
21. Shri Rajeev Chandrasekhar

with instructions to report to the Rajya Sabha by the last day of the first week of the next Session.

Motion for reference of the Bill to a Select Committee was adopted.

THE COMPANIES (AMENDMENT) BILL, 2014

THE MINISTER OF FINANCE, THE MINISTER OF CORPORATE AFFAIRS AND THE MINISTER OF INFORMATION AND BROADCASTING (SHRI ARUN JAITLEY), moving the motion for consideration of the Bill, said: This bill has been brought to remove some shortcomings in the existing act. For that purpose we need to insert some amendments in it. The requirement for minimum paid up share capital is being omitted. Accepting deposits contrary to law was an offence, but no punishment was provided in the act. So, we are providing a punishment by correcting that error. Present strict bail provisions have been diluted. Out of all amendments some are procedural and some are substantive. This is an effort to make this act more useful. *(Speech unfinished)*

Discussion not commenced.

STATEMENT BY THE MINISTER

Certain Allegations Against the Minister of Road Transport and Highways and the Minister of Shipping Made by Some Members in the Context of a CAG Report Laid on the Table of the Rajya Sabha on the 30th of April, 2015

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS AND THE MINISTER OF SHIPPING (SHRI NITIN JAIRAM GADKARI): Some hon'ble members have leveled certain allegations of wrong doing against me in the context of a CAG report tabled in the house few days ago. The CAG report before the house is an audit of procedures followed by Indian Renewable Energy Development Agency (IREDA) on loans disbursed to 29 companies, which were settled through One Time Settlement (OTS) process. The audit does not conclude any issue of miss-utilization/misappropriation, fraudulent or corrupt practices. The specific issue raised in the house pertains to a 13 years old loan disbursed to the Purti Sakhar Karkhana Ltd. (PSKL) with which I was associated as chairman from 2000 to 2011. The loan was disbursed by the IREDA and OTS was concluded in 2008-2009 as per the legitimate OTS norms, when the UPA government was in power. It is also important to mention, at that time I was neither a MP nor held any Public Office in Government of India. I resigned as Chairman in 2011 and since then I am no longer associated with it.

Although it is for IREDA to answer all the queries raised by CAG, but, because the allegations made by the hon'ble members against me and the PSKL pertain to the period 2008-2009, I wish to put the records straight. I have obtained all the relevant details from the PSKL which I would like to share with the august house.

All the companies have settled the loan through a legitimate process of one-time settlement which is made use of by financial institutions as a legitimate commercial tool to conduct the business of banking/finance.

This is not about any fraudulent practice by any of the loan receivers, definitely not by PSKL, as all the cases involved settlement of the loan amount through an OTS process.

The Audit report alleges lapses / irregularities in procedures followed by IREDA, which were explained in detailed by IREDA.

PSKL has not committed any misappropriation nor has it misrepresented any facts before IREDA. The Audit Report does not allege any such conduct.

PSKL has settled the loan amount by repaying the full principal and major part of the interest, amounting to 84.81% of the total outstanding and is far better placed than other companies.

The principal amount of the loan was Rs.46.63 crores and it is clear that the full principal and major part of the interest was repaid back to IREDA. As a percentage of the total outstanding, PSKL repaid 84.81%, compared to an average recovery of 46.75% outstanding amount. This clearly shows the efforts made by PSKL to do honest business transactions with IREDA.

The low recoveries are clearly evident, to the extent that out of 29 cases not a single rupee of interest has been recovered in 18 cases and in 9 cases even the principal was not recovered. This comparison reveals that the recovery percentage of the total outstanding was among the highest in the case of PSKL.

The response of IREDA to the Audit report is also part of the Audit report. The response clearly mentioned that IREDA is already following its lending policy and deviations are considered wherever required. IREDA has not fully agreed with the CAG observations.

PSKL confirms that it complied with all requirements as per established guidelines and procedures defined by IREDA. PSKL has always followed rules and procedures governing the business in letter and spirit and has never indulged in any unlawful practices.

Before I conclude, I would like to make a few submissions. I wish to clarify that the CAG report has nowhere named me as a wrong doer nor there is any adverse comment against me. There is neither

any indictment nor any charge of corruption or misappropriation against me or the PSKL. The CAG report is deliberately being misinterpreted for political reasons. My respectful submission before this august house is that let us follow the established procedure in the matter of CAG reports and if any wrong doing is established by the PAC, which will be discussing the CAG report in due course of time, the law should take its own course.

The hon'ble Minister, responding to the points raised by the Members, said: This project was an integrated project, that is why cooperative banks gave loan to it. The factory, which was situated in Bhandra District, had been started for catering the interest of farmers. The CAG said that why did not I deposit money to my account? I submitted my reply to the IREDA. The IREDA is meant for Green Power. We have taken loan for Green Power. We have not committed any financial irregularities. I had returned the IREDA's money. I had not taken any subsidy. The subsidy given in my name was received by the IREDA. I am the only political leader of India who has made up capital of Rs. 4,000 crores in the market. At the time when the CAG submitted its report, the UPA Government was in power and no enquiry was set up against me. Only my company had returned the maximum amount to the IREDA. I have no connection with anybody and Department of Income Tax has given me a NOC also in this regard. I am ready for any kind of inquiry.

SHUMSHER K. SHERIFF,
Secretary-General.

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