

RAJYA SABHA

***SYNOPSIS OF DEBATE**

(Proceedings other than Questions and Answers)

Thursday, November 28, 2019 / Agrahayana 07, 1941 (Saka)

**Felicitations to Scientists, Engineers and Technicians of I.S.R.O.
for Successful Launch of Cartosat-3 on 27th November, 2019**

MR. CHAIRMAN: Hon. Members, as you might be aware, the Indian Space Research Organisation (ISRO) has successfully launched the CARTOSAT-3, a third-generation earth observation satellite, along with 13 nano satellites of the United States of America into space using PSLV - C47 from the Satish Dhawan Space Centre at Sriharikota in Andhra Pradesh on the 27th of November, 2019. CARTOSAT-3 will augment India's capability in high resolution imaging and will be used for urban planning, rural resource and infrastructure development and monitoring of coastal land use, etc. This has added yet another precious milestone in the success story of ISRO. On behalf of the House and on my own behalf, I congratulate the scientists, engineers and the technicians of ISRO, who were associated with this project and do hope that they will continue to scale greater heights and make the country proud of their achievements. We wish them all success for their future endeavours.

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

MATTERS RAISED WITH THE PERMISSION OF THE CHAIR

1. Concern over English as Medium of Instruction in Andhra Pradesh Schools

***SHRI G.V.L. NARASIMHA RAO:** Recently, the Government of Andhra Pradesh has issued a directive to introduce English medium in all Government schools of Andhra Pradesh up to class VI. I humbly request the Government of Andhra Pradesh to reconsider the decision to introduce English as the medium of instruction till Class VI in Government schools. Telugu is one of the classical languages of the country and it is a prominent language among South Indian Languages. It is also a widely spoken language. It is not true that one who studies in Telugu Medium cannot gain mastery over English Language. Be it Dr Abdul Kalam or Mr. Narayana Murthy, co-founder of Infosys, all of them achieved success though they studied in their respective mother tongue. I studied in Telugu medium school till Class XI. I once again request the Government of Andhra Pradesh to reconsider their decision to introduce English as medium of instruction in Government schools. I also request the Central Government to issue guidelines to the States that the medium of instruction in the State Government schools should be in respective regional languages.

***SHRI KANAKAMEDALA RAVINDRA KUMAR:** Andhra Pradesh was the first State to be formed on linguistic basis. The Government of Andhra Pradesh issued Government Order (GO) introducing English as the medium of instruction up to primary level in all the Government Schools. Because of this decision by the Andhra Pradesh Government, there is a threat to Telugu Language and it might be extinct. If Telugu language becomes extinct, all its works of Literature, arts and culture contributed by many eminent poets, scholars and artists over a period of decades, will be eroded

* Spoke in Telugu.

and development will hamper. I request the Central Government to direct the State Government to amend the Government Order (GO) issued by the State Government.

(Shri C.M. Ramesh associated.)

2. Problems of Workers in Public Sector

SHRI SANJAY SINGH: Today, a crisis has arisen over millions of employees as they are losing their jobs. All the companies which the government has planned to disinvest, are public sector companies. The companies, which are strengthening the economy of the country should not be sold.

3. Issues Relating to Mid-Day Meals Served in Schools

SHRIMATI VIPLOVE THAKUR: Mid day Meal was started so that children can get nutritious food and it would give relief to dropouts. But, now the time has come that it must be reviewed whether children are getting nutritious food and whether meals are reaching to right place or not. I would like to draw the attention of the Government towards this.

4. Need to Construct a Ropeway in Similipal Tiger Reserve in Odisha and Development of Tourism

SHRIMATI SAROJINI HEMBRAM: I want to draw the attention to the construction of ropeways in Similipal Tiger Reserve and for the development of tourism there. Similipal in Mayurbhanj district of Odisha is rich in natural wealth. The Wildlife Sanctuary has a tiger reserve and elephant reserve. The Government of Odisha declared Similipal as a Wildlife Sanctuary in 1979. It is not possible to make all-weather road here. That is why, along with tourism, youth can get employment opportunities. I request the government to conduct survey for the construction of ropeway in Similipal Tiger Reserve and development of tourism there.

(Shri Bhaskar Rao Nekkanti, Dr. Sasmit Patra and Dr. Amar Patnaik associated)

5. Need to Allocate Funds to Murshidabad Campus of Aligarh Muslim University

SHRI AHAMED HASSAN: A picture of the miserable condition of Muslims in India was revealed. The government had decided that several steps would be taken to improve the condition of education of minorities. One of them was that a full-fledged campus of Aligarh University would be built in four minorities dominated districts in different states of the country, which would further raise the standard of education of Muslims in that state. The West Bengal government accepted the request of the Central Government and gave nearly one thousand bighas of land in AHIRAN, Murshidabad for free. Murshidabad Campus from the beginning, has become a sick educational institution. Students are studying, in a pathetic condition. There is no building or full-fledged hostels. For nearly two years, there was no allocation of money for university. It is to be mentioned that AMU centres are open for students of every community. Centres are also in pathetic condition. It seems, the present Government has lost all interest for these AMU campuses.

(Several hon'ble Members associated.)

6. Need to Open a Copra Procurement Centre at Coimbatore and to Enhance MSP For Copra

***SHRI A. K. SELVARAJ:** Procurement Centre for copra has to be established at Mettupalayam, Coimbatore District. Thirteen lakh coconut trees were planted in 7500 hectares of land by six Panchayat Unions in Coimbatore and Erode Districts. It will yield 20,00,000 metric tonnes of copra. This copra has to be transported to a procurement centre which is 80 kilometres away. Therefore, the farmers have to spend more for transportation. I request the Government to set up a Procurement Centre by National Agricultural Cooperative Marketing Federation (NAFED) at Mettupalayam, Coimbatore. I request the Central Government that a Procurement Centre and a Dry Processing Centre for copra should be set up at

* Spoke in Tamil.

Mettupalayam, Coimbatore and the procurement cost per kilogram of copra has to be increased to Rs.120.

(Shri N. Chandrasegharan associated.)

7. Need for Grant-in-Aid of Rs.1000 Crores for Mega Textile Park at Warangal in Telangana

***DR. BANDA PRAKASH :** Hon'ble Chief Minister of Telangana laid foundation stone for Kakatiya Mega Textile Park at Warrangal on 22nd October, 2017. Two thousand acres of land was allotted for this Mega Textile Park. I request the Government of India to sanction Rs.1,000 crores for mega textile park at Warangal. This will be a great help for the people of Warrangal. During the rule of the Nizam, Azam Jahi Mills was established at Warrangal in 1936. Cotton was not grown in Warangal. In 2001, all the textile mills in Telangana region were closed. Now, the situation has changed. Cotton is cultivated around Warangal and it has become one of the main crops. I request the Central Government to sanction the amount, because this will encourage industries in Warangal and development in surrounding regions too. Warangal will become industrial hub too and will generate more jobs.

(Shri Joginipally Santosh Kumar and Shri B. Lingaiah Yadav associated.)

8. Request to Withdraw CIBIL Score Requirement for Loans to Farmers

SHRI V. VIJAYASAI REDDY: Agricultural lending to agricultural sector is a critical input for our farming community. Unless the public sector banks extend the loans to farmers liberally, it will not be possible to make the farming economically viable. Public sector banks were the front-runners among the financial institutions in giving credit to farmers. The private sector lenders are hesitant to transact with farmers. If they lend, they lend at a higher rate of

* Spoke in Telugu.

interest. The Reserve Bank of India has recently issued the guidelines which make the verification of CIBIL scoring mandatory for farm loans. This decision of the RBI has had the effect of many banks rejecting the agricultural loans citing the low credit worthiness as per the transactions recorded on CIBIL. Therefore, instead of helping the farmers, the regulation is working against the interests of the farmers. I humbly request the hon. Finance Minister that the mandatory requirement of CIBIL score should be done away with and the banks should give loans to the farmers liberally based on the trust.

(Shri A. Navaneethkrishnan associated)

9. Need to Enhance Upper Income Limit for SC/ST Student Scholarship

SHRI K. SOMAPRASAD: There are several schemes and projects for the upliftment of SC/ST people and tribal people in India. One of the colourful schemes is the financial assistance to the students in the form of stipends, lumpsum grant and scholarship. The Central Government has introduced a prematric scholarship scheme, for the students who are studying in 9th and 10th standards. But the eligibility criteria is that the annual income of the parents should be less than Rs. 2.5 lakhs per year. This income criteria is an injustice. The upper income limit for the benefit for the non-creamy layer backward class communities and the economically weaker sections is Rs. 8 lakhs per year. I request the Government that steps may be taken to issue scholarship to all SC/ST students without considering the family income. It is requested that the minimum amount may be fixed as Rs. 1,000 per year.

(Several hon'ble Members associated.)

10. Revival of the Brahmaputra Valley Fertilizer Company Ltd.

SHRI BIRENDRA PRASAD BAISHYA: Brahmaputra Valley Fertilizer Corporation is the only fertilizer company of Assam, North-Eastern Region and Eastern India including Bihar. As a part of Hindustan Fertilizer Corporation, they played a very important role in our agricultural revolution and in growing tea industry in Assam and

Eastern India. The expansion of the Brahmaputra Valley Fertilizer Corporation, is the call of the hour. Everything is ready and all resources are there. Many Fertilizer Ministers visited the Namrup and assured of expanding the unit but nothing has yet been done. Marketing is not a problem. Sixty per cent of the products of this industry would be consumed by the North-Eastern Region. The other 40 per cent could be easily sent to South-East Asia and to Myanmar. So, in the interest of the North-Eastern Region, I would request the Government to do the needful and expand this plan soon.

(Shri Ripun Bora, Lt. Gen. (Dr.) D.P. Vats (Retd.), Shrimati Kanta Kardam and Shri Kamakhya Prasad Tasa associated.)

11. Issues Related to Unclaimed Amount in the Employees Provident Fund Accounts

SHRI AHMAD ASHFAQUE KARIM: The unclaimed amount in the Employees Provident Fund (EPF) till the year 2015-16 was Rs. 55 thousand crores. I would like to know from the Government as to how much this amount is till the year 2018-19? This amount belongs to the employees. It should be remitted into accounts of the concerned labourers and employees. The money and penalty received against the employee should also go to his account. I request the Government that employees should get the money.

(Several hon'ble Members associated.)

12. Release of the Parliamentary Calendar for A Particular Year at the Beginning of the Year

DR. NARENDRA JADHAV: In all major democracies of the world, the parliamentary calendar is always released at the beginning of the year. Consideration should be given to releasing the Indian Parliament's calendar at the beginning of the year, with strict adherence to the schedule. Other than the date of Budget, we do not know when the sessions are going to be held. Our Constitution envisages a strict separation of powers between the Executive, the Judiciary and the Parliament. In India, the dates of the Session are decided by the Executive. Consideration may be given in our country

also to entrusting the responsibility of formulating the annual calendar of events of the Parliament to the Speaker of Lok Sabha and to the Chairman of Rajya Sabha.

(Shrimati Jaya Bachchan, Shri Sasmit Patra and Shri K.G. Kenye associated.)

13. Need to Increase Teledensity in Odisha

‡DR. AMAR PATNAIK: (Spoke in Oriya).

14. Need to Ensure Child Safety by Prohibiting Pornographic Images on the Internet

SHRIMATI VIJILA SATHYANANTH: Last week, a 16-year-old girl, a tribal girl, in the western district of Dharmapuri was raped by two boys. A 14-year-old girl was subject to repeated sexual assault by a minor boy. Every day, when we see newspapers, rape cases of minor children are reported. The National Commission for Protection of Child Rights has received 5,951 complaints about child abuses in the last three years. The WHO estimates that globally, up to one billion children aged 2 to 17 years old have experienced physical assaults. Porn makes up for 30 per cent of the total data transferred across the internet. That is why it is very unsafe for the children who are using smart phones to play online games. Children, as young as 8 to 9 years, are coming across sexually explicit material on the internet and in the other media. I want to plead to the Government to stop this nonsense and completely ban these things on the internet and social media to save our children.

(Several hon'ble Members associated.)

THE MINISTER OF WOMEN AND CHILD DEVELOPMENT AND THE MINISTER OF TEXTILES (SHRIMATI SMRITI ZUBIN IRANI), responding to the matter, said: My request, to each Member of Parliament and to each District official to report about such things, and it is also my endeavour to get

‡ Synopsis of speech delivered by hon'ble Member in Oriya will be published separately as supplement.

their support so that such content is taken down immediately. Till now, 377 websites have been alerted. Fifty FIRs have been filed. I would like to inform that 1098 is the child line number that we can encourage children in our constituency to call on.

15. Concern over the Functioning of LIC

SHRI DIGVIJAYA SINGH: LIC is a ray of hope for crores of policy holders in the country. Most of the poor and middle class families buy LIC policy from their savings. Today it has reserves of more than about 11 lakh crore rupees. The reserves of Public Sectors and RBI are being procured in order to improve the economy of the country. The investment of LIC policy holders should also be taken care of. The situation today is that mistrust is increasing. Number of policy holders is declining due to mistrust. Today, the number of policy holders has declined from 33 crore to 29 crore. The number of policy agents has come down from 13 lakhs to 11 lakhs. Prior to 2014, where the endowment policy holders used to get Rs 78 per thousand, this amount has come down to Rs 51 per thousand. Earlier life policy holders' bonus was Rs 102 per thousand, but it has reduced to Rs 72 per thousand. The interest rate on the loan was also increased from nine percent to ten and a half percent. If there is a delay in paying the policy premium, then GST is imposed.

16. Need to Hold Direct Elections in the Regional Councils and District Panchayats

DR. ASHOK BAJPAI: For the last few years, indirect elections of local bodies are being conducted. Indirect elections are not compatible with the sanctity of democracy. The 73rd and 74th amendments to the Constitution were done more than 32 years ago. It is now necessary to think again in this matter. If the elections of the Regional Panchayats are held directly, the elected representative will be accountable to the regional public. Therefore, 73rd and 74th amendments of the Constitution should be amended again and the people should participate directly in the elections of local bodies.

(Several hon'ble Members associated.)

17. Development of A New Fishing Harbor in Kanyakumari

SHRI A. VIJAYAKUMAR: My submission is regarding the development of new fishing harbour in Kanyakumari district of Tamil Nadu. Approximately 2 lakh fishermen are living in Kanyakumari. It is having nearly 1850 vessels. There are four fishing harbours in Kanyakumari District. A large number of deep sea fishing boats are operating from Kanyakumari district and the existing fishing harbours in the district are not sufficient. We have proposed to develop three new fishing harbours. I urge upon the Government to sanction an amount of Rs. 200 crores each for the new harbours in our district. I also request the Government to permanently establish a Regional Coast Guard Office at Colachel to search the missing fishermen and their boats during the emergency.

18. Need to Provide Medical and Legal Facilities to the Indian Detainees in Foreign Countries

SHRI P.L. PUNIA: Millions of Indian citizens are working abroad. Some of them are also accused of living illegally. When the local administration and the government take action against foreigners living illegally, many Indians also came into their hold and they are kept in detention centers. I request that the Government should look into the matter to provide medical facilities for Indians detained in detention centers abroad and also provide legal assistance and air tickets etc. to bring them to India. Along with this, strong action should also be taken against agents who send people abroad illegally by charging lakhs of rupees.

(Shri Shamsher Singh Dullo, Shri Mohd. Ali Khan and Shri Sanjay Singh associated.)

19. Shortage of Faculties in Universities

SHRI RAKESH SINHA: I want to draw the Government's attention to higher education. In the universities where there were 13,67,735 teachers earlier, that number has come down to 12,84,555 in five years. Universities are short of 6,600 professors. This situation of higher education needs to be changed. The new education policy

states that the demographic dividend in the next 20 years will end. Therefore, as soon as possible, we should fill the positions of Professors, Associate Professors, Assistant Professors in and outside the States. My appeal to the government is that steps should be taken in this direction.

(Shri Lal Sinh Vadodia associated.)

20. Need for a New Railway Line Parallel to the National Highway Connecting Vijayawada and Hyderabad

DR. K.V.P. RAMACHANDRA RAO: There is an urgent need to lay a new railway line between Vijayawada and Hyderabad along the existing national highway. This is badly needed for the development of the area. Hence, I urge upon the Government to look into this matter and take all necessary steps to lay a new railway line between Vijayawada and Hyderabad.

21. Need for Guidelines for Free Speech on Social Media

PROF. M.V. RAJEEV GOWDA: I wish to draw attention to the censoring of user-generated content by internet intermediaries. There is a structural problem out there with unregulated internet platforms and they need to bring in some guidelines so that we have a clear sense of what is allowed and what is not. These sorts of violations have been going on for some time. Numerous internet shutdowns have been taking place. There has been one report which says that the Indian Government sends the most number of takedown requests to variety of internet intermediaries. We want to know from the Government on what basis these takedowns are taking place. Section 69 of the I.T. Act is being used indiscriminately. So, I urge the Government to frame guidelines in this regard.

(Dr. Ameer Yajnik, Shri Narain Dass Gupta and Prof. Manoj Kumar Jha associated.)

SUPPLEMENTARY DEMANDS FOR GRANTS, 2019-20

THE MINISTER OF FINANCE AND THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): I lay on the Table, a statement showing the Supplementary Demands for Grants, 2019-20 (November, 2019).

CALLING ATTENTION TO THE MATTER OF URGENT PUBLIC IMPORTANCE

Reported Use of Spyware Pegasus to Compromise Phone Data of Some Persons through WhatsApp

SHRI DIGVIJAYA SINGH: I call the attention of the Hon. Minister of Electronics and Information Technology to the reported use of spyware Pegasus to compromise phone data of some persons through WhatsApp.

THE MINISTER OF LAW AND JUSTICE, THE MINISTER OF COMMUNICATIONS AND THE MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD): I rise to make a statement on reported use of spyware Pegasus to compromise phone data of some persons through Whatsapp. Hon'ble Member of Parliament Shri Digvijay Singh has given notice regarding calling attention motion that seeks to draw attention to this subject.

On 31st Oct., 2019, there was news in Indian media reporting breach of data of few Indians via WhatsApp through a spyware named Pegasus developed and marketed by an Israel based company namely NSO. The news also reported about a lawsuit filed by WhatsApp on 31st October, 2019 in a Court at California, USA alleging that the Israeli NSO Group had targeted some 1,400 WhatsApp users globally with this spyware and had violated US and California laws as well as WhatsApp's terms-of-service. The news report conveyed that more than 100 persons in India might have been affected by this Spyware. It has also been alleged by WhatsApp in their submission filed before

the Court that the NSO group has sold Pegasus spyware to government and private agencies.

In this matter, Ministry of Electronics & Information Technology (MeitY) took cognizance of the news reports and sought a report from the WhatsApp through an email sent to them on 1st November and seeking WhatsApp response by 4th November. WhatsApp sent a mail on 2nd November 2019 communicating the aspects relating to exploitation of a vulnerability in their platform by a spyware called Pegasus, developed by Israeli agency named NSO. As per WhatsApp, they had communicated this vulnerability to CERT-In on 20th May, 2019 after it was detected and fixed in mid May 2019.

According to WhatsApp, during April-May 2019, NSO used WhatsApp servers, located in the United States and elsewhere, to send malware to approximately 1,400 mobile phones users globally. It has been alleged that spyware was designed to intercept and extract information and communications from mobile phones and devices. As per WhatsApp, Pegasus was designed to be installed remotely on mobile devices using the Android, iOS, and BlackBerry operating systems. The NSO/Pegasus exploited vulnerabilities in operating systems and applications and used other malware delivery methods, like spear phishing messages containing links to malicious code. According to media reports Pegasus could be surreptitiously installed on a victim's phone without the victim taking any action.

Response by Ministry of Electronics and IT and CERT-In:

CERT-In published a vulnerability note (CIVN-2019-0080) on May 17, 2019 regarding buffer overflow vulnerability in WhatsApp based on its vulnerability tracking process. A vulnerability note was published on the Common Vulnerabilities and Exposures (CVE) Database in USA on May 14, 2019 based on WhatsApp reporting to CVE.

On May 20, 2019 WhatsApp reported an incident to CERT-In wherein it mentioned that WhatsApp identified and promptly fixed a vulnerability that could enable an attacker to insert and execute code on mobile devices and that the vulnerability can no longer be

exploited to carry out attack. As CERT-In had already issued the vulnerability note, no further action was deemed warranted.

During high level engagements like meeting of CEO Mr. Will Cathcart and VP Policy Mr. Nick Clegg of WhatsApp that took place with the Ministry on 26th July, 2019 and 11th September, 2019, no mention was made by the high level WhatsApp team regarding this vulnerability.

On September 5, 2019 WhatsApp wrote to CERT-In providing update to the security incident reported in May 2019 and stated that while the full extent of this attack may never be known, WhatsApp continues to review the available information. It also mentioned that based on WhatsApp log data available WhatsApp believed that the attackers may have attempted to reach the devices of approximately one hundred and twenty one users in India.

Based on news and information in media about this breach, CERT-In sought submission of information from WhatsApp on November 9, 2019, including a need to conduct an audit and inspection of WhatsApp's security systems and processes. The response from WhatsApp was received on November 18, 2019 and further clarifications and technical details have been sought on 26th November, 2019. CERT-In has also sent a notice to NSO Group on 26th November, 2019 seeking details about the malware and its impact on Indian users.

As per media reports dated 20th November, 2019 WhatsApp has regretted that they did not meet the government's expectations on pro active engagement in this sensitive issue related to user privacy and security.

The government is committed to ensure safety and security of messaging on platforms like WhatsApp and others. There are adequate provisions in the Information Technology Act and relevant rules and regulations, which give power and authority to do so. Work is also in progress to strengthen the Information Technology (Intermediaries Guidelines) Rules 2011.

The Government is very clear that India's digital ecosystem and digital economy is growing and has great promise. The government's efforts shall always be to make India's digital economy worth \$ 1 trillion in coming few years. Digital players both Indian and foreign are welcome to contribute in the growing digital market but they need to acknowledge and understand that safety and security of Indians is indeed of prime importance. They must erect appropriate security walls to ensure this. Failing which appropriate action as permissible in law will be taken.

The hon'ble Minister, replying to the points raised by the members, said: I am grateful for a very enlightened debate that has happened on the whole issue. I will try my best to reply to all the questions raised. But, first, let me give a brief background to the whole issue. And the whole issue is that we live in a digital world. In this world, information and communication are power. Today, digital payment, digital delivery of services, digital skilling, digital literacy, digital governance are all becoming very important segment of our growths. Our UPI, today, is a global phenomenon; success of Aadhaar is now a global phenomenon. Therefore, it is digital ecosystem and Digital India talks of digital inclusion, bridging the digital divide in digital haves and digital have-nots. The digital ecosystem of India has done facilitation, empowerment and inclusion. Technology facilitates, technology empowers and technology also develops by it. Let us take the case of privacy which many Members have raised. The Supreme Court has upheld privacy as a fundamental right. But the Supreme Court has also stated that a terrorist has no right to privacy; and the Supreme Court in the same judgment has also stated that a corrupt person has no right to privacy. Therefore, that is our Government's commitment to the freedom of speech and expression on social media. Technology has brought empowerment. We need to understand that. But while technology creates opportunity, technology also creates challenges, and this privacy was the first challenge which the Supreme Court has already held. But, one thing we all need to understand. We all work under the overarching system of our Constitution where fundamental right freedoms are there, but, it is also subject to reasonable restrictions. Article 19(2) to (6) clearly

says that in the interest of sovereignty and integrity of India, public order, friendly relations with foreign country, these can be reasonably controlled. The IT Act and the Telegraph Act clearly contains a provision that in the interest of sovereignty and integrity of India, intercepts can be made of people, including their computer resource, but, this has to be authorized. We will do this for the protection of India, because it is in the national interest and we will also respect the rights of the people of the country. There were a lot of questions on the data protection law. It is a work in progress. We shall very soon be bringing it in Parliament. There is going to be a proper balancing of privacy and protection also. India will never compromise on its data sovereignty. When there were incidents of mob lynching, we told them clearly what it is that millions of messages are circulated on the same subject, on the same day, in the same area. Their reply was that their message is encrypted. On our request and our pressure, they said that not more than five messages will circulate now. We don't want to breach their encryption. But as far as any specific case of serious breach of law and order leading to mayhem and violence is concerned, they will have to share the origin of that message. While all this was going on, the subject of vulnerability came up in May. Two big officials of the Watts app, International Vice-President and CEO, came to meet us. They said that they will address vulnerability. We should believe that they have addressed vulnerability. It is a coincidence that when the Government of India is pressing for traceability of offensive messages, America, Australia and England are joining that battle. Then suddenly a case is filed. We have not been given any name till date. We have given notice to CERT-In and sent a notice to them again. They have expressed their regret. We have said that we will audit your entire processes. We have also sent a notice to the NSO. A fight is going on in the US between The NSO and Whats App. It is their private battle where coincidentally names have come, including some of Indians. The I.T. Act has provision in which anyone can complain if he want. Which has a fine of five lakh and a provision of three years' imprisonment. Not even a single FIR has been filed till date. No complaint is made in the IT Ministry till date by anyone. But suddenly we find that the names come in the media

and thereafter it becomes a political issue. WhatsApp has not given us 121 names yet. Our view is very clear that whoever has a complaint, should file a case. The Government of India will help in that inquiry. But Government should not be involved into any phishing inquiry. Facebook and Twitter are very active in India and hence their people come here. We have given them all instructions regarding safety. We should also worry about the security forces who die for the country. Our Prime Minister has played a big role in making the whole world aware of cyber war. Every department is being provided cyber training. For this, we need to activate the state government more. Today there are about 25 thousand start-ups in India, 24 of them are Unicorn. Sir, our department has started an incentive that whoever comes up with a new solution for cyber security will be given one crore rupees. I want to assure this House that we are committed to the privacy and digital security of the people of India. The security agencies responsible for all these, follow-up of terrorist attacks, etc., follow a particular procedure. If it is in violation of that, we take strict action. I would like to say that any violation of the established procedure is actionable in law.

GOVERNMENT BILL

The Chit Funds (Amendment) Bill, 2019 - *Contd.*

SHRI AMAR SHANKAR SABLE: The public has expressed their confidence by supporting the Modi government with huge votes. I support the Chit Fund (Amendment) Bill, 2019. People have been cheated by chit funds in the country for long time. Chit means a promissory note, memorandum or short official note. In this scheme, each member receives the collected amount by lottery or by auction or at his turn. This chit fund has created thugs everywhere. Due to these companies, many people cheated in various states of the country have also committed suicide. In my home state Maharashtra, a person named Bhausahab Chavan has defrauded 10 thousand crores rupees through chit fund. Today his entire family is abroad. People's money is lost, now people can do nothing. In Maharashtra,

Pune there were 'Sai Prasad' and Mahesh Motivar's 'Samruddhi Jeevan' chit fund scheme. Many people were also duped through these schemes. There are many such companies but these people are missed many times because they do not get the necessary stringent punishment. chit fund is considered as permission to cheat. Maharashtra has received complaints of more than 180 financial scams related to chit funds, while the Economic Offenses Wing has registered only two cases. Legal action should be taken against chit fund companies as soon as possible. This amendment has been brought at the right time. I would like to say that there is a need to make the public aware so that they can properly understand the difference between legitimate and bogus schemes.

PROF. MANOJ KUMAR JHA: Poor people also want to be resourceful. Such people are easily implicated in such chit funds. We have legalized it in a way. Most of the lower-middle income people of Patna deposited money in a company. Till date, company people have not been caught. There is an anomaly in this Bill. There is 13 (i) in the original Bill, when you bring its amendment, there is 25,000 and here it is one lakh. Which one is right. Chit funders have learned a lot from us. They have come to know that nobody can harm them even if they do not fulfil their promises.

SHRI KUMAR KETKAR: Millions of people, not only uneducated poor but urban educated people also are still opting this Chit fund despite knowing that it is a fraud. Psychology of Kaun Banega Crorepati is working behind this because there is poverty in the society. It shows that our total economic system is failure. Demonetization has severely affected our society. The present economic policies are responsible for this fascination for chit funds. It is the Robber Baron capitalism that is playing havoc with our economy and our people. To control this Robber Baron capitalism, we have to understand the capitalism itself because capitalism has failed to deliver, and Robber Baron capitalism has taken over and this Robber Baron capitalism means chit funds. After the banks were nationalised, the moneylenders were the most unhappy people. Banks were nationalised and loan was available for the small business

persons at four per cent rate of interest. Today thanks to the reckless liberalization, that moneylender is very happy because moneylender is also partly replaced by the chit fund operators. And, for those poor people, who want to become rich quickly, chit funds provide a perfect opportunity. If our PSUs are getting sold, that also means that the Government is participating in chit fund type of earnings. PSU sale is easy money for the Government. Calling chit fund by other names like fraternity fund and rotating fund will not help because changing the name will not change the structure and the character of the economy. The structure and the character of the economy will be changed only if the policies, like demonetization, flawed implementation of GST and flawed policies in banking, are reversed. Registered and unregistered chit funds, both are equally responsible because many of the chit funds, which are under scan, are essentially the registered chit funds. Therefore, it is necessary to identify the main issue and that is the economy. The Government should stop the policies which actually drive people to the wall, drive people to survive and for that survival, they need money and they go for chit fund frauds. Ten per cent of the people may be going on greed, but ninety per cent of the people go for need, and that need is not being satisfied by the current policies. So, It is necessary to fix the economy first.

SHRI SHIV PRATAP SHUKLA: Through the chit funds, one lakh crore rupees have been duped from small investors. In view of this, the Government of India has decided to protect these poor people. Subscribers are promised to pay higher interest on maturity. Initial depositors are lured by offering commission to make new members. Initial investors only act as commission agents later. It involves putting money under various schemes. In this chit fund companies attempt to avoid regulators like SEBI and RBI. Then, as soon as the number of old investors outnumber the new investors, the company immediately vanishes. That way the company cheats people. Today 194 agencies are operating in states like Odisha, West Bengal, Tripura. The turnover of Rose Valley stood at Rs 15,000 crore and it returned only Rs 20 crore. In Odisha, Seashore Group had a turnover of Rs 1,500 crore, while it returned only Rs 10 crore from

2008 to 2013. This government has made a provision to protect investors. But if the people sitting in power will save those who cheat small investors, then this democracy will not be safe. Poor people should be protected from those who hold constitutional posts and support unscrupulous people.

SHRI DIGVIJAYA SINGH: I oppose this Bill because schemes like Chit Fund, Ponzi Fund are only a means of looting hard earned money of the poor. Women have a tendency to save through self-help groups and 95% of the internal lending is recovered. Through the amendment, you should have provided insurance cover to the subscribers. You have increased the commission of the foremen from five percent to seven and a half percent to help him. This money will go from the subscriber's pocket. Chit fund scheme attracts poor people by making attractive promises to them. The chit fund operators then run away by collecting thousands of crores. Today, the number of unregistered chit funds is twice that of registered chit funds. It is a business of about 35 thousand crore to 40 thousand crore rupees. All this money belongs to the poor people, who are being robbed. This needs to be stopped. So, I request to find a new way. You will do video conferencing but poor people will not come to pick up chit through video conferencing. I request to formulate a comprehensive plan for financial inclusion and protect the self-help groups through the RBI and the state government.

SHRI G.V.L. NARASIMHA RAO: 37.5 crore Jan Dhan accounts have been opened and one lakh crore rupees have been deposited in these Jan Dhan accounts. These are the moneys which would otherwise have gone into the chit funds. You did not provide for this inclusion. We provided an opportunity to the poor people to save their money safely in bank accounts. 1.7 lakh crore of rupees were deposited in bank accounts. With regard to Direct Benefit Transfer Scheme, we transferred 7.7 lakh crore of rupees in their accounts so that they can invest and they can keep this money in their bank accounts. Chits are used mainly to take credit from subscribers. So, under the Mudra yojana, last year, we provided Rs. 3.21 lakh crore to six crore people. Each year we have provided more than three lakh

crore rupees. So, in a way, we obviated the need for people to go into unauthorised, irregular and untrustworthy funds. The trust factor that a member was talking about is missing in West Bengal. That is the reason why thousands of crores of rupees, which was poor people's money, were lost in Saradha scam. The poor people's money was lost in the Rose Valley Scam and other such scams. We legislated on the banning of unregulated deposit scheme. This is to punish the people who indulge in financial frauds and crimes. We have also provided for the punishment to culprits of those crimes. And those who have not provided similar legislative framework for the poor in the past, I think, they have no basis to oppose it now.

DR. ANIL AGRAWAL: I support this Bill. The current law had failed to protect the interests of poor people. That is why the government has proposed to amend it. In this Bill, individual amount has been increased from one lakh rupees to three lakh rupees. This was necessary, because if they did not increase it, then people would have used this increased amount in a wrong way and they would not have accounted for it. Also, the amount of Rs. 6 lakh for the companies has been increased to Rs 18 lakh. The government wants that investment should be made in chit funds in a transparent manner. In this Bill the commission of the foreman has been increased. If sufficient commission is given to the foreman, good people will act as mediators and will be able to do justice to their work. These amendments are welcome. Chit funds were earlier run as committees in small neighborhoods. The amount of such type of money collected, later could not be properly utilized and the promise made to return the money at the time of investment was also not fulfilled. These amendments will increase transparency. According to this Bill, the minutes have to be signed in maximum two days and proceedings will be conducted through video conferencing. So, I support this Bill.

DR. ASHOK BAJPAI: Chit funds were a great source for our small businesses and small investors. Such facilities were not available to them through banking. The chit fund had great acceptability, but there is a lot of loot in its name and a big ticket scam came to light in 2013, when the Saradha chit fund scam took

place. Sahara chit fund scam took place in Uttar Pradesh. When the scams worth thousands of crores of rupees began to be exposed, our government decided to enact a law in this regard so that the poor people could not be robbed of their hard-earned money. State governments have also been given the powers to keep a tab on it. In this Bill, the limit of one lakh rupees for individuals has been increased to three lakh rupees and for the firm the limit has been increased from 6 lakh rupees to 18 lakh rupees. Through this Bill, the commission of foreman has been increased from five percent to seven percent. Thus the Chit Funds will help the needy people in a timely manner. Today it also has great utility in rural economy. It provides for measures to prevent the wastage of money of the poor. Therefore, I urge the House to pass this Bill unanimously.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ANURAG SINGH THAKUR), replying to the debate, said: The poor people of the country get an option through the Chit Fund Scheme. It is a source of finance and savings for them. It became such a source because the banking sector may have had a major infirmities for years. The poor man invests money in the chit fund, but when the time comes to collect that money, the companies vanish. But one problem is that we fail to understand the difference between unregulated deposits, ponzi schemes and chit funds. We passed a Bill in the last session to ban unregulated deposit schemes. That too was directly in the interest of the gullible poor people. There is a need to enact a law quickly keeping in mind the scams in the chit fund and for the protection of poor people. We have brought this bill to enact a strong law keeping in mind the suggestions given by the Key Advisory Group and the Standing Committee on Finance. In this Bill, we have revised a limit of Rs. 1 lakh to Rs. 3 lakh for individuals and a limit of Rs. 8 lakh has been revised to Rs.18 Lakh for firms and it has been done considering the rate of inflation. It was necessary to increase foreman's commission from five per cent to seven per cent because it had been fixed since 1982. The subscriber has to pay the money at regular intervals, his chit is taken out and the maximum

share of discount is 40 percent, which is judiciously distributed among the subscribers. In order to secure the money deposited in the form of chit, we have said that 100 per cent of the money will first be given by the foreman. We did not reduce it to 50 per cent because our interest is subscriber, not foreman. Secondly, through video conferencing, we have set transparency and accountability. We have also given the right of lien to the foreman so that the interest of the subscriber can also be taken care of. We have given states the right of fixing the ceiling. A provision to deposit according to each chit has been made. The Government is also working on financial literacy. As on 31 March 2019, 1,483 financial literacy centres have been opened across the country. Through these centers, awareness is being spread among farmers, small entrepreneurs, school children, senior citizens and self-help groups. A total of 52,084 special camps and 93,343 targeted specific camps were organized in the financial year 2018-2019. 3 lakh, 5 thousand, 672 camps were organized in rural branches. Under this program, financial assistance of Rs. 6,000 per camp is given to 313 special focussed districts and Rs. 5,000 per camp to other districts. We have tied-up with Nehru Yuva Kendras. We have also used common service centres in it. We have conducted 27 thousand 639 investor awareness programs through e-governance system. Many people had no facility of banks for years, no bank accounts. We have also done the work of opening bank accounts in 2014. We deposited more than Rs 1 lakh, 6 thousand crore in accounts with minimum zero balance. Chit Fund is a platform where there is savings as well as finance. Therefore, I feel that a Chit Fund Scheme is much needed. Under Section 47, RBI can inspect the chit books and record of any chit fund, under Section 73, RBI can give advice to State Government on any policy matter Government and under Section 87, the State Government can exempt any chit fund There is also a provision for State Level Coordination Committees. The Reserve Bank of India has also created a "Sachet" portal, on which information about these schemes is also available. Chief Secretary of the state is the Chairman of State Level Co-ordination Committee. Representatives of RBI, SEBI, Income Tax, SFIO, State Police Economic Offence Wing are its members. There are various provisions related to offences and

penalties in the Act and these are provided under Sections 76 to 82. It allows cash payment and digital payment as per own choice. There is no need to change the word 'foreman'. This foreman can be a company or an individual. It will be a legal entity. Legal chits have to be registered with the Registrar of Chits. If the insurance is for every chit is provided, then the investor will have to pay for it. Therefore, there is no need to make insurance related provisions in this Bill. Regarding GST, I would like to say that this matter will go to the GST Council and it will be discussed there. There is a provision for statutory audit by the auditor under the Companies Act. To protect the interest of the subscribers many provisions have been made under the Chit Funds Act so that they get their money back. In the interest of the poor, a law is going to be legislated that will also protect his money and he will not be looted in future. State Governments should take major steps on that and all hon'ble MPs should make it a mass movement and also conduct public awareness campaign. I want to say one thing very clearly that if someone says that you deposit such amount of money, you will be given three times more on it or you will get four times more back then it is a fraud. This is stated in a very clear way and the definition of banning unregulated deposit scheme is also very clear. It is a good job to save the hard-earn money of the poor from misuse. I am sure that all of you will participate in this mass movement so that we can benefit more and more people in future. In order to benefit as many people as possible, meetings with states will be called in future so that all states can take appropriate action on it. On bankruptcy of a private chit fund firm, what will happen to the subscribers, it is said that whoever is the foreman, he will have to deposit that much money first, only then he will be able to run the chit fund.

The motion for consideration of the Bill was adopted.

Clauses etc., were adopted.

The Bill, was passed.

I. STATUTORY RESOLUTION

Disapproval of the Prohibition of Electronic Cigarettes (Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage and Advertisement) Ordinance, 2019 (No. 14 of 2019)

II. GOVERNMENT BILL

The Prohibition of Electronic Cigarettes (Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage and Advertisement) Bill, 2019

SHRI K.K. RAGESH, moving the Statutory Resolution, said: I don't know why the Government is again and again promulgating Ordinances. The Government is bringing up various Ordinances. I am requesting the Government to take the House into confidence. Let this House discuss the pros and cons of various Bills. Personally, I am not against banning the e-cigarettes.

THE MINISTER OF HEALTH AND FAMILY WELFARE, THE MINISTER OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF EARTH SCIENCES (DR. HARSH VARDHAN), moving the motion for consideration of the Bill, said: I would like to give a brief overview of the subject. I was literally a little shocked as to why they are disapproving. I am happy that, at least, they are not opposing the introduction of the e-cigarette ban in the country. All forms of intoxicants, whether it is alcohol, tobacco, drugs, narcotics, etc., are extremely harmful to health. E-cigarettes are, actually, electronic devices which can enable the delivery of all intoxicating substances. They are used for nicotine delivery. This also includes all forms of electronic nicotine as well as non-nicotine delivery devices, e-hookahs and heat-not-burn products. We use an electronic mechanism to heat a substance, usually a liquid, containing nicotine. There is also no conclusive evidence to suggest that e-cigarettes are less harmful than conventional cigarettes. This Bill is about prohibiting all commercial operations for the trade of e-cigarettes. This has been brought to replace the Ordinance which has been opposed. Nicotine sulfate was approved to be used as a pesticide

by the Agriculture Department. It is the most addictive substance currently known in the world and is even more addictive than heroin. E-cigarettes contain nicotine. That is a highly toxic chemical that can adversely affect any organ of the body. A dosage of 30-50 milligrams of nicotine can kill an adult human and nicotine, in pure form, may also cause cancer. The chemicals found in the e-cigarette include toxic chemicals. The vapours are produced by heating an e-liquid. Their use can lead to heart attacks, hypertension, diabetes, stroke and a plethora of diseases of the lungs. There are adverse outcomes on pregnancy also. There are aggressive marketing strategies of the tobacco companies, which are now shifting to making of these e-cigarettes to lure children. As for use of these products, since they don't leave any foul odour generally associated with cigarette or beedi smoking, it is easier for the younger people to get addicted to it. Nobody can diagnose it, not the family members and not even the teachers. Recognizing all these risks, the Ministry undertook extensive discussions with legal experts and health experts. In May, 2019, ICMR published a White Paper suggesting that there should be a complete ban on e-cigarettes in the interest of public health. Reputed institutions, medical colleges, eminent doctors, eminent health professionals, eminent experts, all strongly supported the ban in the whole country. 16 States and UTs have already banned e-cigarettes before we brought this Ordinance. Forty-two countries have also completely banned this. I would like to apprise this House of chronology of facts in the last one year. In August 2018, a PIL was filed in the High Court of Delhi in the matter of Seema Sehgal Vs. Union of India. On August 28, 2018, the Ministry issued an advisory advising States and UTs to ban e-cigarettes. On May 31, 2019 ICMR issued a White Paper on e-cigarettes suggesting a complete ban on e-cigarettes in view of their adverse public health impact. Some of the big tobacco companies changed their names and started making plans to enter India. There was an announced entry of a company called, Juul, one of the leading global manufacturers of e-cigarettes, in December 2019. It worried all of us. Hence, an Ordinance was promulgated on 18th September, 2019. India has a large young population which would have been targeted by the e-cigarette

companies. Tobacco companies were facing a strict regulation in respect of combustible tobacco products and they started venturing into e-cigarettes to regain the market. We brought this Ordinance being a responsible Government. We were grappling with the tobacco epidemic in this country. It took this country 50 years to have the first law against tobacco when that epidemic had grown so big. We have taken too long to start our fight against tobacco. We cannot wait further because it is our responsibility to stop this. Nothing is more important than the health of the people, and more particularly, our children. During a surprise inspection by a school management in Delhi itself, 150 vaping devices were found in the school bags of children. So, we can't assume that the problem is not growing. In the age group of 15-24 years, 96.6 per cent of the population are fortunately non-smokers. It is this age group of children and youth that the Government seeks to protect against the risk of addiction through this ban. We have to educate people and we have to spread awareness. We can't straightway ban everything when it has a big consumer base. I would like the House to start the discussion on the subject.

* * * * *

Desh Deepak Verma,
Secretary-General.

rssynop@sansad.nic.in

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