

RAJYA SABHA

*SYNOPSIS OF DEBATE

(Proceedings other than Questions and Answers)

Thursday, March 12, 2020 / Phalgun 22, 1941 (Saka)

OBITUARY REFERENCES

MR. CHAIRMAN: Hon'ble Members, I refer with profound sorrow to the passing away of Dr. Ranbir Singh and Shri Hans Raj Bhardwaj, former Members of this House.

Dr. Ranbir Singh passed away on 7th of March, 2020, at the age of 94 years.

Born in June, 1925, at Titawi Village in Muzaffarnagar District of Uttar Pradesh, Dr. Singh was educated at the Birla College, Pilani and the Banaras Hindu University, Varanasi.

A lecturer by profession, Dr. Singh taught at the Jat Inter College, Muzaffarnagar, Banaras Hindu University and the University of Saugar, Madhya Pradesh. He was also a faculty at the Johns Hopkins University, Baltimore, U.S.A. for 3 years. Dr. Singh also served as the Principal of the J.V. (Post Graduate) College, Meerut and Sri Aurobindo College, Delhi University. He was instrumental in the establishment of the Maharaja Surajmal Memorial Education Society in 1972 and served as its General Secretary and Senior Vice-

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

President. He also had some research papers and publications to his credit.

Dr. Ranbir Singh represented the State of Uttar Pradesh in this House, from April, 1994 to April, 2000.

In the passing away of Dr. Ranbir Singh, the country has lost an able parliamentarian and a noted educationist.

Shri Hans Raj Bhardwaj passed away on the 8th of March, 2020, at the age of 82 years.

Born in May, 1937 at Garhi village in Rohtak District of Haryana, Shri Bhardwaj was educated at the B.M. College, Shimla; Agra University and the Panjab University, Chandigarh.

An advocate, Shri Bhardwaj served as the Public Prosecutor for the Delhi Administration in the Delhi High Court, from 1972 to 1977 and as the Senior Standing Counsel for the State of Uttar Pradesh in the Supreme Court, from 1980 to 1982. He was the Senior Vice-President of the Institute of Constitutional and Parliamentary Studies, New Delhi, from 1988 to 1990. Shri Bhardwaj was also the Patron and Founder Chairperson of the International Centre for Alternative Dispute Resolution, New Delhi. He also served as a Member of several Bar Associations.

Shri Hans Raj Bhardwaj represented the State of Madhya Pradesh in this House for four consecutive terms, from April, 1982 to April, 2006 and the State of Haryana, from April, 2006 to June, 2009. He served in the Union Council of Ministers as Minister of State holding the portfolios of Law and Justice, from 1984 to 1989 and Planning and Programme Implementation (Independent Charge) and Law, Justice and Company Affairs, from 1991 to 1996; and as the Minister of Law and Justice, from 2004 to 2009. Shri Bhardwaj introduced the concept of rural courts (Gram Nyayalayas) in the country.

In recognition of his commendable contribution in the field of law, legal aid and justice, Shri Bhardwaj was conferred with several awards and honorary doctorate degrees by several Universities. He also authored a few books.

A widely travelled person, Shri Bhardwaj participated in law conferences and seminars in many countries and was also the Leader of the Parliamentary Delegation to the Republic of Korea in 1989.

Shri Bhardwaj served as the Governor of Karnataka, from June, 2009 to June, 2014. He also held additional charge of the Governor of Kerala, from January, 2012 to March, 2013 and again for a brief period during March, 2014.

In the passing away of Shri Hans Raj Bhardwaj, the country has lost a legal luminary, a distinguished parliamentarian and a capable administrator.

We deeply mourn the passing away of Dr. Ranbir Singh and Shri Hans Raj Bhardwaj.

(One Minute's silence was observed as a mark of respect to the memory of the departed.)

ANNOUNCEMENT BY THE CHAIR

MR. CHAIRMAN: Hon. Members, all of you are urged to reach out to people asking them to exercise caution about Coronavirus without panicking, by maintaining sanitation and other measures as is being advised by the Government and the World Health Organization. The Members shall also be careful while meeting and greeting with people, especially while dealing with people who have recently travelled in and out of the country, including foreigners. As WHO has declared COVID-19, a pandemic, the country needs to take lead in containing the spread of Coronavirus which is the collective responsibility of all of us.

Dispensing with Zero Hour and Question Hour

MR. CHAIRMAN: I announce that as decided by all parties in the Chamber of the Deputy Chairman on 11th March, 2020, the Zero Hour and Question Hour is being dispensed with to take up discussion on the Insolvency and Bankruptcy Code (Amendment) Bill, 2020, the Mineral Laws (Amendment) Bill, 2020 and the Short Duration Discussion on the recent law and order situation in some parts of Delhi.

I. STATUTORY RESOLUTION

Disapproving the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 (No. 16 of 2019)

II. GOVERNMENT BILL

The Insolvency and Bankruptcy Code (Amendment) Bill, 2020

SHRI K.K.RAGESH: I move the following Resolution:-

"That this House disapproves the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2019 (No. 16 of 2019) promulgated by the President of India on 28th December, 2019."

THE MINISTER OF FINANCE AND THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN), moving the motion for consideration of the Bill, said: The Insolvency and Bankruptcy Code, 2016 was a necessity of time. By the time when it was brought, various Acts were enacted but the desired results were not really coming. To keep pace with the developments several amendments had been brought in. Last time when an amendment was brought, the House could not take it up for discussion and hence an Ordinance was promulgated. The Ordinance is expiring tonight. It is the exact replacement of the ordinance with all its amendments, so there is an urgent need for the House to consider this ordinance replacing Bill.

SHRI JAIRAM RAMESH: This is the fourth round of amendments since the introduction of Insolvency and Bankruptcy Code. The Ordinance was referred to the Standing Committee on Finance. There is one unanimous recommendation of the Standing Committee which the Government has not accepted. This refers to Clause 5(b)(2A) which means that if a company is under examination by a Resolution Professional, the Resolution Professional can dictate that companies will continue to supply goods and services to this company that is being restructured. The Standing Committee had recommended that this Clause be deleted. The Government is requested to revisit this Clause and introduce safeguards to ensure that the risk of default of the supplier companies is eliminated. An MSME company becomes sick not because of any wilful default but because of competitive pressures, family problems, cash flow problems and delayed payments. This is an endemic problem in India. As a corrective measure, the Government has to ensure that every MSME uploads its invoices. There is a need to re-visit the IBC from the point of view of the MSME sector. The Insolvency Bankruptcy Board of India bringing out Insolvency and Bankruptcy Newsletter which contains information the implementation of the IBC. As per the IBBI, our first objective is saving life. But having a mortality rate of 80 per cent is not saving life. If seven big defaulting companies are removed, the haircut reaches 90 per cent. The IBC recovery is only 10 per cent which is a matter of great concern. The IBC is a transformational piece of legislation. But, the recovery rates are not as expected. So, we need to pay further attention to legal changes. I request the hon'ble Finance Minister to revisit the IBC in its relationship to the MSME sector. The hon'ble Finance Minister should look at the recovery rates so that the recovery rates are, at least, in the range of 40 to 50 per cent.

SHRI MAHESH PODDAR: There are three things which are major in this proposed amendment. There are a number of examples where the Resolutions have happened without going to NCLT. A lot of discipline has come into the system. It is true that homebuyers need to be protected. Because of one homebuyer's litigation, thousands of homebuyers are affected, then the Government

has to take note of that also. House-building is a priority of our country today. So, it should be promoted. As far as MSME is concerned, it is true that if any unit falls sick, the first and the worst sufferers are the MSME units. These MSME suppliers, service suppliers or the goods suppliers are very much dependent on that mother unit. So, these mother units should keep running. They would be very happy that even if the past payment is stuck up, the current supplies are received. There is an assurance that they have to continue supply only if the current dues are paid. Maybe, they will supply against the Letter of Credit. It has been informed that in many foreign countries there are different types of protections. So, it is obvious that government has to protect the current management against the past wrongdoings and the resultant prosecutions. The current Amendment Bill is not the end and many new things will come. Therefore I support this Bill.

SHRI MANAS RANJAN BHUNIA: This is a compulsive stand of the Government to bring this Bill because the space and time of the Ordinance is lapsing. Since 2017, three times Ordinance and four times amendments have been brought for rectification of this Act. MSMEs are the pillars of the economic edifice of our country. The hon'ble Finance Minister should pay proper attention towards the Clause 5. Clause 3 talks about aggregation of home buyers. It is not clear whether Government are interested in protecting the buyers, the realtors or both. So many cases are filed in NCLT. There is no attempt to open more NCLTs in the country. As a result, the number of pending cases is increasing. In today's critical economic situation, the Finance Department, has been totally engulfed by the financial Coronavirus.

SHRI RAVI PRAKASH VERMA: Demonetisation and many other economic decisions have hit the economy. This led many companies to incur losses. There are professionals and solution companies for the insolvency. It is a completely syndicate. Currently there are corporate sharks all over the world. They are increasing their capital by hunting companies. The government is requested to pay special attention to home buyers as well.

DR. AMAR PATNAIK: I will mention about the threshold for certain creditors for initiating the resolution process, particularly with reference to the real estate sector and the home buyers. Whether the classification is a reasonable classification to achieve the objective? Its objective is to avoid frivolous complaints. But, the Supreme Court judgment clearly says that the penalty would be about Rs.1 crore. An individual home buyer, which could be twenty-five lakhs, he would not be able to file a case unless he gathers these ten per cent people. The second aspect is the supply of critical goods, particularly by the MSME sectors. An operational creditor from the MSME sector, which is supplying goods and services, itself may be under stress because it has not received the past dues. Such an MSME creditor will itself get into NCLT. Many of the big companies have huge outstanding amounts of water and electricity bills in the States. If the government waive those off when a new management comes, the State Government and municipality bodies will be left high and dry. 'The licenses and permits not to be terminated due to insolvency' is a very good clause. The Bill fixes a particular date for the resolution professional's appointment and the resolution process to start. The biggest concern is the real estate sector. The supply of goods would be a big problem for the MSME sector. It might also interfere in the contractual arrangement which is already in force. It is not clear whether an additional contract has to be signed during the moratorium period between the resolution professional, corporate debtor and the companies.

DR. BANDA PRAKASH: The Insolvency and Bankruptcy Code (Amendment) Bill has brought so many amendments. I will request to clarify the actual data regarding the IBC proceedings. The MSME is now the lifeline of the Indian economy, which is very crucial at this juncture when unemployment is really very high. I request the hon. Minister to please extend all the benefits to the MSME sector. As far as real-estate sector is concerned, the ten per cent criterion is not realistic. Even if they are less than 10 per cent, they should be able to go in for IBC proceedings and claim compensation.

SHRI K.K. RAGESH: This Bill discriminates certain financial creditors. A home buyer or a real-estate allottee cannot approach the NCLT because of the provision of minimum requirement of ten per cent or 100 home buyers, whichever is less. Why such kind of discriminatory clause has been introduced in this amendment Bill? Homebuyers have got every right to approach the NCLT. And that right is being curtailed by this amendment. Thousands of such cases are pending before the NCLT. In fact, after this law comes into force, thousands of such pending cases are going to become infructuous. It is against the interest of homebuyers. It is in the interest of real estate mafia who are willfully defaulting and cheating the homebuyers. Their interest also has to be taken up very seriously. Why the Government, through this Bill, is compelling the MSME sector to supply goods to a bankrupt company. It is going to destroy the entire MSME sector in our country. I am requesting the hon'ble Minister to reconsider these provisions and protect the rights of the homebuyers also.

SHRI P. WILSON: The Bill is against the dictates of hon'ble Supreme Court in its judgment rendered under the Pioneer Urban Land and Infrastructure Limited vs. Union of India. Through the Amendment, the government is diluting it by giving numbers. This amendment reduces the bargaining power of the allottees. In fact, it gives leverage to the real estate developers. It is against Article 50 of the Constitution. Another discrepancy is in Section 5(12) where a proviso has been omitted. This proviso gives the date of the commencement of the insolvency. This will go against Section 14(1) explanation which is sought to be introduced. As per Section 14(1) explanation even an insolvent company can be given licence, registration, permission, etc. by the State/Central Government. Therefore there is a direct conflict with Section 5(12) proviso which sought to be deleted. According to Supreme Court's verdict, NCLT Members should have exposure in real estate. Whether the Government has appointed such members having background from real estate. So this amendment Bill goes against the court's judgement and is violative of Article 50.

SHRI BINOY VISWAM: In financial purview there is new meaning of the term haircut. Earnings of public sector banks were given to looters. In case of Bhushan Steel, Government intervened in the name of bankruptcy and saved them. Tata is a big company and the Banks got huge amount. That is the real meaning of haircuts. These haircuts are fraud on economy. UPA and NDA both were supporting to Yes Bank. Government have come up to save Yes Bank from the crisis. Now the time has come to think about nationalisation of bank because all the private banks have defrauded the people. So instead of haircuts, we should think of a healthy economy.

SHRI SATISH CHANDRA MISRA: This Bill is about a company which takes loan from a bank but what if a bank itself becomes bankrupt. How this situation can be handled. There are several other companies which are doing business with Government Departments. The Government Department do not pay their dues in time. Under the circumstances, these companies become bankrupt. How do we handle such situation where companies are forced to go into insolvency. This situation has to be looked also.

SHRI V. VIJAYASAI REDDY: Before 2016, initially it used to take four to five years for insolvency resolution. But now it takes about six to eight months and there is inherent advantage of this. It would increase accountability. It is good for real estate. If home buyers are cheated then these provisions can be invoked. At present insolvency resolution process commences when the insolvency Resolution Professional is appointed. After the Ordinance Insolvency Professional will be appointed on the date of submission of application by NCLT. It will bring the accountability.

SHRI NARAIN DASS GUPTA: The purpose of this Bill was to safeguard the interest of creditors and to maximise the utility of the enterprise. The question is whether the target can be achieved from this Bill. We are giving 83 per cent haircut to a number of companies whether we are able to maximise the utility or not. This is a question to be considered. We need to address these issues. There were four amendments through Ordinance. This was introduced on

12th December. On 23rd December, it was referred to Standing Committee. And on 28th December, Ordinance was promulgated. What happened to the recommendations of the Standing Committees. During the last 5 years, GDP is going down and the manufacturing rate is in minus. Even in real Estate we are losing the employment. We have to see whether we are safeguarding the interest of the Creditors and maximising the utility.

SHRI K.K. RAGESH, replying to the discussion on the Statutory Resolution said: The Government should tell how many Ordinances have been promulgated in a span of short times. The Government could have brought it in the form of a Bill. The urgency of the Ordinance was not explained by the Government. In fact under the pressure of lobby of real estate mafia, ordinance was promulgated.

The hon'ble Minister, replying to the debate, said: Thanks to all the members who participated in the discussion. Discussion was centred around three or four issues. One as to why Government is constantly coming up with amendments, why the Govt. could not think of these aspects at the time of introduction of Bill in 2016. The Government is listening to the industry, small, medium, big and is understanding their requirement with a change in law, with a change in approach. The companies were left at the mercy of BIFR or left to see what the SARFAEST Act would do. The results coming out of resolutions were not acceptable. So the need for an Insolvency and Bankruptcy Code arose. So it was brought in 2016. Parliament cleared the Act. But because of changing requirements, there was need to change the Act. So there is no other motive even it is suspected. Even the Supreme Court has ordered whether the Government is doing something different. Government honoured the verdict of the Court. The right of passing the legislation rests with the Parliament. The various Amendments and the various Ordinances are very much in letter and spirit of the Court's verdict. When the resolution processes go with the spirit that Companies will have to be kept alive rather than liquidation, it also has a very strong impact on jobs. The first point of concern about this IBC is very clear, amendments are coming consciously and periodically. The

amendments are brought before the Parliament. Some cases are pending, some cases are awaiting final verdict and some cases are to be heard. If the continuation in the law is not there, there will be difficulty. Under the circumstances, the Government is coming with the amendments. As the Government do not want to leave a gap, Ordinance was promulgated. These amendments are periodic. Regarding the performance of NCLT, if we analyse it, the concern raised by Members would be addressed. NCLT is encouraging disposal of cases under IBC. From the time this Government has come in several rounds of talks were held to address the issue of home buyers and to make sure that home buyers are not going to suffer. Some people approached the court. Now these cases are resolved as NBCC is taking the work relating to construction. Government has taken pro-active initiative to resolve the problem. Various rounds of discussions were held on various issues. After that the Government have come up with single window mechanism through which the Government is giving completion related funding. The projects lie languishing, home buyers have taken loans and they are repaying it through instalments but houses are not given to them. Government has made it sure that the promoters do not get the money in one go. The last completion leg is done through the single window. The Government is taking care of the interest of home buyers. 51 companies have been liquidated, claim amount of Rs.9870 crores was there, liquidation value was Rs. 93 crores. On the issue of MSME, Govt. assures the House that just as in case of home buyers, the Government is closely working with MSME Ministry. For this MSME Ministry will amend the MSME Act. Nearly 80 per cent of Governmental dues for MSME are cleared. Banks have been told that once they upload the bills, they should honour those Bills so that delay does not effect them. I want to assure that the RBI has also initiated Corporate Insolvency Resolution process against Dewan Housing Society Finance Company. But, we have created a section within the IBC, through which financial defaulting companies are also going to be treated akin with companies and bankers. Bank defaults will also be handled similarly. Eventually, it might be in the interest that we

have such a mechanism through a separate Act. I seek the Members' support in passing this Bill.

I. The Statutory Resolution was negatived.

II. The motion for consideration of the Bill was adopted.

Clauses etc. were adopted.

The Bill was passed.

III. STATUTORY RESOLUTION

Disapproval of THE MINERAL LAWS (AMENDMENT) ORDINANCE, 2020 (No. 1 of 2020)

IV. GOVERNMENT BILL

THE MINERAL LAWS (AMENDMENT) BILL, 2020

SHRI K.K. RAGESH, moving the Statutory Resolution, said: In fact, the Ordinance has already lifted all the restrictions on the mining sector and it has already been thrown open for foreign and Indian players. But, the explanation given in the Statement of Objects and Reasons does not justify the contents of the Bill.

THE MINISTER OF PARLIAMENTARY AFFAIRS, THE MINISTER OF COAL AND THE MINISTER OF MINES (SHRI PRALHAD JOSHI), moving the motion for consideration of the Bill, said: The Mines and Minerals (Development and Regulation) Act was enacted in 1957 for a planned development of our rich minerals and also the coal reserve. In 2015, a landmark amendment was made in the Act to ensure transparency and to remove discretion in the allocation of the mineral concessions. The method of allocation of mineral concession was shifted from first-come-first-served basis to a transparent method of e-auction. The discretion was totally abolished. Through that Amendment, a transition period of a minimum of fifteen years for the captive mines and five years for the non-captive mining leases were granted to ensure uninterrupted supply of raw materials to the industry. The mining leases, in respect of 334 iron ore mines, manganese ores and

chromites ores, are expiring on 31st March, 2020. The mines allocated cannot start the mining operations without statutory clearances. They need to take around twenty statutory clearances before operating. This process will cause an inordinate delay. To overcome the delay, certain amendments were very much essential so as to prevent any disruption in the supply of raw materials, Hence, an Ordinance was promulgated. After the granting of the license, they can operationalise and continue to extract ores. We will give them two years' time to obtain clearances. We are adding a new Clause, by which almost all twenty clearances which were need to be taken would be deemed to have been taken for two years. We are enabling the State Government to start the auction well before March, 31, 2020. As we know exploration activities are very less in India in comparison to the world. So, we are amending a provision to pave the way for exploration of deep seated mineral and of nationally important minerals. As far as coal is concerned, India is the fourth largest reserve in the world, but still we are importing. Despite having so much of coal, the per capita electricity consumption in India is almost the lowest in comparison to the major countries of the world. We need to increase electricity production to meet the growing need of the economy. Three-fourths of our total electricity is produced from coal. Power and economy, both are related. If power production is increased, it will add to the economy also. If the coal reserve of India is not used, it will become almost useless in the coming three decades. There will be no demand of coal by then. With regard to the Coal Mines (Special Provisions) Act, it provides for allocation of coal mines which were cancelled by the hon'ble Supreme Court in order to ensure regular production of coal. To overcome the difficulties related to end-use restriction, we have brought in some changes in the Act. We are also amending some provisions to provide previous approval. This is in line with the policy of minimum Government and maximum governance. This will avoid delay of almost eight to ten months for the operationalization. Another provision is being amended to enable more players to participate. It will help in opening of the entire sector. The economy will boost. This will also lead to more participation, more transparency, and more

growth. I appeal to all sections of the House to pass the Bill unanimously.

DR. AMEE YAJNIK: A full-fledged procedure should have been followed for such an important Amendment Bill. The Bill opens up the coal sector for commercial mining, allows domestic investors, also allows the global players to invest in this sector through the FDI route. But, some other factors have to be looked into objectively, which have not been taken care of in this Bill. Two important things have been mentioned in these amendments. One is related to dilution of the eligibility criteria and the other is related to removal of end use restriction. For diluting the eligibility criteria, it says that anyone who does not have prior experience can also bid for FDI investment. It needs to be dealt with in a very proper and a procedural manner. The Minister will have to tell us what they mean by just diluting this criteria and how they will evaluate whoever comes in the bidding process. The second thing the Amendment says is related to removal of end use restriction. If that kind of provision is sought to be made in the Mines and Minerals Act and if that is the rationale behind opening up the sector for the FDI, it may expose the national natural resources to foreign investors. Sustainable development implies our commitment at the international level on climate change. One other factor which the Amendment is talking about is the approval processes and transfer of approvals. The amendments are completely silent on whether these approval systems have a proper channel or a proper procedure laid down or not. The approval, licences, etc. that the erstwhile person was having will be extended for a two year period to the successful bidder. But, there is no mention of any procedure of cross-checking of automatic transfer of the rights to the new person who is bidding for the auction, when the basic criterion of allowing the person to come in the auction itself is not clarified in the Amendment. These are two big ambiguities in the Amendment, which need to be plugged. Moreover, there is no mention of welfare and health of the people, communities and most importantly ecosystem's fragility and environment clearances. Of course, we need FDI in the country, which brings with it technology knowhow and investments, much needed for the economy. But while

doing so, we also need to deal with an important factor about transport of coal, which will result into air pollution. In the absence of regulatory mechanism for transport of coal by the private players, a Pandora's box may open where people would go for their rights to the courts. Besides, the Central Government will also have to take care of rehabilitation of affected community workers in the mining areas. There should be an intra-Ministerial Wing within the Ministry of Mines to take care of all these subjects for a seamless or a single-window kind of process. This transparency is required to attract FDI in this sector.

SHRI ASHWINI VAISHNAW: At the outset, I declare my interest that I am running a Company which is dependent upon minerals. With that declaration, I support this Bill, which is a very timely Bill. This Bill basically amends two Acts. One is the Mines and Mineral Development Act, which basically deals with all the mines which are non-coal and non-lignite and non-atomic energy. Second is the Coal Mines (Special Provisions) Act. That Act was brought when the hon'ble Supreme Court cancelled all the mining leases which were allocated in the previous regime. This particular Ordinance is primarily focused on protecting employment. This Bill protects employment in a large sector which is dependent upon mines, whose lease is about to lapse on 31st March, 2020. There are about 334 mines out of which 46 are working mines, producing about 60 million tons of ore. All these mines are supplying to the steel sector, in the chrome sector and in the other sectors. All these industries were totally dependent upon these mines for their basic raw material. As per my estimate, about two lakh jobs were dependent upon these mines. If there had been a disruption in these mines, this would have caused great economic havoc and caused a very big human issue in all these industries. It would have caused a series of NPAs and it would have caused job losses. The Government of India and the Government of Odisha have completed the auction of about 20 mines which would continue the supply of iron ore and chrome to the entire steel industry. The State of Odisha would get about four lakh crore of rupees of revenue over the lifetime of these mines at the current value and the current level of resources. If the value of minerals increases, then

there will be a further increase in the revenue which will come to the States. On an average, Odisha will get about Rs.20,000 crore revenue. This policy has so much potential. This will enhance economic activity. Under District Mineral Fund, the district gets a significant amount where mineral is being produced. This is a great thing for every district, for the local people who are affected by the mining industry. India has requirement of 965 million tones of coal while we produce 730 million tones of coal. So, we have to import 235 million tones of coal. It is said that end-use restrictions have been removed. If we impose end-use restriction on any mine, we practically diminish its scope. That should not be the case. That is economically inefficient and that is unemployment-oriented policy. There is talk of prior permission and proper channel. The more permissions will make production process and allocation process slow. It is a very nice simplification. I do not think that there is any reason to criticize this. Mining sector is one of the four largest employment-intensive sectors. Mining sector has the potential to give new direction to the economy. Nature has provided a lot of resources to us. We should make proper use of them. The science has developed to such an extent that we can restore top soil after carrying out mining activities on a land. Mining produces four types of job-multiplier impacts. It produces backward linkages, forward linkages, financial linkages and demand linkages. The activities in mining sector generate demand. It creates more employment than any other sector. Steel, power, cement, fertilizers and coal industries are dependent on mining. For their development, employment-generation and local revenue generation as much simplifications should be done as possible.

SHRI MD. NADIMUL HAQUE: The All India Trinamool Congress has categorically opposed excessive use of Ordinances to enact legislation. The framers of the Constitution did not want Ordinances to be used in this manner. So far, very few of the 204 blocks that were cancelled by the Supreme Court in 2014 have been auctioned. Production from captive coal blocks had fallen to 25.1 million tonnes in financial year 2019., It was 43.2 million tonnes in 2015. More than 50 per cent of India's total primary energy comes

from coal. The import bill for coal rose to 26 billion dollars in 2019 from 16 billion dollars in 2014. The Government is also facilitating the entry of major global mining players. The Government should make sure that these investments fructify. The opening up of coal mining to private players effectively ends Coal India's monopoly status. The company has been set a target of one billion tonnes production by 2023-24. Last year, it produced 606 million tonnes. The Government should explain the route to achieve this target.

SHRI VISHAMBHAR PRASAD NISHAD: There are huge coal reserves in the country. I want to know from the Government that how will you control the foreign companies participating in the auction? What will be their jurisdiction? We have militancy, Naxalite activities in many parts of Maharashtra, Madhya Pradesh, West Bengal, Odisha and Bihar and there are also mines and mineral fields. When there will be interference from foreign people, how will Government control them? There is unemployment in our country. I want to know what will be the condition for this so that they give employment only to the people of India. How and what provisions Government will make for that? I also want to say that how will the environment be taken care of? I want to know from the Government that how will you control foreign companies that they will protect the interests of our farmers and will not let any harm happen? Coal India is a company of ours, what steps has the Government taken to strengthen it? What measures will the Government take to strengthen the companies of our country which work in the field of coal mines? Wherever there are mining areas, mining is being done illegally, how will the Government control it? There should be investigation for the exploration of diamond in Bundelkhand. There are gold mines in Sonbhadra and Lalitpur, the Government should also plan for them so that the economy of our country can be strengthened.

SHRI PRASANNA ACHARYA: A good provision is made in the Bill that some of Government companies will be kept outside the competitive bidding process. The competitive bidding process for auction of coal and lignite block need not apply to mines considered

for allotment to a Government company or its joint venture for own consumption, sale or any other specified purpose. It is a very welcome proposition about composite prospecting licence-cum-mining lease. This will avoid killing of unnecessary time in the process of mining. This is one Bill where the power has been given to the State Government. Therefore, I welcome this Bill because the Bill provides that prior approval of the Central Government would not be required in granting these licenses for coal and lignite in certain cases. I do not understand the reallocation after termination of the allocation.

SHRI K. SOMAPRASAD: I stand to oppose this Bill. My Party has opposed it since the beginning itself of the whole exercise of handing over mineral resources of the country, coal blocks in particular, to private hands for commercial purpose as well. The present Bill cannot be seen in isolation. It needs to be seen and understood alongwith the Government's decision to allow 100 per cent FDI in coal mining by private players for commercial purposes. Earlier, coal mining for commercial purposes was vested with the public sector Coal India Ltd. so that commercial mining of coal is done to maintain a balance between the household consumption of coal and the industrial consumption of coal since the coal is as well a basic industrial raw material for power, steel, fertilizer and other crucial industries. Commercial purpose means coal would be traded like other commodities and meeting the industrial requirement would not get any priority. The present Bill is aimed at attracting foreign players in coal mining with 100 per cent control. I oppose this Bill.

SHRI M. SHANMUGAM: There was no necessity to promulgate an Ordinance, since there was no urgency for this legislation. This Bill is to privatise the coal mining sector and handing over the precious coal resources to the multi-national companies. The Bill envisages removal of restriction on end-use of coal and it becomes a commercial, marketable commodity. Coal India Ltd (CIL) is having a workforce of 3 lakh labour and it is an asset to the country. When you have such an efficient and time-tested public sector undertaking, the Government should not invite multi-national companies for coal block allotment. Coal India Ltd. should be given

maximum coal block allotment. It is the responsibility of the Government to ensure that the interest of Coal India Ltd. is not compromised. With the help of new reforms, which the Government intends to bring, the private players will exploit the workers like anything. The Government should not forget the mine disasters Labour welfare in coal mining industry plays an important part in establishing good industrial relations. Lack of adequate ventilation in the workforce is creating lot of health problems. Since the Bill aims to privatise the coal mining sector and heavily weighted in favour of the multinationals and exploitation of precious coal resources, we are not supporting this Bill.

SHRI BINOY VISWAM: This is a Bill which is supporting the FDI, the foreign capital. This is a Bill which is really an anti-Indian Bill. Once the FDI is allowed to come in unbridled, it is quite clear that they will kill the Coal India in the near future. Thousands of the workers are going to be affected. This Government has a duty also to explain to the country about the consequences of this Bill on the nature. This Bill says that FDI will be the mantra, where environment will be the causality. You make the Indian mechanism efficient. That is why this Bill can only be opposed.

SHRI VEER SINGH: The proposed bill amends the Mines and Minerals (Development and Regulation) Act, 1957, (MMDR Act) and the Coal Mines (Special Provisions) Act, 2015, (CMSP Act). The Bill provides for transfer of statutory clearances to new bidders. This amendment bill talks about its allocation to foreign companies through FDI. When we allot coal mines to foreign companies, in this bill we should also make a provision as to how the environment will be protected. You have not made any provision for this in this bill that while granting mines to private sector or foreign companies, SC/ST and OBC employees who are already working there, they will be able to continue their work in the same way or even after their retirement. Will the reservation system be maintained in the same way? I support this bill with the suggestions that the government gets a very large amount of revenue from the allocation of mines.

SHRI V. VIJAYASAI REDDY: I, on behalf of my party, the YSR Congress Party, rise to support the Bill. This Bill will speed up the process of implementation of the projects. The Bill is very much needed for enabling seamless implementation of hundred per cent of foreign direct investment under automatic route in coal mining. If at all, foreign direct investment is stopped at this point of time, the whole economy will collapse. This will open up the sector to players outside the steel and power as well as remove the end-use restrictions. It will create an efficient energy market and bring in more competition as well as reduce the coal imports. It would also help India gain access to high-end technology for underground mining used by the miners across the globe. The target has now been revised to 1 billion tones by 2023-24. I support this Bill.

SHRI K.K. RAGESH, replying to the discussion on the Statutory Resolution said: This Bill is going to destroy our public sector undertakings. Earlier, there was some restriction, it was completely under the public sector undertakings. They are saying one thing on the urgency of the Resolution and bringing another thing in the form of the Ordinance. At that time there was a little restriction that the coal was limited to power generation and also for iron and steel industries. I am requesting the Government to reconsider the decision. It was said that certain number of leases on mines are going to be expired.

The hon'ble Minister, replying to the debate, said: I thank all the Members for participating in the debate. we were auctioning or allocating the green field coal blocks as per MMDR Act from the beginning. I will try to address all the concerns about the privatization and FDI. My question is with FDI privatization, whether we should produce our own coal and supply to our industry This is the question before us today and the House has to decide that. My humble submission is that we have to produce coal for which we have the reserves, and we should see that the import is reduced. This is the argument, and with this conviction, we have brought this Amendment. The eligibility criteria will be decided at the tender stage so as to allow the maximum competition and entry of all new technology and

finance in the coal sector. The fear is not well-founded, and bringing the foreign investment in the country will boost the economy, and also, new technology will come. As far as opening of FDI in the coal sector, still, there is no mention of health, welfare, eco system, air pollution etc. Those things are not at all diluted. Further, rehabilitation, resettlement of all the project-affected persons will be properly done, The process should be fast tracked so that our natural resources can be used, and by doing that, the economy will grow. Some experts also have brought in for a detailed presentation to enlighten our officers also about the new technology and other things. There are technologies available, consultants are available; if he is having the investment capacity, he can come, invest, and start the mining activity in India. Before starting the actual activity, there are twenty clearances to be taken, which I mentioned in the initial remarks itself. So, there is no question of any violation. there are four sectors which are important in the country. We should exploit it without harming our environment as we are doing today. After mining, whatever water is accumulated, wherever it is potable, it is used for the drinking purpose; We are treating the water. On the allocation of mineral resources, the earlier method of discretion has been totally stopped. I assure the House that Coal India will be taken care of and the environment too will be taken care of. We believe in cooperative federalism. I request all the sections of the House to pass this Bill without any further debate.

III. The Statutory Resolution was negatived.

IV. The motion for consideration of the Bill was adopted.

Clauses etc., were adopted.

The Bill, was passed.

SHORT DURATION DISCUSSION

The Recent Law and Order Situation in Some Parts of Delhi

SHRI KAPIL SIBAL, initiating the discussion, said: First of all, I wish to thank my Party for giving me this opportunity to initiate this discussion on the unfortunate events that took place between February 23 and February 26 and some events have also taken place after that. Now, two types of viruses have caused havoc. The first coronavirus is spreading at the international level and another virus is a communal virus, which is getting promoted very fast. It is a very important issue that I will wish to discuss today. Honourable Minister of Home may have also seen a footage in which policemen themselves are breaking CCTV cameras so that evidence of the rioters is not revealed. Another incident must have been seen in the social media that the policemen are hitting with stick on mouth of an injured man and asking him to sing Jana-gana-mana. He died thereafter. The police did nothing even after the Section 144 came into force on 24 February. When the court and the honourable judge asked the police about the provocative speech, the police said that we do not know anything. We did not even see the footage. The whole world knew what was happening in Delhi but policemen and the Commissioner of Police did not know. When people were getting injured, they were going to Al-Hind Hospital, a private hospital, but because it is not a government hospital, MLC could not be issued from there. The injured people were to be taken to the government hospital, but the police was not doing anything. Then, at two o'clock in the night, a judge heard the matter and said that you should do so. Then, they were allowed to go from there and they went to a government hospital. There are about 87,000 policemen in Delhi. In spite of that riots could not be stopped. At five o'clock on the evening of February 25, a PIB release was issued, stating that we have received professional information that the accident has occurred spontaneously. Yesterday, the Minister of Home said that it was a conspiracy. It was a spontaneous accident on 25 February and it became a conspiracy in the Lok Sabha yesterday. Now, it is being said that people came from Uttar Pradesh. It is clear enough that the police were supporting the people who

committed the violence, the people who were perpetrators of violence. Innocent people were killed in this violence, who had nothing to do with the riots. An 85-year-old man was burnt on the third floor. On February 26, a 22-year-old boy was going on a motorcycle in Karawal Nagar with two more people in the morning, he was stopped and asked about his religion. When he remained quiet, his clothes were taken off and he was killed. This was happening in Delhi. National Security Advisor, Doval Saheb, in a meeting of Superintendents of Police in Gurugram said that Parliament makes the law and if the police do not implement those laws then it is a blot on democracy. Those who are sufferer, today they are asking from whom they should take help, the law itself has become a weapon. Now, the innocent person in the city has also become a culprit. This is the reality of Delhi, where riots were never occurred. Of the total population of North-East Delhi, 68 percent are Hindus and 29 percent are Muslims. About 53 people have died and I have figures of 44 people . Out of them, 32 people belong to one community and 12 people belong to another community. The violence was caused by the criminal virus. The virus was spread by people giving provocative speeches. Under Section 153A of the Penal Code, such people can be sentenced for three years and it is cognisable offence. When the judge asked, the Solicitor General said that it is not an opportune time to file an FIR. We do not know if there is any opportune time for the FIR too, please tell us. The moment when a cognisable offence is committed, an FIR has to be lodged. This is a licence to kill. That is what was happening in Delhi and the Minister of Home must tell us why FIR had not been file till date. A member of your party said that these people will kill you, rape you. This is a cognizable offence under section 153A. No FIR was lodged against him as he is a member of your party. A member of your party says that those who are sitting under the Zafarabad Metro, even those who are sitting in Chandbagh, if they do not remove them from there in three days, then we will come and do something on the streets. Is this not a provocative statement? If the government really wanted to control this virus, it could have controlled it, but no, you will not do it, because you want to spread this virus. I want to say one thing that it is

okay, we will live or will not live, but if this virus has sat in the minds of young people, then neither you will live, nor we will live and nor there will be democracy. Many leaders were detained in Kashmir. They did not make any statement. In these incidents in Delhi, no FIR was filed against the persons who made the statements. The honourable Home Minister was very busy as Mr. Trump was coming. You also did not make any statement. Now you have constituted the SIT but the victims will be made accused and hooligans will be given protection. You will not take any action. In Delhi, people were burning houses by putting petrol in bottles. They were looting and burning houses. The Prime Minister was silent for 70 hours in such situation. The Constitution talks about harmony and common brotherhood. There was no brotherhood. Article 48 talks about providing protection to the cow. This is a good thing, but there should be safety of people as well. People have left their homes. Police stations are not registering FIRs. Please do not do surgical strikes on people. Together we can do something. We have to struggle a lot because we are the solution to the virus which you are spreading. We will not let you break this country.

DR. SUDHANSHU TRIVEDI: Generally, riots take place as a reaction to an incident. But there was no immediate horrific response to these riots. In these riots, no appeal for peace was made by the leaders of most opposition parties. There was no representative nor any demand for these incidents. The honourable Home Minister had said that my doors are always open for dialogue. Nobody came to talk. When the Supreme Court sent its representatives to hold talks, the representation was not visible. This creates doubt in the mind. People were told that they have to come to the streets on the arrival of Donald Trump. The virus has come from outside. Demonstrations were organized at Indian embassies. All this happened during Donald Trump's visit so that message can be sent abroad. It was asked where the Home Minister was when this was happening. You can understand how much security the President of America needs to give. You can understand how the security agencies of India, the Delhi Police and the Ministry of Home Affairs would have had to work between national / international dimensions. Hon'ble Home Minister

continuously held various meetings with Home Secretary, IB Director and Police Commissioner for protection of Mr. Trump. Delhi Police controlled these incidents in only 36 hours and this is a significant achievement in itself. The arguments of our opposition leaders are very amazing. It should be seen when the leaders made statements and when all these things were prepared. You understand the origin of the virus and understand the trend of the virus. We will not talk about free Kashmir, we will not raise the issue of segregation of Assam, we will not talk about independence from Hindus. We will make the issue of what is not said. From which house a cache of weapons and petrol bombs was found. Many riots took place in this country. You can term these riots secular and the 2002 riots in Gujarat can be termed communal. The way Ankit Sharma was killed shows the mindset of the rioters. The October 2016 report of Pakistan's Senate Committee is alarming. You can understand how massive this conspiracy can be. Money came in the accounts of all the organizations and was also withdrawn. We have to see where this conspiracy is being hatched. For those who talk about freedom, we have to keep in mind that this may be a conspiracy to create a very dangerous kind of movement against us. About 100 years ago, Mahatma Gandhiji had started the non-cooperation movement and at that time some people had come out on the streets and started arson, then Gandhiji stopped the entire movement. Today, 100 years later, people are called upon to come on the street and fight tooth and nail. This was also called upon on August 16, 1946 for the direct action. Mahatma Gandhiji was the father of the nation. The whole country knows that Mahatma Gandhi's political philosophy was "Ram Rajya". On the day in 2007, when it was stated by filing an affidavit that there was no Ram, that day Gandhiji's persona and soul were killed. It is natural for any person to develop compassion due to this incident. But awareness of the political storm that is being created under the guise of compassion is also necessary.

SHRI DEREK O'BRIEN: We will begin this by looking at the events in Delhi through the eyes of not men, not women, but, we will begin by looking at this through the eyes of children. The deep scars of violence have left children damaged. Now, these children are

looking for answers. I am afraid what we heard in Lok Sabha yesterday or what we heard just now, we gave no answers to these children. If you tell these children thirty-six hours or 700 FIRs or 12 meetings or 1984, these are not the answers. Today, I am hearing people who quote Gandhiji but, worship Godse. The Home Minister explained to us that he could not go there because there would be police going and people going and it would distract everybody. So, I want to take him back to the special day of Gandhiji of 1946, how did Gandhiji react? This was at Noakhali in East Bengal. Gandhiji walked ten kilometers, he stayed there for three months and he said "I am not leaving this place until the last embers of trouble are stamped out, if necessary, I will die here". So, those were different days. Everything we are saying today is how do we do this so that we can win an election. Elections cannot be the be-all and the end-all of life because we all know that there is enough data to suggest which is the one political party which benefits after these kind of things happen. The Chief Minister of West Bengal, said days after this happened. "The way people have been murdered in Delhi, it is a planned genocide." Actually, genocide is a process, and we need to understand this. If you look at the first genocide of 1945, the Second World War, it started with inciting slogans. Now, the way these slogans were made, the way the hate was spread, it is very difficult to believe that this does not have the sanction from the top. The police have to be complicit. However, I want to congratulate the young boys and girls from the Indian Media because putting their own life at risk, they still went there and showed courage and conviction. I want to appeal to those media owners to stand up and show the same courage and conviction which their young reporters showed. I also want Young India to take a look at the picture of a judge, when he is transferred from Delhi. Besides, this Government has caused pogroms, lynchings, a completely torn social fabric, a ravaged economy with failing banks, job losses, subverted institutions and fallen democratic norms. For the healing touch, in our small way, we opened up a benevolent fund. Now, we are trying to find out how to reach the right people. There are thousands who are homeless. Yesterday, the Home Minister stated that all social media accounts that spread hate speeches would be

brought to book. The Prime Minister and the Home Minister should start it. First stop following all those handles which are spreading bigotry and hate. You said, Delhi Police did a good job. If the Delhi Police did so well, why was the chain of command superseded and the NSA deployed? is the new role of the NSA to control riots? You now stopped talking about CAA an NRC. I say, you should stop doing NRC. We had been warning you from before that CAA, NRC and NPR together are a toxic combination. We understand that the police need facial recognition to do their job for national security. But, are you using technology to identify people in a crowd? Did you admit yesterday, on the floor of the House, that people's personal data is being used to identify them. There are fifty people who are dead. The Government has to take the responsibility. There is no other way. The Government should assure this House that there will not be a second carnage. We want deep reconciliation and we want the wounds to be healed.

SHRI S.R. BALASUBRAMONIYAN: I condemn the riots and subsequent violence that have taken place in the north-east Delhi. This violence has torn the secular fabric of our country. The law and order situation in Delhi is not only being discussed in Indian Parliament, but is also being discussed in the Parliaments of the United Kingdom, Indonesia, Iran, Turkey and Malaysia. This is a matter of concern. It is the moral responsibility of the Government of India to maintain law and order in the region and to deal with the situation. Today the major minority community in the country is really scared. They are worried that if you go ahead with the present NPR and NRC, it is going to affect their citizenship. More than 53 people have been killed and 500 people have been injured and hospitalised. FIRs should be filed immediately by the Delhi Police against all perpetrators of the violence. I also urge that a judicial inquiry be conducted by a sitting Judge of the High Court/Supreme Court to ensure impartial inquiry. On 23rd February, one politician had made a provocative speech and warned the Police. The things went horribly wrong on 24th, 25th and 26th. There was looting and unbridled arson on the streets of Jafraabad. Fifty-three people were killed, more than 500 injured, mosques were burnt to ashes, one school was burnt, 122

houses were burnt and 200 cars and 300 motor cycles were burnt. The Delhi Police directly comes under the control of the Union Home Ministry. However, the Delhi Police officials were mere spectators there. Even the media persons were mercilessly attacked. At present, India faces danger from the trinity of social disharmony, economic slowdown and a global health epidemic. This potent combination of risk may diminish our global standing as an economic and democratic power in the world. There is a reason to believe that there was definitely some kind of conspiracy that played out in these riots. The U.S. President was here in the full glare of the international media, when these riots happened. The Constitution of India talks about fraternity, and the fraternity must ensure the dignity of the individual. If only the Government ensures it in the entire country, this would raise the morale of the minorities. India is a secular country. Perhaps, this is the apt time that we seriously consider that Ahimsa now becomes an integral part of our life, and our Constitution must include the term 'Ahimsa'.

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Desh Deepak Verma,
Secretary-General.

rssynop@sansad.nic.in

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