LOK SABHA

REPORT OF
THE JOINT COMMITTEE ON THE FINANCIAL
RESOLUTION AND DEPOSIT INSURANCE BILL, 2017

SIXTEENTH LOK SABHA

LOK SABHA SECRETARIAT
NEW DELHI

August, 2018/Shravana, 1940 (Saka)
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REPORT OF
THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION
AND DEPOSIT INSURANCE BILL, 2017

SIXTEENTH LOK SABHA

Presented to Lok Sabha on 01.08.2018

Laid in Rajya Sabha on 01.08.2018

LOK SABHA SECRETARIAT
NEW DELHI

August, 2018/Shravana, 1940 (Saka)
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COMPOSITION OF THE
JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT INSURANCE BILL, 2017

Shri Bhupender Yadav^ - Chairperson

Members

Lok Sabha

2. Shri Anil Gulabrao Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Shri Jayadev Galla
7. Shri Gaurav Gogoi
8. Shri Sudheer Gupta*
9. Dr. Sanjay Jaiswal
10. Shri P. Karunakaran
11. Shri Gajanan Chandrakant Kirtikar
12. Shri Bhartruhari Mahtab
13. Shri S. P. Muddahanumegowda
14. Shri Jagdamika Pal
15. Shri Chirag Paswan
16. Shri Konda Vishweshwara Reddy
17. Prof. Saugata Roy
18. Shri Gopal Chinayya Shetty
19. Shri Abhishek Singh
20. Shri Shivkumar Chanabasappa Udasi
21. Dr. Ponnusamy Venugopal

Rajya Sabha

22. Shri Anand Sharma
23. Shri Naresh Gujral
24. Shri Bhubaneswar Kalita
25. Shri Satish Chandra Misra
26. Shri Praful Patel
27. Shri Mahesh Poddar@
28. Shri Sukhendu Sekhar Ray#
29. Shri Ram Chandra Prasad Singh
30. Shri Ravi Prakash Verma

^Re-appointed as Member and Chairperson of the Joint Committee w.e.f. 04.04.2018
*Appointed w.e.f. 27.12.2017 vice Shri Gajendra Singh Shekhawat resigned from the Joint Committee w.e.f. 04.09.2017 on his appointment as Minister.
@ Appointed w.e.f. 03.04.2018 vice Shri Ajay Sancheti retired from Rajya Sabha on 02.04.2018.
# Shri Sukhendu Sekhar Ray retired from Rajya Sabha on 18.08.2017 and re-appointed to the Joint Committee on 19.03.2018.

(ii)
SECRETARIAT

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri Sundar Prasad Das - Additional Director
4. Smt. Mriganka Achal - Under Secretary
5. Shri Prem Ranjan - Committee Officer

REPRESENTATIVES OF MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

1. Shri Subhash Chandra Garg - Secretary
2. Shri Dinesh Sharma - Special Secretary
3. Dr. M.M. Kutty - Special Secretary
4. Dr. Shashank Saksena - Adviser (FSRL)

REPRESENTATIVES OF MINISTRY OF LAW & JUSTICE
(LEGISLATIVE DEPARTMENT)

1. Dr. G. Narayana Raju - Secretary
2. Dr. N.R. Battu - Joint Secretary & Legislative Counsel
3. Shri Diwakar Singh - Additional Legislative Counsel

(DEPARTMENT OF LEGAL AFFAIRS)

1. Shri Suresh Chandra - Law Secretary
2. Dr. Rajiv Mani - Joint Secretary & Legal Adviser
3. Dr. R.J.R. Kasibhatla - Deputy Legal Adviser

(iii)
REPORT OF THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT INSURANCE BILL, 2017

I, the Chairperson of the Joint Committee to which, the Bill titled ‘The Financial Resolution and Deposit Insurance Bill, 2017’ was referred, having been authorised to submit the Report on their behalf, present the Report on the aforesaid Bill.

2. The Bill seeks to provide for the resolution of certain categories of financial service providers in distress; the deposit insurance to consumers of certain categories of financial services; designation of systemically important financial institutions; and establishment of a Resolution Corporation for protection of consumers of specified service providers and of public funds for ensuring the stability and resilience of the financial system and for matters connected therewith or incidental thereto. As stated in the Statement of Objects and Reasons, the Bill inter alia provides for establishment of a Resolution Corporation, designation of certain financial service providers and constitution of certain funds for the purposes of the proposed legislation and seeks to repeal the Deposit Insurance and Credit Guarantee Corporation Act, 1961 and amendment of certain enactments. The proposed legislation together with the Insolvency and Bankruptcy Code, 2016 is expected to provide a comprehensive resolution mechanism for the economy.

3. The Bill was introduced in Lok Sabha on the 10 August, 2017. The motion for reference of the Bill to a Joint Committee of both the Houses of Parliament was moved in Lok Sabha (Appendix I). The Rajya Sabha concurred in the said motion on 11 August, 2017 (Appendix II).

Details of the deliberations held by the Committee:

4. The Committee held 13 sittings in all. At the first sitting held on 6 September, 2017, the Committee held general discussion on the provisions of the Bill and deliberated on the methodology for completion of the task assigned. Keeping in view the wide ranging importance of the provisions of the Bill, the Committee decided that memoranda from various stakeholders and public at large on the provisions of the aforesaid Bill may be obtained and their views heard by the Committee for a comprehensive and in-depth examination of the Bill. Accordingly, a Press Communiqué inviting memoranda was issued by giving advertisement through DAVP, in response to which 35 memoranda were received which were circulated to the members of the
Committee (Appendix III). The Committee further decided to undertake a study visit to Mumbai to hold informal consultations/hear views of Mumbai based stakeholders. The representatives of Department of Economic Affairs briefed the Committee about the background and various provisions made in the legislation.

5. The Committee at their second sitting held on 13 September, 2017, heard the views of various concerned Ministries/Departments viz. Department of Financial Services, Ministry of Corporate Affairs, Department of Agriculture and Farmers Welfare, Ministries of Labour, Social Justice and Empowerment and Tribal Affairs. At the third sitting held on 20 September, 2017, the Committee heard the views of investigating agencies/stakeholders viz. Central Bureau of Investigation (CBI), Enforcement Directorate (ED), Confederation of Indian Industries (CII) and Associated Chambers of Commerce and Industry of India (ASSOCHAM).

6. The Committee undertook study visit to Mumbai from 03 October, 2017 to 05 October, 2017 and held informal consultations/heard views of Mumbai based stakeholders mainly, regulators viz. Reserve Bank of India (RBI), Insurance Regulatory Development Authority of India (IRDAI) and Securities and Exchange Board of India (SEBI), Public Sector Banks / Private Banks, Indian Banks’ Association (IBA), Insurance Companies, some non-banking financial companies and expert organisations etc.

7. The Committee at their fourth, fifth, sixth, seventh and eighth sittings held on 14 November, 2017, 6 December, 2017, 12 January, 2018, 22 January, 2018 and 12 February, 2018 respectively, heard the views of some more stakeholders which include the Governor, RBI; Competition Commission of India (CCI); Insolvency and Bankruptcy Board of India (IBBI); some of the Co-operative Bank Associations/Federations; RBI/Banks Associations; organizations/experts etc. The Committee at their ninth sitting held on 14 March, 2018 reviewed the work yet to be done by the Committee and decided to seek further extension of time upto the last day of the Monsoon Session 2018. The Committee at their subsequent sittings i.e. tenth, eleventh and twelfth held on 14 May, 2018, 4 June, 2018 and 19 June, 2018 heard the views of some more stakeholders which include Small Industries Development Bank of India (SIDBI), Pension Fund Regulatory and Development Authority (PFRDA) and some of the professional bodies like Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost Accountants of India.
8. As detailed above, the Committee heard the views of 69 stakeholders which include 6 Union Ministries/Departments. The details of the Ministries/organizations/stakeholders, the Committee heard at their sittings and during the study visit have been given at Appendix IV and V.

Extensions granted by the House:

9. The Report of the Committee as per the mandate of the House was to be presented to the House by last day of the first week of the next Session (Winter Session, 2017) i.e. 15 December, 2017. The Committee have been granted two extensions of time for finalization and presentation of the Report on the Bill i.e. firstly on 13 December, 2017 up to 6 April, 2018 and secondly on 16 March, 2018 upto the last day of the Monsoon Session 2018 (Appendix VI).

Notice of the motion for withdrawal of the ‘The Financial Resolution and Deposit Insurance Bill, 2017

10. A notice of the motion for withdrawal of the ‘The Financial Resolution and Deposit Insurance Bill, 2017’ alongwith the statement containing reasons therefor was given by the Finance Minister on 23 July, 2018 which stood referred to the Joint Committee under the first proviso to Rule 110 of the Rules of Procedure and Conduct of Business in Lok Sabha (Appendix VII).

The Statement of Reasons for withdrawal of the Bill states as under:

“The FRDI Bill was introduced in Lok Sabha on 10th August, 2017 and thereafter, was referred to the Joint Committee of Parliament, which has been asked to submit its report on the Bill by the last day of the current Monsoon Session.

The FRDI Bill sought to, inter-alia, make an enabling law for creation of an independent Resolution Corporation (RC) to contribute to the stability and resilience of the financial system by carrying out speedy and efficient resolution of financial firms in distress, providing deposit insurance to consumers of certain categories of financial services, monitoring the Systemically Important Financial Institutions, and protecting the consumers of financial institutions and public funds to the extent possible.

The stakeholders including public have raised apprehensions relating to the provisions of the FRDI Bill, like the use of bail-in instrument to resolve a failing bank, the adequacy of deposit insurance cover and the felt need to revise the insurance limit substantially, and application of resolution framework for public sector banks. Resolution of these issues would require a comprehensive
examination and reconsideration. It is, therefore, appropriate that the Bill may be withdrawn.

In view of the above, the legislative proposal to enact the FRDI Bill is being dropped and the FRDI Bill is being withdrawn from the Lok Sabha to enable further comprehensive examination and reconsideration of the subject.”

Recommendation of the Committee:

11. The Committee considered the notice of the motion for withdrawal of the Bill together with the accompanying statement containing reasons therefor at their sitting held on 30th July, 2018. The Committee after deliberations agreed with the proposal of the Government to withdraw the Bill. Accordingly, the Committee recommend that the leave to withdraw the Bill be granted.

12. The Committee at their sitting held on 30th July, 2018 considered and adopted the draft report.

(BHUPENDER YADAV)
Chairperson,

New Delhi

Joint Committee on the Financial Resolution and Deposit Insurance Bill, 2017

31st July, 2018
APPENDIX I
(vide para 3 of the Report)
(Bulletin - Part I dated August 10, 2017)

MOTION IN LOK SABHA FOR REFERENCE OF
THE BILL TO THE JOINT COMMITTEE

“That the Bill to provide for the resolution of certain categories of financial service providers in distress; the deposit insurance to consumers of certain categories of financial services; designation of systemically important financial institution; and establishment of a Resolution Corporation for protection of consumers of specified service providers and of public funds for ensuring the stability and resilience of the financial system and for matters connected therewith or incidental thereto, be referred to a Joint Committee of the Houses consisting of 30 members, 20 from this house, namely:-

1. Dr. Kirit Somaiya
2. Shri Gopal Chinayya Shetty
3. Shri Subhash Chandra Baheria
4. Shri Nishikant Dubey
5. Shri Shivkumar C. Udasi
6. Shri Anil Shirole
7. Shri Abhishek Singh
8. Shri Gajendra Singh Shekhawat
9. Shri Sanjay Jaiswal
10. Shri Jagdambiika Pal
11. Shri Jayadev Galla
12. Shri Gajanan Chandrakant Kirtikar
13. Shri Chirag Paswan
14. Shri Gaurav Gogoi
15. Shri S.P. Muddahanumegowda
16. Dr. P. Venugopal
17. Prof. Saugata Roy
18. Shri Bhartruhari Mahtab
19. Shri Konda Vishweshwar Reddy
20. Shri P. Karunakaran

and 10 Members from Rajya Sabha;

That in order to constitute a sitting of the Joint Committee, the quorum shall be one-third of the total number of members of the Joint Committee;

That the Committee shall make a report too this House by the last day of the first week of the next Session;

That in other respects the Rules of Procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make; and

That this House do recommend to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of 10 members to be appointed by Rajya Sabha to the Joint Committee.
APPENDIX II
(vide Para 3 of the Report)

MOTION IN RAJYA SABHA FOR REFERENCE OF
THE BILL TO THE JOINT COMMITTEE

“That this House concurs in the recommendation of the Lok Sabha that this House do join in the Joint Committee of the Houses on the Bill to provide for the resolution of certain categories of financial service providers in distress; the deposit insurance to consumers of certain categories of financial services; designation of systemically important financial institutions; and establishment of a Resolution Corporation for protection of consumers of specified service providers and of public funds for ensuring the stability and resilience of the financial system and for matters connected therewith or incidental thereto and resolves that the following Members of the Rajya Sabha be nominated to serve on the said Joint Committee:—

1. Shri Ajay Sancheti
2. Shri Bhupender Yadav
3. Shri Naresh Gujral
4. Shri Anand Sharma
5. Shri Bhubaneshwar Kalita
6. Shri Praful Patel
7. Shri Ravi Prakash Verma
8. Shri Ram Chandra Prasad Singh
9. Shri Sukhendu Sekhar Roy
10. Shri Satish Chandra Mishra
## LIST OF STAKEHOLDERS / PUBLIC AT LARGE FROM WHOM MEMORANDA WERE RECEIVED BY THE JOINT COMMITTEE IN RESPONSE TO THE PRESS COMMUNIQUE ISSUED ON 07.09.2017

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Person/Organization</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shri P.S. Natarajan*</td>
<td><a href="mailto:nspblitz@gmail.com">nspblitz@gmail.com</a></td>
</tr>
<tr>
<td>2.</td>
<td>Shri Sivakumar Duraipandy*</td>
<td><a href="mailto:sivakumar1.d@gmail.com">sivakumar1.d@gmail.com</a></td>
</tr>
<tr>
<td>3.</td>
<td>Yashwantrao Chavan Pratishthan Mumbai, Agriculture &amp; Cooperation Forum 2144/45, Sadashiv Peth, Vishal Sahyadri Sadan, Tilak Road, Pune-411030</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>PRS Legislative Research Institute for Policy Research Studies, 3rd Floor, Gandharva Mahavidyalaya, 212, Deen Dayal Upadhyaya Marg, New Delhi-110002</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>All India Bank Employees' Association Prabhat Nivas, Singapore Plaza, 164, Linghi Chetty Street, Chennai-600001</td>
<td><a href="mailto:chv.aibea@gmail.com">chv.aibea@gmail.com</a> <a href="mailto:aibeahq@gmail.com">aibeahq@gmail.com</a></td>
</tr>
<tr>
<td>6.</td>
<td>All India Bank Officers' Confederation (Registered under the Trade Unions Act 1926, Registration No: 3427/Delhi) State Bank of India Officers' Association 4th Floor, SBI Administrative Unit, No.86, Rajaji Salai, Chennai-600001</td>
<td><a href="mailto:aiboc.sectt@gmail.com">aiboc.sectt@gmail.com</a></td>
</tr>
<tr>
<td>7.</td>
<td>Shri R. Vaidyanathan</td>
<td><a href="mailto:vid5856@gmail.com">vid5856@gmail.com</a></td>
</tr>
<tr>
<td>8.</td>
<td>Deutsche Bank Global Markets The Capital, 14th Floor, C-70, G Block, Bandra Kurla Complex Mumbai-400051</td>
<td><a href="mailto:shibani.rao@db.com">shibani.rao@db.com</a> <a href="mailto:srinivas.varadaradan@db.com">srinivas.varadaradan@db.com</a></td>
</tr>
<tr>
<td>9.</td>
<td>Shri Vinayachandran.S Navaneetham, Kla 444 A, Kukkiliya Lane, Jagathy, Trivandrum 695014</td>
<td><a href="mailto:vinchand59@gmail.com">vinchand59@gmail.com</a></td>
</tr>
</tbody>
</table>

* Received two memoranda from each.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Person/Organization</th>
</tr>
</thead>
</table>
| 10.     | Vidhi Central For Legal Policy  
            D-359, Defence Colony, New Delhi-110024  
            Email : vclp@vidhilegalpolicy.in |
| 11.     | Juris Corp advocates & solicitors  
            902, Tower-2, Indiabulls Finance Centre,  
            S.B. Marg, Elphinstone Road (W)  
            Mumbai 400013, India  
            Email : jayesh.h@jclex.com  
            shan.bottlewalla@jclex.com  
            nikita.chawla@jclex.com |
            Unit 3603, Tower 2  
            Lippo Centre, 89 Queensway  
            Admiralty, Hong Kong  
            Email : mausten@asifma.org |
| 13.     | Chutka Parmanu Virodhi Sangharsh Samitee  
            Narayanganj,Mandla,M.P  
            Email : manavraj79@gmail.com |
| 14.     | Bargi Bandh Visthapit Evam Parbhapat Sangh  
            Jabalpur, M.P  
            Email : rajkumarbargi@gmail.com |
| 15.     | Rajendra Ravi  
            Director,  
            Institute for Democracy and Sustainability(IDS)  
            Email : idsinitiative@gmail.com  
            rajendraravi1857@gmail.com |
| 16.     | Ms. Madhavi Bansal  
            Email : madhavibansal92@gmail.com |
| 17.     | National Alliance of People’s Movements  
            6/6, Jangpura B, Mathura Road, New Delhi 110014  
            Email : napmindia@gmail.com |
| 18.     | Maglin P  
            Email : maglinep@gmail.com |
| 19.     | Joe Athialy  
            Priya Dharshini  
            Vimal Bhai  
            Email : priyasushila@gmail.com |
| 20.     | National Institute of Public Finance and Policy*  
            18/2, Satsang Vihar Marg,  
            Special Institutional Area (Near JNU)  
            New Delhi-11006  
            Email : |

* Received two memoranda.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Person/Organization</th>
</tr>
</thead>
</table>
| 21.    | National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB)  
         B-14, 3rd Floor, A-Block Shopping Complex,  
         Naraina Vihar,  
         Ring Road, New Delhi-110028  
         Email: coop@nafcub.org |
| 22.    | Pune Jilha Nagari Sahakari Banks Association Ltd., Pune  
         Email: punebankasso@gmail.com  
         punebankasso@yahoo.com |
| 23.    | Ahmednagar District Urban Co-operative Banks Association Ltd., Ahmednagar |
| 24.    | Moneylife Foundation  
         304, 3rd Floor Hind Service Industries Premises,  
         Off Veer Savarkar Marg, Shivaji Park,  
         Dadar (W), Mumbai-400028  
         Email: foundation@moneylife.in  
         sucheta@moneylife.in  
         editor@moneylife.in |
| 25.    | Nina Foundation Mumbai  
         240/11, Shankar Sadan, 1st Floor,  
         Sion (E), Mumbai-400022  
         Email: ninafoundation@gmail.com  
         ketnam@gmail.com |
| 26.    | All India Bank Pensioners' & Retirees' Confederation (AIBPARC)  
         C/o Bank of India Officers' Association  
         Bank of India, Kolkata Main Branch  
         23A, Netaji Subhas Road, Kolkata-700001  
         Email: aibparc@gmail.com |
| 27.    | The Maharashtra Urban Co-op. Banks' Federation Ltd.  
         Bharatiya Krida Mandir, 4th Floor,  
         Wadala, Mumbai-400031, P.B. No.7120  
         Email: admin@mucbf.com |
| 28.    | Consumer Unity & Trust Society  
         D-217, Bhaskar Marg, Bani Park, Jaipur-302016  
         Email: gc@cuts.org; cuts@cuts.org |
| 29.    | Balakeedarara Vedike (Regd.) Udupi Consumers Forum  
         Consumers Forum * Udupi  
         Corporation Bank Road, North School Compound,  
         Udupi-576101 (Udupi Dist. - Karnataka)  
         Email: consmforum@gmail.com |
| 30.    | New Trade Union Initiative  
         B-137, Dayanand Colony, First Floor,  
         Lajpat Nagar Part IV, New Delhi-110024  
         Email: secretariat@ntui.org.in |
| 31.    | Udupi Senior Citizens' Association (R.)  
         Opp. War Memorial, Ajjarkad, Udupi-576101 |
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Person/Organization</th>
</tr>
</thead>
</table>
| 32     | Bank Employees Federation of India  
Naresh Paul Centre  
53 Radha Bazar Lane, (1st Floor), Kolkata-700001  
Email: pradipbefi@yahoo.co.in |
APPENDIX IV
(vide para 8 of the Report)

LIST OF STAKEHOLDERS WHO SUBMITTED MEMORANDA AND TENDERED EVIDENCE BEFORE THE
JOINT COMMITTEE

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Stakeholders</th>
<th>Date on which evidence was taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The Ministry of Finance (Department of Economic Affairs)</td>
<td>6th September, 2017</td>
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<tr>
<td>2.</td>
<td>The Ministry of Law and Justice (Legislative Department</td>
<td>6th September, 2017</td>
</tr>
<tr>
<td>3.</td>
<td>The Ministry of Law and Justice (Department of Legal Affairs)</td>
<td>6th September, 2017</td>
</tr>
<tr>
<td>4.</td>
<td>Ministry of Finance (Department of Financial Services)</td>
<td>13th September, 2017</td>
</tr>
<tr>
<td>5.</td>
<td>Ministry of Corporate Affairs</td>
<td>13th September, 2017</td>
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<td>6.</td>
<td>Department of Agriculture and Farmers Welfare</td>
<td>13th September, 2017</td>
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<tr>
<td>7.</td>
<td>Ministry of Labour</td>
<td>13th September, 2017</td>
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<tr>
<td>9.</td>
<td>Ministry of Tribal Affairs</td>
<td>13th September, 2017</td>
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<tr>
<td>10.</td>
<td>Central Bureau of Investigation (CBI)</td>
<td>20th September, 2017</td>
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<td>11.</td>
<td>Enforcement Directorate (ED)</td>
<td>20th September, 2017</td>
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<td>12.</td>
<td>ASSOCHAM</td>
<td>20th September, 2017</td>
</tr>
<tr>
<td>13.</td>
<td>Confederation of Indian Industry (CII)</td>
<td>20th September, 2017</td>
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<tr>
<td>14.</td>
<td>Competition Commission of India (CCI)</td>
<td>14th November, 2017</td>
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<td>15.</td>
<td>Oriental Insurance Company Limited (OICL)</td>
<td>14th November, 2017</td>
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<td>16.</td>
<td>National Housing Bank (NHB)</td>
<td>14th November, 2017</td>
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<tr>
<td>17.</td>
<td>Indira Gandhi Institute of Development Research (IGIDR)</td>
<td>6th December, 2017</td>
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<tr>
<td>18.</td>
<td>All India Bank Employees’ Association (AIBEA)</td>
<td>6th December, 2017</td>
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<tr>
<td>19.</td>
<td>All India Bank Officers’ Confederation (AIBOC)</td>
<td>6th December, 2017</td>
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<tr>
<td>20.</td>
<td>National Institute of Public Finance and Policy (NIPFP)</td>
<td>12th January, 2018</td>
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<tr>
<td>21.</td>
<td>National Federation of Urban Cooperative Banks and Credit Societies Limited (NAFCUB)</td>
<td>12th January, 2018</td>
</tr>
<tr>
<td>22.</td>
<td>Shri M.R. Umarji, Retd. Executive Director, RBI</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>23.</td>
<td>Insolvency and Bankruptcy Board of India (IBBI)</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>24.</td>
<td>Society of Insolvency Practitioners of India (SIPI)</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>25.</td>
<td>Juris Corp Advocates and Solicitors</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>26.</td>
<td>National Alliance of People’s Movements (NAPM)</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>27.</td>
<td>Ahmednagar District Urban Cooperative Banks Association Limited</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>28.</td>
<td>All India Reserve Bank Employees Association</td>
<td>22th January, 2018</td>
</tr>
<tr>
<td>29.</td>
<td>Reserve Bank of India</td>
<td>12th February, 2018</td>
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<tr>
<td>30.</td>
<td>Small Industries Development Bank of India (SIDBI)</td>
<td>14th May, 2018</td>
</tr>
<tr>
<td>31.</td>
<td>Institute of Chartered Accountants of India (ICAI)</td>
<td>14th May, 2018</td>
</tr>
<tr>
<td>32.</td>
<td>Institute of Cost Accountants of India (ICAI)</td>
<td>4th June, 2018</td>
</tr>
<tr>
<td>33.</td>
<td>Institute of Company Secretaries of India (ICSI)</td>
<td>4th June, 2018</td>
</tr>
<tr>
<td>34.</td>
<td>Pension Fund Regulatory and Development Authority</td>
<td>19th June, 2018</td>
</tr>
<tr>
<td>35.</td>
<td>Shri Yaga Venugopal Reddy*, Former Governor, Reserve Bank of India &amp; Chairman, Fourteenth Finance Commission</td>
<td>--</td>
</tr>
</tbody>
</table>

* Didn't depose before the Joint Committee.
APPENDIX V
(vide para 8 of the Report)

LIST OF STAKEHOLDERS WITH WHOM THE JOINT COMMITTEE HELD INFORMAL DISCUSSION AT MUMBAI FROM 03 OCTOBER, 2017 TO 05 OCTOBER, 2017

<table>
<thead>
<tr>
<th>Sl. NO.</th>
<th>Name of Stakeholders</th>
<th>Date on which informal discussion was held</th>
</tr>
</thead>
</table>
| 1.     | Bombay Stock Exchange (BSE)  
          National Stock Exchange (NSE)   | 3rd October, 2017                        |
| 2.     | Power Finance Corporation (PFC)  
          India Infrastructure Finance Company Limited (IIFCL)  
          Indian Renewable Energy Development Agency (IREDA)  
          Bajaj Finance Limited *  
          Mahindra & Mahindra Financial Services Ltd *  
          Kotak Mahindra Bank  
          Finance Industry Development Council (FIDC) | 3rd October, 2017                        |
| 3.     | Central Depository Services Limited (CDSL)  
          National Securities Depository Limited (NSDL)  
          National Securities Clearing Corporation Limited (NSCCL)  
          Clearing Corporation of India Limited (CCIL) | 3rd October, 2017                        |
| 4.     | Reserve Bank of India (RBI) | 4th October, 2017                        |
| 5.     | Securities and Exchange Board of India (SEBI) | 4th October, 2017                        |
| 6.     | Insurance Regulatory Development Authority of India (IRDAI)  
          Life Insurance Corporation of India (LIC)  
          General Insurance Corporation of India (GIC)  
          National Insurance Company Limited (Kolkata, HQ)  
          United India Insurance Company Limited (Chennai, HQ) | 4th October, 2017                        |
| 7.     | Indian Banks’ Association (IBA)  
          State Bank of India (SBI)  
          Central Bank of India (CBI)  
          Bank of India (BOI)  
          Union Bank of India (UBI)  
          Bank of Maharashtra | 5th October, 2017                        |
| 8.     | ICICI  
          HDFC  
          Axis Bank  
          IDFC Bank | 5th October, 2017                        |
| 9.     | National Bank for Agriculture and Rural Development (NABARD)  
          Deposit Insurance and Credit Guarantee Corporation (DICGC) *  
          Credit Rating Information Services of India Ltd. (CRISIL)  
          Fitch Ratings *  
          J M Financial  
          Federation of Indian Chambers of Commerce & Industry (FICCI) | 5th October, 2017                        |

* Did not submit written Memorandum.
MOTION REGARDING REPORT OF THE JOINT COMMITTEE - EXTENSION OF TIME

Smt. Sumitra Mahajan announced the following motion:-

"Hon’ble Members, I have to inform the House that the Joint Committee on ‘The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Second Bill, 2015’ have decided to seek further extension of time for presentation of the Report on the Bill upto the last day of the Monsoon Session, 2018 as the Report could not be finalized by the extended timeline granted by the House i.e. 15th December, 2017. Similarly, the Joint Committee on ‘The Financial Resolution and Deposit Insurance Bill, 2017’ have decided to seek extension of time upto the last day of Budget Session, 2018 as the Report of the Joint Committee would not be ready for presentation by the timeline given by the House i.e. 15th December, 2017. Motion regarding extension of time of these two Joint Committees could not be moved in the House on 15th December, 2017, as the House was adjourned after making Obituary References. Hence, I have on behalf of the House granted extension of time as sought by these two Joint Committees for presentation of the Reports."

MOTION REGARDING REPORT OF THE JOINT COMMITTEE - EXTENSION OF TIME

(Bulletin - Part I dated March 16, 2018)

Shri Bhartruhari Mahtab moved the following motion :-

‘That this House do extend time for presentation of the Report of the Joint Committee on the Financial Resolution and Deposit Insurance Bill, 2017 upto the last day of the Monsoon Session, 2018.’ The motion was adopted.
Notice for the motion for withdrawal of the Bill received from the Minister of Finance containing reasons therefor

MOTION FOR WITHDRAWAL OF
THE FINANCIAL RESOLUTION DEPOSIT INSURANCE BILL, 2017

F.No. A-11017/1/2015-FSLRC

Dated : 20\textsuperscript{th} July, 2018

To
The Secretary General
Lok Sabha
New Delhi

Madam,

I give notice of my intention to move for leave to withdraw ‘The Financial Resolution Deposit Insurance Bill, 2017’ during the current session of the Lok Sabha and also to withdraw the Bill.

Yours faithfully,

Sd/-
(Piyush Goyal)
Finance Minister
Statement of Reasons for withdrawal of the ‘The Financial Resolution and Deposit Insurance Bill, 2017’ under Direction 36 of the Directions of the Speaker, Lok Sabha

The FRDI Bill was introduced in Lok Sabha on 10th August, 2017 and thereafter, was referred to the Joint Committee of Parliament, which has been asked to submit its report on the Bill by the last day of the current Monsoon Session.

2. The FRDI Bill sought to, inter-alia, make an enabling law for creation of an independent Resolution Corporation (RC) to contribute to the stability and resilience of the financial system by carrying out speedy and efficient resolution of financial firms in distress, providing deposit insurance to consumers of certain categories of financial services, monitoring the Systemically Important Financial Institution, and protecting the consumers of financial institutions and public funds to the extent possible.

3. The stakeholders including public have raised apprehensions relating to the provisions of the FRDI Bill, like the use of bail-in instrument to resolve a failing bank, the adequacy of deposit insurance cover and the felt need to revise the insurance limit substantially, and application of resolution framework for public sector banks. Resolution of these issues would require a comprehensive examination and reconsideration. It is, therefore, appropriate that the Bill may be withdrawn.

4. In view of the above, the legislative proposal to enact the FRDI Bill is being dropped and the FRDI Bill is being withdrawn from the Lok Sabha to enable further comprehensive examination and reconsideration of the subject.

Sd/-
(Piyush Goyal)
Finance Minister
APPENDIX VIII

MINUTES OF THE FIRST SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Wednesday, the 06th September, 2017 from 1500 hrs. to 1630 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT
Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha
2. Shri Anil Gulabrao, Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Shri Gaurav Gogoi
7. Dr. Sanjay Jaiswal
8. Shri P. Karunakaran
9. Shri S.P. Mudduhanumegowda
10. Shri Jagdambika Pal
11. Shri Konda Vishweshkar Reddy
12. Shri Gopal Chinayya Shetty
13. Shri Shivkumar Chanabasappa Udasi
14. Dr. Ponnusamy Venugopal

Rajya Sabha
15. Shri Naresh Gujral
16. Shri Bhubaneswar Kalita
17. Shri Praful Patel
18. Shri Ajay Sancheti
19. Shri Ram Chandra Prasad Singh
20. Shri Ravi Prakash Verma

Special Invitee

Shri Sukhendu Sekhar Ray

Secretariat
1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri Laskhmikanta Singh - Deputy Secretary
2. The Chairperson welcomed the members to the first sitting of the Joint Committee and apprised that the Joint Committee of the Houses has been constituted on a motion moved and adopted in Lok Sabha on the 10th August, 2017 and concurred in by Rajya Sabha on 11th August, 2017 with the mandate to examine the Financial Resolution and Deposit Insurance Bill, 2017 and present report to the Parliament by the last day of the first week of the next Session i.e. Winter Session, 2017. Referring to the Objects and Reasons of the Bill, the Chairperson stated that the FRDI Bill together with the Insolvency and Bankruptcy Code, 2016 is expected to provide a comprehensive resolution mechanism for our economy. The Bill inter alia provides for establishment of a Resolution Corporation, designation of certain financial service providers and constitution of certain funds for the purposes of the proposed legislation and seeks to repeal the Deposit Insurance and Credit Guarantee Corporation Act, 1961 and amendment of certain enactments. The Chairperson then sought the cooperation of members to fulfill the onerous task entrusted to the Committee.

3. The Committee thereafter deliberated on the methodology for completion of the task assigned and decided that a press communiqué may be issued in media through DAVP inviting views and suggestions from various stakeholders and public at large on the provisions of the aforesaid Bill. The Committee further decided to undertake a study visit to Mumbai to hold informal consultations/hear views of various Mumbai based stakeholders mainly, RBI, SEBI, Public Sector Banks / Private Banks, Indian Bank Association, Insurance Companies, Multi-State Cooperative Banks and some non-banking financial companies and experts etc.
[The representatives of the Ministry of Finance (Department of Economic Affairs) and representatives of the Ministry of Law and Justice (Legislative Department and Department of Legal Affairs) were then called in.]

4. The Chairperson welcomed the representatives of the Ministry of Finance (Department of Economic Affairs) and Ministry of Law and Justice (Legislative Department and Department of Legal Affairs) and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha regarding confidentially of the proceedings of the Committee.

5. The Special Secretary, Department of Economic Affairs then explained the background of the legislation, the need for a resolution regime, gaps in the existing system, the legal framework proposed for resolution of financial entities as also in brief the provisions made in the Financial Resolution and Deposit Insurance Bill, 2017. The members raised queries on various aspects / issues concerning the legislation during the course of deliberations, to which the representatives of the Ministries responded. The representatives were asked to send written replies to the points on which the information was not readily available.

*The witnesses then withdrew.*

A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

******
MINUTES OF THE SECOND SITTING OF THE

JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT INSURANCE BILL, 2017

The Committee sat on Wednesday, the 13th September, 2017 from 1430 hrs. to 1745 hrs. in Committee Room No. 3, Block ‘A’, First Floor, Parliament House Annexe Extension Building, New Delhi.

PRESENT
Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha
2. Shri Anil Gulabrao, Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Shri Gaurav Gogoi
7. Dr. Sanjay Jaiswal
8. Shri P. Karunakaran
9. Shri Gajanan Chadrakant Kirtikar
10. Shri Bhartruhari Mahtab
11. Shri Konda Vishweshkar Reddy
12. Prof. Saugata Roy
13. Shri Gopal Chinayya Shetty
14. Shri Shivkumar Chanabasappa Udasi
15. Dr. Ponnusamy Venugopal

Rajya Sabha
16. Shri Anand Sharma
17. Shri Naresh Gujral
18. Shri Bhubaneshwar Kalita
19. Shri Ajay Sancheti
20. Shri Ravi Prakash Verma

Special Invitee
Shri Sukhendu Sekhar Ray

Secretariat
1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
Representatives Of The Ministries / Departments who assisted the Committee

Ministry of Finance
(Department of Economic Affairs)

1. Shri Dinesh Sharma - Special Secretary (EA)
2. Dr. Shashank Saksena - Advisor (CM)
3. Shri Virender Singh - Director (FSLRC)

Ministry of Law & Justice
(Legislative Department)

1. Dr. N.R. Battu - Joint Secretary and Legislative Counsel
2. Shri Diwakar Singh - Additional Legislative Counsel

(Department of Legal Affairs)

1. Shri Suresh Chandra - Law Secretary
2. Dr. Rajiv Mani - Joint Secretary & Legal Adviser

Representatives of Ministries / Departments who deposed before the Committee

Ministry of Finance
(Department of Financial Services)

1. Shri Rajiv Kumar - Secretary (DFS)
2. Shri Madnesh Kumar Mishra - Joint Secretary
3. Shri Sudhir Shyam - Director

Ministry of Corporate Affairs

1. Shri Tapan Ray - Secretary
2. Shri Amardeep Singh Bhatia - Joint Secretary
3. Shri K.V.R Murthy - Joint Secretary
4. Ms. Smita Jhingran - Secretary (CCI)
2. At the outset the Chairperson welcomed the members and representatives to the sitting of the Joint Committee convened to take oral evidence of the representatives of Department of Financial Services, Ministry of Corporate Affairs, Department of Agriculture and Farmers Welfare, Ministry of Labour, Ministry of Social Justice and Empowerment and Ministry of Tribal Affairs on the provisions contained in the Financial Resolution and Deposit Insurance Bill, 2017. The Chairperson also welcomed the representatives of the Department of Economic Affairs and Ministry of Law and Justice and then drew attention to the provisions of Directions 55 & 58 regarding the confidentiality of the evidence tendered before the Committee.

3. The representatives of the Department of Financial Services then presented their views on various aspects of the Bill in the context of their mandate and of the recommendations made by the Financial Sector Legislative Reforms Commission for a Resolution Corporation for resolution of specified financial service providers in distress. They briefly explained the various aspects of the Bill which inter alia included the provisions relating to the repeal of Deposit Insurance and Credit Guarantee Corporation, the procedure of resolution of financial entities, the role and functions of the various Regulators under the Resolution Corporation, the criteria of risk assessment etc.
4. The representatives of the Ministry of Corporate Affairs presented their views on the provisions contained in the Bill in the context of their mandate and explained *inter-alia* that they were in agreement with certain amendments proposed to the Companies Act, 2013, Insolvency and Bankruptcy Code, 2016 and Competition Act, 2002 in the Bill.

5. The representatives of the Department of Agriculture and Farmers Welfare then presented their views on the provisions contained in the Bill in the context of their mandate. While agreeing with the amendments proposed in the Bill to the Multi State Cooperative Societies Act, 2002 and Companies Act, 2013, the Ministry explained that once a cooperative bank is wound up, the entity will continue as a Multi Cooperative Society and therefore the liquidator has to be appointed in terms of the provisions of Multi State Cooperative Societies Act, 2002 and a provision in this regard needs to be added. The Ministry also explained that they are going to make all these amendments in the Multi State Cooperative Societies Act, 2002 and some changes would be required in serial no. as separate amendments have been proposed in the Multi State Cooperative Societies Act, 2002.

6. The representatives of the Department of Financial Services, Ministry of Corporate Affairs and Department of Agriculture and Farmers Welfare submitted their respective clarifications to the queries raised by the members and they were asked to submit written replies / clarifications in respect of the queries on which information was not readily available.

7. The representatives of Ministry of Labour explained that the basic mandate of the Ministry is to ensure job security, social security and wage security for the workmen. They suggested that in the event of distribution of assets on liquidation of an institution, whatever wages are due to the workmen should be protected under Clause 80 of the Bill. Similarly, the unpaid Provident Fund dues of the employees / workmen should be made part of the priority list for payment of wages and salary in the Bill. They also clarified that the two autonomous bodies namely ESIC and EPFO under the Ministry have investments in financial institutions. The surplus of ESIC is invested in fixed deposits of the Banks while 30 percent of EPFO funds are invested in Public Sector Undertakings or Private Corporate Bonds and about 2.5 percent of funds is invested in equity. They suggested that these funds of the ESIC and EPFO need to be protected by giving higher priority in the waterfall mechanism under Clause 80 of the Bill because the money of these two funds is collected from the employees and employers for the welfare of the employees.

8. The representatives of the Ministry of Social Justice and Empowerment thereafter explained that they provide loan assistance to the beneficiaries of Scheduled Castes, Backward Classes, Disabled Persons and Safai Karmacharies through four Corporations. Besides the Ministry has a venture capital fund with IFCI. They clarified that the funds are given by the Ministry to the Corporations through various Banks for lending to be beneficiaries. Since the priority of Government dues is presently very low in the waterfall mechanism under Clause 80 of the Bill, the Ministry suggested for protection of Government money placed in Banks for
loaning to SCs, OBCs and Disabled Persons by giving it higher priority in the waterfall mechanism.

9. The representative of Ministry of Tribal Affairs explained that the Ministry has a corporation which gives loans to people belonging to Tribal Community through various Banks. Since the Government funds placed in the Banks are on low priority in the waterfall mechanism under Clause 80 of the Bill, they suggested for protection of these funds by giving higher priority in the waterfall mechanism as suggested by the Ministry of Social Justice and Empowerment.

10. The representatives of the Ministry of Labour, Ministry of Social Justice and Empowerment and Ministry of Tribal Affairs submitted their respective clarifications to the queries raised by the members and they were asked to submit written replies / clarifications in respect of the queries on which information was not readily available.

The representatives then withdrew

The verbatim record of the proceedings has been kept.

The Committee then adjourned.

*****
MINUTES OF THE THIRD SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Wednesday, the 20th September, 2017 from 1500 hrs. to 1715 hrs. in Committee Room ‘D’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT
Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha

2. Shri Anil Gulabrao Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Shri Gaurav Gogoi
7. Dr. Sanjay Jaiswal
8. Shri Gajanan Chardrakant Kirtikar
9. Shri Bhartruhari Mahtab
10. Shri S.P Madduhanumegowda
11. Shri Jagdambika Pal
12. Shri Konda Vishweshkar Reddy
13. Prof. Saugata Roy
14. Shri Shivkumar Chanabasappa Udasi
15. Dr. Ponnusamy Venugopal

Rajya Sabha

16. Shri Anand Sharma
17. Shri Naresh Gujral
18. Shri Bhubaneshwar Kalita
19. Shri Ajay Sancheti
20. Shri Ram Chandra Prasad Singh
21. Shri Ravi Prakash Verma

Special Invitee

Shri Sukhendu Sekhar Ray
2. At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED) in the first part and the Confederation of Indian Industries (CII) and the Associated Chambers of Commerce and Industry of India (ASSOCHAM) in the second part on the subject "Financial Resolution and Deposit Insurance Bill, 2017". In the first part of the oral evidence, the representatives of the following stakeholders/investigating agencies deposed before the Committee.

(i) Central Bureau of Investigation

1. Shri Alok Kumar Verma - Director
2. Shri R.K Asthana - Additional Director
3. Shri Arun Kumar Sharma - Joint Director (P)
4. Shri O.P Verma - Director of Prosecution

(ii) Enforcement Directorate

1. Shri Karnal Singh - Director
2. Shri Devinder Kumar Gupta - Special Director
3. Shri Ashish Chandra Singh - Deputy Legal Advisor
3. Before the Committee proceeded to hear the oral evidence of the representatives of the above stakeholders/investigating agencies, the Chairperson drew their attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The representatives presented their views on various aspects related to examination of the above mentioned Bill particularly in the context of investigation and adjudication of cases of financial offences/frauds vis-a-vis penalties prescribed in Clauses 98-113 (Chapter XV) of the Bill.

4. During the course of evidence, the Chairperson and Members raised certain queries/sought clarifications which were responded to by the representatives of the aforesaid agencies. The representatives were asked to submit written replies/clarifications in respect of queries to which replies were not readily available.

   The witnesses then withdrew.

5. Thereafter, the representatives of the Confederation of Indian Industries (CII) and the Associated Chambers of Commerce and Industry of India (ASSOCHAM) were called in for the second part of the oral evidence. Welcoming them, the Chairperson drew the attention of the representatives to the Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The following representatives were present during the oral evidence:

   (iii) Confederation of Indian Industry

   1. Smt. Anuradha Kapoor Salwan - Director, Financial Sector (CII)
   2. Shri R Deepak Joshi - Deputy Director, Financial Sector (CII)

   (iv) Associated Chambers of Commerce and Industry of India

   1. Shri Vikash Khandelwal - CEO, SREI Insurance Broking Pvt. Ltd

6. The representatives highlighted several clauses of the Bill and presented their views on diverse aspects as provided in the legislation and suggested modifications/amendments. The Chairperson and Members raised various queries/sought clarifications which were responded to by the representatives of the aforesaid Bodies. In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications.

   The witnesses then withdrew.

7. A verbatim record of the proceedings has been kept.

   The Committee then adjourned.

*****
MINUTES OF THE FOURTH SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Tuesday, the 14\textsuperscript{th} November, 2017 from 1100 hrs. to 1230 hrs. in Committee Room ‘C’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT
Shri Bhupender Yadav - Chairperson

MEMBERS

\textit{Lok Sabha}

2. Shri Anil Gulabrao Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Dr. Sanjay Jaiswal
7. Shri P. Karunakaran
8. Shri Bhartruhari Mahtab
9. Shri S.P Madduhanumegowda
10. Shri Jagdambika Pal
11. Shri Konda Vishweshkar Reddy
12. Prof. Saugata Roy
13. Shri Gopal Chinayya Shetty
14. Shri Shivkumar Chanabasappa Udasi
15. Dr. Ponnusamy Venugopal

\textit{Rajya Sabha}

16. Shri Anand Sharma
17. Shri Naresh Gujral
18. Shri Bhubaneswar Kalita
19. Shri Satish Chandra Misra
20. Shri Ravi Prakash Verma

\textit{Secretariat}

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri S. Lakshmikanta Singh - Deputy Secretary
2. At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the Competition Commission of India, the Oriental Insurance Company Ltd. and National Housing Bank on the provisions of the Financial Resolution and Deposit Insurance Bill, 2017.

3. The Chairperson apprised the Committee that as per the mandate of the House, Joint Committee are required to finalize and present the Report on the Bill by the last day of the first week of the next Session i.e. Winter Session, 2017. The Committee noted that they undertook study visit to Mumbai from 03 to 05 October, 2017 and held informal discussions/consultations with 36 stakeholders which included regulators viz. RBI, IRDAI and SEBI, Public Sector Banks, private banks and other stakeholders. The Committee further noted that they have heard the views and suggestions of 47 stakeholders/organizations and concerned Ministries on the provisions of the Bill so far. Considering the fact that the Joint Committee are yet to hear some more stakeholders including the RBI Governor on the provisions of the Bill which would be followed by inviting notices of amendments from the members, consideration of the Bill clause wise and then consideration and adoption of the Report, the Committee decided to seek extension of time up to the last day of the Budget Session, 2018 for finalization and presentation of the Report on the Bill.
4. Thereafter, the following representatives of CCI deposed before the Committee:-

(i) **Competition Commission of India**

1. Shri Devender Kumar Sikri - Chairperson
2. Smt. Smita Jhingran - Secretary
3. Smt. Payal Malik - Adviser (Eco.)
4. Shri Manoj Pandey - Adviser (Law)
5. Smt. Sibani Swain - Adviser (Eco.)

5. Before the Committee proceeded to hear the oral evidence of the representatives of the CCI, the Chairperson drew their attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The representatives presented their views on various aspects related to examination of the above mentioned Bill particularly in the context of Clause 37 (1) which provides for consultation in case of difference of opinion over classification of specified service providers.

6. During the course of evidence, Members raised certain queries/sought clarifications which were responded to by the representatives of the CCI. The representatives were asked to submit written replies/clarifications in respect of queries to which replies were not readily available.

   *The witnesses then withdrew.*

7. The representatives of the Oriental Insurance Company Ltd. and National Housing Bank were then called in to present their respective views on the provisions of the Bill. Welcoming the representatives, the Chairperson drew their attention to the Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The following representatives were present during the oral evidence:

(ii) **ORIENTAL INSURANCE COMPANY LIMITED**

1. Shri A V Girijakumar - Chairman-cum-Managing Director
2. Shri V E Kaimal - Director & General Manager

(iii) **NATIONAL HOUSING BANK**

1. Shri Sriram Kalyanaraman - Managing Director & CEO
2. Shri A.P. Saxena - General Manager

8. The representatives of Oriental Insurance Company Limited explained certain issues related to the definition of Insurance Company as defined in the Bill and also the need for laying down specific parameters for defining the various categories of risk to viability which are relevant to the insurance sector as the parameters presently given in the Bill are broad in nature. They also suggested for providing specific parameters with regard to designation of systemically important financial institutions as relevant to the insurance sector.
9. The representatives of the National Housing Bank inter-alia explained to the Committee the role of the Bank as a regulator for the Housing Finance Companies registered with it, the need for inclusion of NHB as an appropriate regulator in the FRDI Bill and also bringing NHB and Housing Finance Companies under the provisions of the FRDI Bill instead of Insolvency and Bankruptcy Code.

10. The Members raised various queries/sought clarifications which were responded to by the representatives of the aforesaid Bodies. In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications.

   The witnesses then withdrew.

11. A verbatim record of the proceedings has been kept.

   The Committee then adjourned.

   ****
MINUTES OF THE FIFTH SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Wednesday, the 6th December, 2017 from 1100 hrs. to 1300 hrs. in Committee Room ‘B’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT
Shri Bhartruhari Mahtab - Acting Chairperson

MEMBERS

Lok Sabha

2. Shri Anil Gulabrao Shirole
3. Shri Subhash Chandra Baheria
4. Shri Gaurav Gogoi
5. Shri P. Karunakaran
6. Shri S.P Muddahanumegowda
7. Shri Jagdambika Pal
8. Shri Chirag Paswan
9. Shri Konda Vishweshwar Reddy
10. Prof. Saugata Roy
11. Shri Gopal Chinayya Shetty
12. Shri Shivkumar Chanabasappa Udasi
13. Dr. Ponnusamy Venugopal

Rajya Sabha

14. Shri Naresh Gujral
15. Shri Bhubaneshwar Kalita
16. Shri Ajay Sancheti

Special Invitee

Shri Sukhendu Sekhar Ray

Secretariat

1. Shri J.V.G. Reddy - Director
2. Shri S. Lakshmikanta Singh - Deputy Secretary
2. At the outset, the Committee chose under Rule 258 Shri Bhartruhari Mahtab to act as Chairperson for the sitting in the absence of the Chairperson of the Committee. The acting Chairperson then welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the representatives of Indira Gandhi Institute of Development Research (IGIDR), All India Bank Employees’ Association (AIBEA) and All India Bank Officers’ Confederation (AIBOC) on the provisions of the "Financial Resolution and Deposit Insurance Bill, 2017".

3. Thereafter, the following representative of the Indira Gandhi Institute of Development Research deposed before the Committee :-

(i) **Indira Gandhi Institute of Development Research (IGIDR)**

   Ms. Bhargavi Zaveri - Research Consultant at IGIDR, FRG

4. The acting Chairperson welcomed the representative and drew her attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The representative then presented views on various aspects related to examination of the above mentioned Bill particularly in the context of inclusion of financial service providers in both IBC and FRDI Bill, role and power of RC and bail-in provisions.
During the course of evidence, the Members raised certain queries/sought clarifications which were responded to by the representative of the IGIDR. The representative was asked to submit written replies/clarifications in respect of queries to which replies were not readily available.

The witness then withdrew.

Thereafter, the representatives of the All India Bank Employees’ Association (AIBEA) and All India Bank Officers’ Confederation (AIBOC) were called in. The following representatives were present during the oral evidence:

(ii) **ALL INDIA BANK EMPLOYEES’ ASSOCIATION (AIBEA)**

1. Shri C.H. Venkatachalam - General Secretary
2. Shri J.P. Sharma - Vice President

(iii) **ALL INDIA BANK OFFICERS’ CONFEDERATION (AIBOC)**

1. Shri D.T. Franco - General Secretary
2. Shri Debashish Ghosh - Senior Vice President, AIBOC & General Secretary, All India Union Bank Officers’ Federation
3. Shri G.V. Manimaran - Senior Vice President, AIBOC & General Secretary, Canara Bank Officers’ Association

Welcoming the representatives, the Chairperson drew their attention to the Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. Then, they deposed before the Committee. The representatives of All India Bank Employees’ Association (AIBEA) and All India Bank Officers’ Confederation presented their views on various clauses of the Bill which include inter-alia (i) Clause 63 (1) relating to liquidation, (ii) Clause 3 about the Resolution Corporation, (iii) Clause 52 (1) on bail in provisions, (iv) section 50 (1) and (4) regarding bridge service provider and (v) Non-performing assets of the banks, merger of the banks and strengthening of the Indian banking system. The Members raised various queries/sought clarifications which were responded to by the representatives of the aforesaid Bodies. In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

*****
MINUTES OF THE SIXTH SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Friday, the 12th January, 2018 from 1130 hrs. to 1300 hrs. in Committee Room ‘G-074’, Ground Floor, Parliament Library Building, New Delhi.

PRESENT
Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha
2. Shri Subhash Chandra Baheria
3. Shri Nishikant Dubey
4. Shri Bhartruhari Mahtab
5. Shri S.P Muddahanumegowda
6. Shri Jagdambika Pal
7. Shri Konda Vishweshwar Reddy
8. Prof. Saugata Roy
9. Shri Gopal Chinayya Shetty
10. Shri Shivkumar Chanabasappa Udasi
11. Dr. Ponnusamy Venugopal

Rajya Sabha
12. Shri Naresh Gujral
13. Shri Bhubaneshwar Kalita
14. Shri Ajay Sancheti
15. Shri Ravi Prakash Verma

Secretariat
1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri S. Lakshmikanta Singh - Deputy Secretary
At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the National Institute of Public Finance and Policy and National federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB) on the provisions of the Financial Resolution and Deposit Insurance Bill, 2017.

Thereafter, Dr. Ila Patnaik, representative of National Institute of Public Finance and Policy deposed before the Committee.

The Chairperson welcomed the representative and drew her attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The representative then presented her views on various provisions of the Bill which *inter-alia* include section 128 which mandates the corporation and the appropriate regulator to share and exchange, supervisory information including inspection reports relating to such specified service providers which have been classified in the category of material, imminent or critical risk to viability. She also presented her views on Section 20 (1) and (2) of the Bill which provides for consultation among Resolution Corporation and other appropriate regulators with all relevant Stakeholders before making any regulation under this Act and ensuring transparency by Resolution Corporation in the discharge of its powers and functions.

During the course of evidence, the Members raised certain queries/sought clarifications which were responded to by the representative of the National Institute of Public Finance and
Policy. The representative was asked to submit written replies/clarifications in respect of queries to which replies were not readily available.

The witness then withdrew.

6. Thereafter, the representatives of the National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB) were called in. The following representatives were present during the oral evidence:

(ii) National federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB)

1. Shri R.B. Sandilya - Officiating President
2. Shri V. Anaskar - Vice-President
3. Shri Jyotindra Mehta - Director

7. Welcoming the representatives, the Chairperson drew their attention to the Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The representatives of National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB) then presented their views on Chapter XVII the Bill which provides special provisions for eligible cooperative banks viz. continuation of deposit insurance and circumstances in which winding up of eligible cooperative banks can be sought under this Act. The Members raised various queries/sought clarifications which were responded to by the representatives of the NAFCUB.

8. In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications at the end of the deliberation by the respective witnesses.

The witnesses then withdrew.

9. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

*****
MINUTES OF THE SEVENTH SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Monday, the 22nd January, 2018 from 1430 hrs. to 1700 hrs. in Committee Room ‘B’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhupender Yadav — Chairperson

MEMBERS

Lok Sabha

2. Shri Nishikant Dubey
3. Shri Gaurav Gogoi
4. Dr. Sanjay Jaiswal
5. Shri P. Karunakaran
6. Shri Bhartruhari Mahtab
7. Shri S.P Muddahanumegowda
8. Shri Jagdambika Pal
9. Shri Konda Vishweshwar Reddy
10. Prof. Saugata Roy
11. Shri Gopal Chinayya Shetty

Rajya Sabha

12. Shri Naresh Gujral
13. Shri Ravi Prakash Verma

Special Invitee

Shri Sukhendu Sekhar Ray

Secretariat

1. Smt. Sudesh Luthra — Additional Secretary
2. Shri J.V.G. Reddy — Director
3. Shri S. Lakshmikanta Singh — Deputy Secretary
REPRESENTATIVES OF THE MINISTRIES / DEPARTMENTS WHO ASSISTED THE COMMITTEE

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

1. Dr. Shashank Saksena - Advisor (FSRL)

MINISTRY OF LAW & JUSTICE
(LEGISLATIVE DEPARTMENT)

1. Dr. G. Narayana Raju - Secretary
2. Dr. N.R. Battu - Joint Secretary and Legislative Counsel
3. Shri Diwakar Singh - Additional Legislative Counsel

(DEPARTMENT OF LEGAL AFFAIRS)

1. Shri Suresh Chandra - Secretary
2. Dr. Rajiv Mani - Joint Secretary & Legal Adviser
3. Dr. R.J.R. Kashibhatla - Deputy Legal Adviser

2. At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of (i) Shri M.R. Umarji, Retd. Executive Director, RBI and the representatives of (ii) Insolvency and Bankruptcy Board of India ; (iii) Society of Insolvency Practitioners of India (SIPI) ; (iv) Juris Corp Advocates and Solicitors ; (v) National Alliance of People’s Movements ; (vi) Ahmednagar District Urban Cooperative Banks Association Limited ; and (vii) All India Reserve Bank Employees Association on the provisions of the Financial Resolution and Deposit Insurance Bill, 2017.

3. Thereafter, (i) Shri M.R. Umarji, Retd. Executive Director, RBI and (ii) following representatives of Insolvency and Bankruptcy Board of India deposed before the Committee :-

(ii) Insolvency and Bankruptcy Board of India (IBBI)

1. Dr. M.S. Sahoo - Chairperson, IBBI
2. Mrs. Suman Saxena - Whole time Member of the Board
3. Dr. Mukulita Vijayawargiya - Whole time Member of the Board

4. The Chairperson welcomed the representatives and drew their attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. Shri M.R. Umarji then presented his views on various provisions of the Bill which inter alia include clause 2(27) related to definition of specified service providers, clause 2(11) definition of deposit and clause 14 to 18 which provide for power of investigations, search and seizure, to enter premises and inspect

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as well as conditions on exercise of such powers to the officers of Resolution Corporation. He also presented his views on clause 25 to 28 (Chapter III) related to designation of systemically important financial intuitions, consequences of designations, de-designation of systemically important financial institution and delegation of powers by Central Government and clause 42 to 46 in Chapter VIII which deal with classification of specified service providers in the category of material, imminent, critical risk to viability and show cause notice etc.

5. Then, the representatives of IBBI presented their views on the second schedule of the Bill dealing with specified service providers and emphasized on the need for clear cut division of jurisdiction between Resolution Corporation, IBC and Insolvency Code in this regard. The other issues raised were related to section 138 of the Bill about information utilities and clause 109(1) which provides for power to adjudicate penalty in the Bill.

6. During the course of evidence, the Members raised certain queries/sought clarifications which were responded to by Shri M.R. Umarji and representatives of Insolvency and Bankruptcy Board of India. They were asked to submit written replies/clarifications in respect of queries to which replies were not readily available.

*The witness then withdrew.*

7. Thereafter, the representatives of (iii) Society of Insolvency Practitioners of India (SIPI) ; (iv) Juris Corp Advocates and Solicitors ; (v) National Alliance of People’s Movements ; (vi) Ahmednagar District Urban Cooperative Banks Association Limited ; and (vii) All India Reserve Bank Employees Association were called in. The following representatives were present during the oral evidence:

(iii) **Society of Insolvency Practitioners of India (SIPI)**

1. Mr. Sumant Batra - Chief Mentor, Insol India, SIPI
2. Mr. Anuj Jain - KPMG
3. Mr. Anurag Das - Member, Insol India

(iv) **Juris Corp Advocates and Solicitors**

1. Mr. Jayesh H
2. Mr. Shan Bottlewalla
3. Ms. Nikita Chawla

(v) **National Alliance of People’s Movements**

1. Shri Leo Saldanha
2. Shri Gautam Mody
3. Shri Madhuresh Kumar
4. Shri Joe Athialy
5. Ms. Madhavi Bansal
8. Welcoming the representatives, the Chairperson drew their attention to the Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. Then, the representatives of (iii) Society of Insolvency Practitioners of India (SIPI) ; (iv) Juris Corp Advocates and Solicitors ; (v) National Alliance of People’s Movements ; (vi) Ahmednagar District Urban Cooperative Banks Association Limited ; and (vii) All India Reserve Bank Employees Association deposed before the Committee one by one.

9. The representatives of SIPI and Juris Corp presented their views on clause 20(1) pertaining to consultations between different regulators and Resolution Corporation and on bail-in regime provided in clause 52(1) of the Bill respectively. Thereafter, the representatives of National Alliance of People’s Movements and All India Reserve Bank Employees Association submitted their concerns on powers of Resolution Corporation mentioned in clause 58 of the Bill. Lastly, representatives of Ahmednagar District Urban Cooperative Banks Association Limited presented their views on various aspects in this context. They particularly presented views on the application of bail-in clause in relation to cooperative banks.

10. The Members raised various queries/sought clarifications which were responded to by the representatives of the each organisations one by one. In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications.

    The witnesses then withdrew.

11. A verbatim record of the proceedings has been kept.

    The Committee then adjourned.

    *****
MINUTES OF THE EIGHTH SITTING OF
THE JOINT COMMITTEE ON FINANCIAL RESOLUTION AND DEPOSIT INSURANCE BILL, 2017

The Committee sat on Monday, the 12th February, 2018 from 1430 hrs. to 1600 hrs. in Committee Room ‘B’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha

2. Shri Anil Gulabrao Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Shri Gaurav Gogoi
7. Shri Bhartruhari Mahtab
8. Shri Jagdambika Pal
9. Shri Konda Vishweshwar Reddy
10. Prof. Saugata Roy
11. Shri Gopal Chinayya Shetty
12. Shri Abhishek Singh

Rajya Sabha

13. Shri Anand Sharma
14. Shri Naresh Gujral
15. Shri Bhubaneswar Kalita

Special Invitee

Shri Sukhendu Sekhar Ray

Secretariat

1. Shri J.V.G. Reddy - Director
2. Shri Sundar Prasad Das - Addl. Director
At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of Reserve Bank of India on the provisions of the Financial Resolution and Deposit Insurance Bill, 2017 and informed the Committee that Departments of Economic Affairs, Legal Affairs and Legislative Department would be assisting the Committee during the evidence.

Thereafter, following representatives of Reserve Bank of India deposed before the Committee:

1. Dr. Urjit R. Patel - Governor
2. Shri B.P. Kanungo - Deputy Governor
3. Shri K.K. Vohra - Executive Director

The Chairperson welcomed the representatives and drew their attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. The Governor, Reserve Bank of India then presented his views on various provisions of the Bill. While welcoming the establishment of a dedicated Resolution mechanism for resolution of financial entities as provided in the Bill, the RBI Governor pointed out the need for proper harmonization of roles and responsibilities of the regulators and Resolution Corporation so as to obviate the scope for conflicts of jurisdictions. The RBI, Governor also suggested the need for suitable changes in the Bill to provide that the appropriate Regulator carry out the classification of various risks to
viability in consultation with the Resolution Corporation instead of empowering the Resolution Corporation to do this task in consultation with appropriate Regulator.

5. The RBI Governor pointed out some concerns with regard to criteria for risk classification, determination of risk to viability, designation of setting up of financial service providers as Systemically Financial Important Institutions, information sharing between regulators and Resolution Corporation, powers of the Resolution Corporation regarding search and seizure, etc. The other issues which were discussed in detail and members raised queries inter-alia included deposit insurance, and issue of raising the limits of deposit insurance and cost thereof, bail-in provisions of the Clause 52(1) of the FRDI Bill, and existing provisions of RBI to deal with situations like fraud laundering, business failure and mismanagement in the banking system. Some of the queries were responded to by the representatives of the Reserve Bank of India. They were asked to submit written replies/clarifications in respect of queries to which replies were not readily available and also to a separate questionnaire which would be sent to RBI in subsequent days to the sitting.

The witness then withdrew.

6. A verbatim record of the proceedings has been kept.

The Committee then adjourned.
MINUTES OF THE NINTH SITTING OF
THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Wednesday, the 14th March, 2018 from 1500 hrs. to 1530 hrs. in Committee Room No.62, First Floor, Parliament House, New Delhi.

PRESENT

Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha

2. Shri Anil Gulabrao Shirole
3. Shri Subhash Chandra Baheria
4. Shri Nishikant Dubey
5. Dr. Sanjay Jaiswal
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Shri Jagdambika Pal
9. Prof. Saugata Roy
10. Shri Gopal Chinayya Shetty
11. Shri Shivkumar Chanabasappa Udasi
12. Dr. Ponnusamy Venugopal

Rajya Sabha

13. Shri Bhubaneshwar Kalita
14. Shri Praful Patel
15. Shri Ajay Sancheti
16. Shri Ravi Prakash Verma

Secretariat

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri Sundar Prasad Das - Addl. Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider the future programme of work of the Committee. The Chairperson, apprised the Committee that eight sittings of the Committee had been held so far and the Committee took evidence of the 6 Ministries/Departments and 20 stakeholders on the provisions of the Bill. Besides, the Committee undertook a study visit to Mumbai from 3 to 5
October, 2017 where interactions with 36 stakeholders were held which include the regulators like RBI, SEBI, IRDAI, Public and Private Sector Banks, Insurance Companies, Non-banking financial Companies etc on the provisions of the Bill. Besides, memoranda from the stakeholders and public at large as received in the Secretariat in response to the advertisement issued in electronic/print media through DAVP were circulated to the members of the Committee.

3. The Committee noted that as per the extension granted, the Committee are required to finalise and present their Report on the Bill by the last day of the Budget Session i.e. 6 April, 2018 as per the schedule of Sittings of the ongoing Budget Session. The Committee reviewed the work yet to be done and noted that they are yet to take evidence of some more stakeholders as well as the nodal Ministries and Departments on the provisions of the Bill which would be followed by inviting notices of amendments from Members of the Committee, clause-wise consideration of the Bill, consideration and adoption of the Report and then presenting to Parliament.

4. Keeping in view the work yet to be completed, the Committee decided to seek further extension of time upto the last day of the Monsoon Session 2018 for finalization and presentation of the Report of the Committee and also authorised the Chairperson to get the requisite motion moved in this regard in the House as required under the Rules and Procedure.

_The Committee then adjourned._

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MINUTES OF THE TENTH SITTING OF
THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Monday, the 14th May, 2018 from 1100 hrs. to 1240 hrs. in Committee Room ‘C’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha

2. Dr. Kirit Somaiya
3. Shri Nishikant Dubey
4. Shri P. Karunakaran
5. Prof. Saugata Roy
6. Shri Gopal Chinayya Shetty
7. Shri Abhishek Singh

Rajya Sabha

8. Shri Naresh Gujral
9. Shri Bhubaneswar Kalita
10. Shri Ravi Prakash Verma

Secretariat

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director

REPRESENTATIVES OF THE MINISTRIES / DEPARTMENTS WHO ASSISTED THE COMMITTEE

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)
1. Dr. Shashank Saksena - Advisor (FSRL)

MINISTRY OF LAW & JUSTICE
(LEGISLATIVE DEPARTMENT)
1. Dr. N.R. Battu - Joint Secretary and Legislative Counsel
2. Shri Diwakar Singh - Additional Legislative Counsel
At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the representatives of (i) the Small Industries Development Bank of India (SIDBI) and (ii) the Institute of Chartered Accountants of India (ICAI) on the provisions of the Financial Resolution and Deposit Insurance Bill, 2017.

The Chairperson welcomed the representative and drew his attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. Shri Ajay Kumar Kapur, Deputy Managing Director, Small Industries Development Bank of India then presented his views on various provisions of the Bill which *inter alia* include clause 36, 52, 95, 96, 97 and 133 relating to lack of review or appeal mechanism for redressal of grievances of the affected parties in the context of classification of risk to viability of a financial firm, bail-in provisions, limited provisions with regard to foreign resolution action, barring of jurisdiction of Courts on the process of decisions of Resolution Corporation.

During the course of evidence, the Members raised certain queries/sought clarifications which were responded to by the representative of the Small Industries Development Bank of India. The representative was asked to submit written replies/clarifications in respect of queries to which replies were not readily available.

*The witness then withdrew.*

Thereafter, the representatives of the Institute of Chartered Accountants of India (ICAI) were called in. The following representatives were present during the oral evidence:

(ii) **INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (ICAI)**

1. Shri M. Devaraja Reddy - Past President
2. Shri Ranjeet Kumar Agarwal - Chairman, PDC

Welcoming the representatives, the Chairperson drew their attention to the Directions 55 and 58 of the Directions by the Speaker regarding the confidentiality of the evidence tendered before the Committee. Then, the representatives of the Institute of Chartered Accountants of India deposed before the Committee.

The representatives then presented their views on clause 52 related to bail-in provision, clause 52(7)(b) about ‘client assets’, clause 42 and 36(5) regarding the need for criteria for classification of risk to viability of a financial firm, clause 50 regarding bridge service provider, clause 65(1) which provides bar on jurisdiction and transfer of proceedings to any Court other than NCLT, and clause 77 which provides for public examination of directors and auditors of a specified service provider being liquidated by the Corporation.
8. The Members raised various queries/sought clarifications which were responded to by the representatives of the each organisations one by one. In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications.

   *The witnesses then withdrew.*

9. A verbatim record of the proceedings has been kept.

   *The Committee then adjourned.*

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MINUTES OF THE ELEVENTH SITTING OF
THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Monday, the 4th June, 2018 from 1500 hrs. to 1620 hrs. in Committee Room ‘B’, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

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<tr>
<td>Shri Bhupender Yadav</td>
<td>Chairperson</td>
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MEMBERS

**Lok Sabha**

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<td>Shri Subhash Chandra Baheria</td>
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<td>Dr. Kirit Somaiya</td>
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<td>Shri Sudheer Gupta</td>
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<td>Dr. Sanjay Jaiswal</td>
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<td>Prof. Saugata Roy</td>
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<td>Shri Gopal Chinayya Shetty</td>
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**Rajya Sabha**

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<td>Shri Anand Sharma</td>
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<td>Shri Naresh Gujral</td>
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**Secretariat**

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<td>1.</td>
<td>Smt. Sudesh Luthra  - Additional Secretary</td>
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<td>2.</td>
<td>Shri J.V.G. Reddy   - Director</td>
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<td>3.</td>
<td>Shri Sundar Prasad Das - Addl. Director</td>
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At the outset, the Chairperson welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the representatives of (i) the Institute of Cost Accountants of India (ICAI) and (ii) the Institute of Company Secretaries of India (ICSI) on the provisions of the Financial Resolution and Deposit Insurance Bill, 2017.

Thereafter, the following representatives of the Institute of Cost Accountants of India (ICAI) were called in to depose before the Committee:

1. CMA Sanjay Gupta - President of the Institute
2. Dr. Rishab Chand Lodha - Chairman, ICMAI Registered Valuers Organisation
3. Shri Arvind Kumar Jain - Independent Director, ICMAI Registered Valuers Organisation

The Chairperson welcomed the representatives and drew their attention to direction 55 and 58 of the ‘Directions by the Speaker, Lok Sabha’ regarding the confidentiality of the evidence tendered before the Committee. The representatives then presented their views on various provisions of the Bill which include clause 4 (2) relating to management of the proposed Resolution Corporation, clause 25(4) concerning legal right of a person designated as a Systemically Important Financial Institution, clause 29(1), 29(5) and 29(6) regarding liability of proposed Corporation to insured depositors of insured service providers, clause 36 pertaining to classification of specified service providers into categories of risk to viability, clause 52 relating to bail-in provisions and clause 63 (1) and (2) regarding order of liquidation. The representatives also presented their views on the interest of the employees of distressed financial firms in case of liquidation, over taxing of the institutions, giving priority to senior citizens, women, children and students in case of liquidation, linking of charging of fee and monitoring mechanism with risk rating etc.
5. The Members, thereafter, raised certain queries/sought clarifications which were responded to by the representative of the Institute of Cost Accountants of India (ICAI). The representatives were asked to submit written replies/clarifications in respect of queries to which replies were not readily available with them.

*The witnesses then withdrew.*

6. Thereafter, the representatives of the Institute of Company Secretaries of India (ICSI) were called in to tender evidence:

(ii) **REPRESENTATIVES OF THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

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<td>1.</td>
<td>CS Makarand Lele - President, ICSI</td>
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<td>2.</td>
<td>CS Gopal Krishna Agarwal - Government Nominee, Central Council Member, ICSI</td>
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<td>3.</td>
<td>CA Ahalada Rao V - Vice-President, ICSI</td>
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<td>4.</td>
<td>CS Dinesh C. Arora - Secretary, ICSI</td>
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7. Welcoming the representatives, the Chairperson drew their attention to the direction 55 and 58 of the ‘Directions by the Speaker, Lok Sabha’ regarding the confidentiality of the evidence tendered before the Committee. Then, the representatives of the Institute of Company Secretaries of India deposed before the Committee.

8. The representatives, thereafter, presented their views on various provisions of the Bill which *inter alia* include clause 11 pertaining to power to appoint officers and employees, clause 66 which provides for powers of corporation as a liquidator, clause 85 relating to relevant period for avoidable transactions, clause 2(11) definition of deposits, clause 15(1)(d) concerning powers pending investigation, clause 41 relating to change, revision etc. of resolution plan and restoration plan, clause 52 relating to ‘Bail-in’ provisions, clause 63 regarding order of liquidation and clause 136 concerning exemption from tax on income, profits and gains. The representatives also expressed their concern on multiplicity of regulators dealing with the same organisation/institutions.

9. The Members raised various queries/sought clarifications which were responded to by the representatives of the Institute of Company Secretaries of India (ICSI). In respect of certain queries to which replies were not readily available, the representatives were asked to submit written replies/clarifications.

*The witnesses then withdrew.*

10. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

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MINUTES OF THE TWELFTH SITTING OF
THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on Tuesday, the 19th June, 2018 from 1500 hrs. to 1600 hrs. in Committee Room No. 3, First Floor, Parliament House Annexe Extension Building, New Delhi.

PRESENT

Dr. Sanjay Jaiswal - In the Chair

MEMBERS

Lok Sabha

2. Dr. Kirit Somaiya
3. Shri Bhartruhari Mahtab
4. Shri S.P. Muddahanumegowda
5. Shri Jagdambika Pal
6. Prof. Saugata Roy
7. Shri Gopal Chinayya Shetty
8. Shri Shivkumar Chanabasappa Udasi
9. Dr. Ponnusamy Venugopal

Rajya Sabha

10. Shri Naresh Gujral
11. Shri Bhubaneshwar Kalita
12. Shri Satish Chandra Misra
13. Shri Mahesh Poddar
14. Shri Ravi Prakash Verma

Secretariat

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri Sundar Prasad Das - Addl. Director

REPRESENTATIVES OF THE MINISTRIES / DEPARTMENTS WHO ASSISTED THE COMMITTEE
MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

1. Dr. Shashank Saksena - Adviser (FSRL)
MINISTRY OF LAW & JUSTICE
(LEGISLATIVE DEPARTMENT)

1. Dr. G. Narayana Raju - Secretary
2. Dr. N.R. Battu - Joint Secretary and Legislative Counsel
3. Shri Diwakar Singh - Additional Legislative Counsel

(DEPARTMENT OF LEGAL AFFAIRS)

1. Shri Suresh Chandra - Law Secretary
2. Dr. Rajiv Mani - Joint Secretary & Legal Adviser
3. Dr. R.J.R. Kasibhatla - Deputy Legal Adviser

2. At the outset, the Committee chose under Rule 258(3) Dr. Sanjay Jaiswal to act as Chairperson for the sitting in the absence of the Chairperson of the Committee. The acting Chairperson then welcomed the Members to the sitting of the Joint Committee convened to take oral evidence of the representatives of the Pension Fund Regulatory and Development Authority on the provisions of ‘The Financial Resolution and Deposit Insurance Bill, 2017’.

3. Thereafter, the following representatives of the Pension Fund Regulatory and Development Authority (PFRDA) were called in to depose before the Committee:

   REPRESENTATIVES OF THE PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (PFRDA)

   1. Shri Hemant G. Contractor - Chairman
   2. Shri A.G. Das - Executive Director
   3. Shri Rahul Ravindaran - General Manager

4. The acting Chairperson welcomed the representatives and drew their attention to the provisions contained in Direction 55 and 58 of the ‘Directions by the Speaker, Lok Sabha’ regarding the confidentiality of the evidence tendered before the Committee. The representatives explained that National Pension System Trust as defined under the PFRDA Act means the Board of Trustees who hold the assets of the subscribers for their benefit and as such it is the legal owner of the funds of the subscribers and all investments are undertaken in its name by pension funds. On the issue of change of stand of PFRDA with regard to its coverage under IBC or FRDI, the Chairman, PFRDA stated that as per the present position, PFRDA has suggested to be covered under IBC. It was further clarified that under PFRDA Act, they are required to offer a guaranteed pension scheme, which they are in the process of devising. If that guaranteed pension scheme comes about, then there would be an obligation on the part of the Pension Fund Managers towards their subscribers in which case it would be more properly accommodated under FRDI mechanism.

5. The Members, thereafter, raised certain queries/sought clarifications which were responded to by the representatives of the Pension Fund Regulatory and Development Authority.
Authority (PFRDA). The representatives were asked to submit written replies/clarifications in respect of queries to which replies were not readily available with them.

*The witnesses then withdrew.*

6. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

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MINUTES OF THE THIRTEENTH SITTING OF
THE JOINT COMMITTEE ON THE FINANCIAL RESOLUTION AND DEPOSIT
INSURANCE BILL, 2017

The Committee sat on 30 July, 2018 from 1500 hrs. to 1530 hrs. in Committee Room ‘D’,
Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhupender Yadav - Chairperson

MEMBERS

Lok Sabha

2. Shri Anil Gulabrao, Shirole
3. Shri Subhash Chandra Baheria
4. Dr. Kirit Somaiya
5. Shri Nishikant Dubey
6. Dr. Sanjay Jaiswal
7. Shri Konda Vishweshwar Reddy
8. Shri Gopal Chinayya Shetty
9. Shri Shivkumar Chanabasappa Udasi
10. Dr. Ponnusamy Venugopal

Rajya Sabha

11. Shri Naresh Gujral
12. Shri Bhubaneshwar Kalita
13. Shri Mahesh Poddar
14. Shri Sukhendu Sekhar Ray

Secretariat

1. Smt. Sudesh Luthra - Additional Secretary
2. Shri J.V.G. Reddy - Director
3. Shri Sundar Prasad Das - Addl. Director
2. At the outset, the Chairperson welcomed the Members and representatives of the Department of Economic Affairs, Legislative Department and Department of Legal Affairs to the sitting of the Joint Committee convened to consider notice of the motion for withdrawal of 'The Financial Resolution and Deposit Insurance Bill, 2017' along with the statement containing reasons therefor as given by the Finance Minister which stood referred to the Joint Committee under the first proviso to Rule 110 of the Rules of Procedure and Conduct of Business in Lok Sabha and also to consider and adopt the draft report in this regard.

3. The Committee considered the notice of the motion for withdrawal of the Bill together with the accompanying statement containing reasons therefor. The Committee after deliberations agreed with the proposal of the Government to withdraw the Bill and decided to recommend that the leave to withdraw the Bill be granted.

4. The Committee then considered and adopted the draft report.

5. Subsequent to adoption of the draft report, the Committee took the following issues:
   (i) The record of evidence tendered before the Committee may be laid on the Table of both the Houses of Parliament.
   (ii) Two sets of memoranda containing comments and suggestions of stakeholders on the provisions of the Bill, as circulated to the members of the Committee may be placed in Parliament Library, after the report has been presented, for reference of the Members of Parliament.
(iii) Authorised the Chairperson to finalise and present/lay the report to Lok Sabha.

6. The Chairperson drew the attention of members of the Committee to Directions 85 to 87 and stated that members desirous of submitting dissent note may do so by 1200 hrs. on 31 July, 2018.

7. The Chairperson in his concluding remarks thanked all the members of the Joint Committee for their unstinted support and cooperation which made the Committee to examine and finalise the report on the Bill. The Chairperson then thanked various stakeholders for submitting their views before the Committee. The Chairperson also thanked the Secretaries, Department of Economic Affairs, Legislative department and Department of Legal Affairs and their team of officers for furnishing necessary information/documents and rendering valuable assistance to the Committee. The Chairperson, thereafter placed on record the appreciation for the relentless assistance rendered to the Committee by the officers and staff of the Lok Sabha Secretariat.

_The Committee then adjourned._

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