



IAS PARLIAMENT

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Prelim Bits 16-07-2019

NIA (Amendment) Bill 2019

- Three major amendments made to the **National Investigation Agency (NIA) Act of 2008**.
- Under existing Act, the NIA can investigate offences under Atomic Energy Act, 1962 and the Unlawful Activities Prevention Act, 1967.
- 1. The amendment will enable the NIA to additionally investigate offences related to,
 - a. human trafficking,
 - b. counterfeit currency,
 - c. manufacture or sale of prohibited arms,
 - d. cyber-terrorism, and
 - e. offences under the Explosive Substances Act, 1908.
- NIA officers have the same power as other police officers and these extend across the country.
- 1. The Bill amends this to give NIA officers the power to investigate offences committed outside India.
- 2. NIA's jurisdiction will be subject to international treaties and domestic laws of other countries.
- Existing Act allows the Centre to constitute special courts for NIA's trials for the "scheduled offences".
- 1. The Bill enables the Central government to designate sessions courts as special courts for such trials.
- The amendment bill, will strengthens and widens the scope of the investigating agency.

NIA

- The National Investigation Agency (NIA) has been constituted under the NIA Act, 2008.

- It was set up in 2009 in the wake of the Mumbai terror attack.
- It acts as the Central Counter Terrorism Law Enforcement Agency.
- It functions under Ministry of Home Affairs.
- The agency is empowered to deal with terror related crimes across states without special permission from the states.
- It aims to set the standards of excellence in counter terrorism and other national security related investigations at the national level, matching the best international standards.
- It strives towards developing a highly trained, partnership oriented workforce to excel in its objective.

Defence Industrial Corridor

- Proposal in the Budget to set up **Defence Industrial Corridor** in Tamil Nadu and in Uttar Pradesh.
- It refers to a route along which domestic productions of defence equipment by public sector, private sector and MSMEs are lined up to enhance the operational capability of the defence forces.
- Development of these corridors will help in accelerated growth and regional industry agglomeration.
- It will encourage domestic production and benefit all small and medium manufacturers along the corridor.
- The locations of these corridors are strategically decided by the Defence Ministry.
- The proposed corridor in Tamil Nadu will connect Kattupalli port, Chennai, Tiruchirapalli, Coimbatore, Hosur and Bengaluru.
- In U.P it is planned through Agra, Aligarh, Chitrakoot, Jhansi, Kanpur and Lucknow.

SARFAESI Act

- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (**SARFAESI**) Act, 2002.
 - It was framed to address the problem of **NPAs** (Non-Performing Assets) or **bad assets**.
 - It allows secured creditors to take possession over a collateral, against which a loan had been provided, upon a default in repayment.
 - It lets the banks as well as other financial institutions to auction commercial or residential properties for the purpose of loan recovery.
 - The Act provides three methods for recovery of NPAs,
1. **Securitization** - It refers to the process of converting loans and other financial assets into marketable securities worth selling to the investors.

2. **Asset Reconstruction** - It refers to conversion of non-performing assets into performing assets.
3. **Enforcement of Security** without the intervention of the Court.
 - It gives detailed provisions for the formation and activities of Asset Securitization Companies (SCs) and Reconstruction Companies (RCs).
 - RBI is the regulator for these institutions.
 - It provides the legal framework for securitization activities in India.
 - The Government is not involved in commercial decisions or recovery proceedings of banks or financial institutions.
 - The SARFAESI Act does not differentiate between debtors/borrowers on any basis, including the financial status or debt value.
 - Any aggrieved debtor/borrower has recourse to filing appeal in the Debts Recovery Tribunal (DRT) against action under the SARFAESI Act.
 - The Act was amended in 2016, to empower the ARCs and to enhance the effectiveness of asset reconstruction under the new bankruptcy law.
 - It also gave more regulatory powers to the RBI on the working of ARCs.

Cooperative Societies

- A co-operative society is a **voluntary association** of individuals having common needs who join hands for the achievement of common economic interest.
 - Its aim is to serve the interest of the poorer sections of society through the principle of self-help and mutual help.
 - People come forward as a group, pool their individual resources, utilise them in the best possible manner, and derive some common benefit out of it.
 - A Co-operative Society can be formed as per the provisions of the **Co-operative Societies Act, 1912**.
 - It is a Central Act. However, '**Cooperative Societies**' is a **State Subject**.
 - **Right to form a 'Cooperative Society' is made a 'Fundamental Right' under 97th Constitutional Amendment Act, 2011.**
 - At least ten persons above of 18 years, having the capacity to enter into a contract with common economic objectives, like farming, weaving, etc. can form a Co-operative Society.
 - At the State level, the Registrar of Cooperative Societies (RCS) of respective States exercises control over the Cooperative Banks.
 - However, the banking functions of the Cooperative Banks are regulated by RBI under the Banking Regulation Act, 1949.
 - The Government has taken the following measures to revive the **Short Term Cooperative Credit Structure (STCCS)**,
1. Based on the recommendation of **Vaidyanathan Committee**, government

implemented a revival package for STCCS.

2. It encompasses legal and institutional reforms, measures to improve the quality of management and financial assistance as necessary for their democratic, self-reliant and efficient functioning.
 3. Recognizing the need to revamp ailing Cooperative Banks so that they are able to cater to the needs of farmers at their doorstep.
- To enable Cooperative Banks to meet the crop loan and term loan requirements of farmers, Government has set up two Funds in NABARD.

Source: Indian Express, PIB



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