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

