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PRESENTATION

FOR THE SEMINAR PROPOSED TO BE HELD
UNDER THE SHELTER RESOURCE MOBILISATION PROGRAM

ON

DEBT RECOVERY ISSUES
AND
DRAFT FORECLOSURE LEGISLATION

SEPTEMBER 24, 1992

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PRESENTATION
(Draft)

Ladies and Gentleman,

I am very happy and feel greatly honoured to be able to make a presentation before this august gathering of eminent bankers, financiers, jurists and businessmen on the "Problems relating to recovery of loans advanced by financing institutions against mortgage of property and more particularly about mortgage foreclosure laws in Pakistan". Our commercial banks and development finance institutions have been facing serious problems in recovery of their loans from defaulters because of antiquated laws and ineffective debt recovery mechanisms. It is reported that cases are pending in civil courts, Special Banking Courts and Banking Tribunals involving an amount of Rs. 4.00 billion which financial institutions claim to be recoverable from defaulters. According to a survey, carried out by our firm recently, as many as 6500 cases are pending only in the Special Banking Courts and The Banking Tribunals at Karachi. Establishment of the Special Banking Courts and Banking Tribunals has not been very helpful so far in expediting disposal of cases: These courts are over loaded; the number of these courts is inadequate and some of them have not even been functional in the past.

An English Judge of the Primary Council had once remarked that in the Sub-Continent, the problems of the litigant start on obtaining a decree in his favour. I would not say that our laws are tilted in favour of the borrowers but the fact is that the defaulters do manage to have the court cases and the execution of decree delayed and prolonged because they are aware that they can manage a settlement with or pay up to the lending institution at any time before the auction of the mortgaged property.

03. Commercial banks usually prefer to provide short term credit which is not only more profitable but also involves minimum risk. Long term credit is usually made available against mortgage of property and in case of default it is difficult for the banks to foreclose the mortgage. Equitable mortgage has its own hazards as the title deed to the property may be fake or defective; on the other hand registration of a mortgage is expensive and is therefore usually avoided by the borrowers.

04. The commercial banks are extremely reluctant to provide long term housing loan except to their own employees. The State Bank has not so far accorded priority to housing credit but the major factor inhibiting the banks is the high risk involved. The poor performance of the House Building Finance Corporation in recovery of loans has also discouraged the banks and other financial institutions from lending for house purchase or construction.

05. The Government of Pakistan has been advocating, during the past ten years, increased participation of the private sector in housing finance. But there was no legal framework for the establishment of the housing finance companies. A National Seminar on Housing Finance was held in August, 1990. In December, 1990, the first SRO was issued which provided the legal framework for the establishment of housing finance companies. The second SRO notified in February, 1991 prescribed the manner in which applications were to be submitted by interested persons for government permission to launch housing finance companies. About two dozen applications were received but permission was given initially to only Citibank and PICIC to establish subsidiary housing finance companies. Later another four applicants were allowed to set up HFCs. Notwithstanding the fact that legal infrastructure has been laid for establishment and operation of HFCs, very little progress has been made by the sanction holders. And one very important factor for their slow progress is the apprehension that it is a very risky business because the legal framework/system for recovery of mortgage loans is very ineffective. The legal system has not provided the courts the authority to implement effective foreclosure process. Foreclosure/recovery of loan can currently take ten years. Such a time frame is totally unacceptable to the new housing finance companies, the commercial banks and other financing institutions.

06. As consultants to the USAID Shelter Resource Mobilisation Programme, our firm conducted a study of the legal framework currently in vogue in Pakistan and thereafter conducted similar studies in Malaysia, India and Sri Lanka during the past few months. Malaysia has a very progressive housing finance system; the recovery rates of their HFCs are very high and in case they have to seek redress in court, it is possible to foreclose or have the house sold and vacated within a period of one to two years. In India the legal framework is the same as in Pakistan: in fact they do not have the Banking Tribunals like ours but housing finance has made a very strong beginning in India in the private sector during the last decade or so. Sri Lanka of course does not have housing finance in the private sector but they have several lending institutions in the public sector some of which grant housing loans upto Rs. 1.5 million (equal to about 900,000 in Pakistan) and their performance including recovery of loans has been very satisfactory. The Housing Development Finance Corporation of Sri Lanka, a public sector agency, is now in the process of being privatised in view of an agreement reached with the Asian Development Bank. We shall, of course, discuss more about these countries after a few minutes.

07.01 I would like to first give you some details about the mortgage debt recovery mechanism in Pakistan. In order to understand what needs to be done to promote the housing finance industry in Pakistan, particularly in the private sector, it is necessary to first have a look at the existing legal and administrative framework that has an impact on housing finance in Pakistan. There are many constraints in the smooth functioning of a housing finance system in Pakistan and they can be broadly grouped in the following three categories.

(i) Land registration, transfer and title;

(ii) the legal system; and

(iii) the financial system.

07.02 Major constraints in the areas of land registration transfer and title briefly are

(i) the record kept by the Land Revenue Department provides only a rebuttable presumption of valid title to land in favour of the person whose name is mentioned in the Record of Rights;

(ii) when a land holder dies, the successors take a long time to have the changes reflected in the Record of Right which is technically known as "Mutation". No time limit is prescribed for the "mutation";

(iii) the records maintained by the Development Authorities are also not conclusive evidence of title; the buyers are also not obliged under law to get the changes effected in the record of the Authority;

(iv) the transfer fee charged by the Sub-Registrar under the Registration Act and the stamp duties etc., are very high with the result that the buyer generally opts for registration only when a house is proposed to be constructed on the plot. No time limit is prescribed for having the transfer of title recorded under the Registration Act. (The payments to be made to the Development Authorities and under the Registration Act etc., will be shown by a projector and comparative figures shown for Karachi & Lahore).

(v) lack of compulsory system of land registration leads to avenues for fraud. Cases are not rare when the owner sells the same land to more than one person;

(vi) some of you may be surprised to know that oral sales of land are legally permissible in some rural areas of Punjab;

(vii) there are no set rules for valuation of land and houses. Architects give valuation certificates according to the wishes of the borrowers and the employees of the lending institutions can connive with the borrowers in inflating the value of land and houses; and

(viii) the registration of mortgage is subject to exorbitant stamp duties.

07.04 Now I would like to mention the major constraints in the legal system in Pakistan:

(i) I think it is time to enumerate here all the relevant laws related to foreclosure/recovery of loans against mortgage of property. These are: [The list will be shown by slide/projector]:

(a) Transfer of Property Act of 1982: Chapter IV - Sections 58, 67 and 69;

(b) Civil Procedure Code - Order 34;

(c) Companies Ordinance 1984: Section 119;

(d) Registration Act 1908: Sections 17, 48 and 49;

(e) Banking Companies (Recovery of Loans) Ordinance 1979: Sections 6, 6A and 7;

(f) Banking Tribunals Ordinance 1984: Sections 4, 5 and 6;

(g) House Building Finance Corporation Act 1952: Sections 28 and 30;

(h) Industrial Development of Pakistan Ordinance 1961: Sections 39 & 40.

(i) Agricultural Development Bank of Pakistan Ordinance 1961: Section 25.

(ii) As I said earlier, the Special Banking Courts and Banking Tribunals are inadequate in number and are over loaded with work with the result that they could meet the time limit of 3 months within which they were expected to decide the cases; The civil courts, are equally over loaded.

(iii) Under the Transfer of Property Act and the Civil Procedure Code, it is difficult as well as time consuming to recover loans through sale of mortgaged property.

(iv) As I stated earlier, it is difficult to secure a decree from the Civil Court and it is still more difficult to have the decree executed by having the house vacated and sold.

(v) Under the CPC, anyone with an interest in the mortgaged property (including the tenant) is required and/or entitled to be joined in the legal proceedings.

(vi) The delaying tactics usually adopted by the borrower/defendant and his counsel lead to serious delays in disposal of cases in all types of courts. The Advocates present here would kindly forgive me if I say that the opposing counsel i.e. the plaintiff's counsel do not oppose requests for adjournment because they know that they would also require a similar accommodation by the opposing counsel if their positions were reversed in another suit.

(vii) The courts give adjournments freely without any cost to the party seeking adjournments.

(viii) Delays in service of court process through court bailiffs are frequent due to their connivance with the defendants.

(ix) All this delay occurs because, and I would repeat what I said earlier, that the borrower/defendant is fully aware of the position that under the present legal system/mechanism he can always effect a compromise and/or pay up the dues anytime before the property is actually auctioned. This is because of the ineffectiveness of our legal system. The right of foreclosure has been virtually eliminated under the Transfer of Property Act, although technically a provision is there: this is because the bias of equity provides protection to the mortgagor's right of redemption.

(x) Another point that I would like to make here is that, although there are special provisions in the Acts relating to HBFC and IDBP, giving them special powers to have the property sold, the fact is that these institutions, for one reason or the other, have not been able to use these powers. When we discussed this matter with these institutions, we were informed that they have tried to invoke these powers in some cases, but the District Judges usually came to the rescue of the defendant/borrowers and allowed them fresh time to pay up the amount due in instalments. These problems were being faced by the lending institutions in Sri Lanka also, but they have solved the problem by enacting suitable legislation which I propose to discuss a little later.

07.05 Now I will invite your attention to the major constraints which have been identified in the financial system. There are

(i) The State Bank of Pakistan has not accorded priority for housing while setting credit ceilings for the commercial banks.

(ii) Lending institutions usually avoid litigation as it is time consuming and frustrating. They are more inclined to effect a compromise with the defaulters.

(iii) Banks and DFIs have not resorted to make use of Section 69 of the Transfer of Property Act which empowers the mortgagee in certain cases to sell the property without the intervention of courts:

This according to our understanding is because of two reasons:

- firstly because the conditions under which these special powers can be invoked do not usually form part of the agreement between the financing institutions and the borrowers; and

- secondly because it is not possible under the present laws to have the houses vacated without a court decree. And you would agree that a house without vacant possession does not attract many buyers.

08. Having made a study of the mechanisms relating to recovery of mortgage loans in Pakistan, we visited Malaysia, India and Sri Lanka. Mr. William Strong, Advisor, SRMP USAID Pakistan and I had detailed meetings and discussions with relevant agencies and authorities in these countries and we have written separate reports on the situation prevailing in each country. Copies of these reports can be made available to those who may be interested.

09.01 Malaysia: All commercial banks in Malaysia are operating as housing finance companies. The banks are required to invest at least 5% of their net assets in low and medium cost housing but they also provide loans for higher income groups. Besides there are some large building societies in the private sector which operate as housing finance companies and provide loans to builders as well as house buyers.

09.02 Malaysia has enacted detailed legislation to regulate the housing finance industry. In 1982 Regulations were framed for the licensing and control of housing developers. Every entrepreneur who wants to build four houses or more has to seek a license as a developer. Evaluation of land and houses can be done only by licensed developers. The Purchase and Sale Agreement has been standardised by statute. Malaysia has overhauled its land management system. The result is that title to land is clear and poses no problem in recovery of loans.

09.03 It is mandatory under a Regulation issued about a year ago under the Housing Developers (Control and Licensing Act), that the developer should open and maintain an account (known as the Developers' Housing Development Account) with a bank or HFC. This account is operated by the bank/HFC and not by the developer; the bridge loan obtained by the developer is paid into this account; similarly the down payments made by the house buyers are also deposited in this account; all withdrawals from this account are in accordance with the Housing Developers' Control and Licensing Regulations 1991; and in this way the developers are not allowed to play with the loan of the bank/HFC or with the money of the house buyers.

09.04 Banks and HFCs have a policy of very tight appraisement of the loan application. All accounts are computerised and the recovery system is fully monitored with the assistance of a computer aided collection system. To quote an example, the Citibank at Kuala Lumpur employs only 5 officers and 13 staff members to handle as many as 26,500 accounts and the delinquency rate is only 2.6%.

09.05 The Malaysian Legal System is not slow. They have no banking tribunals. Their civil courts are efficient and the mortgaged property can be vacated and sold in about two years with the intervention of courts. If a court passes an order for execution of a decree for vacation of the house, the house is usually vacated without police intervention/assistance. The Malaysian law also allows service of respondents by the petitioner's attorney which helps in expeditious service of court process and saves the litigant parties from the court bailiff. The attorney files an affidavit before the civil court that the process has been served on the defendant and the affidavit is considered to be adequate proof of service. To sum up the Malaysian situation - their banks and HFCs depend more on their own appraisal of application and close monitoring of recovery process rather than having to seek redress in court of law but if they have to seek the intervention of the courts, then their legal system is fairly efficient, responsive and helpful.

10.01 <u>India</u>: The study in India provided an experience quite different from Malaysia. India has the some basic legal and land title system. The laws are the same as in Pakistan - the Transfer of Property Act and the Civil Procedure Code. India has not set up any Banking Tribunals. It is experiencing many of our problems but at the same time they have taken a leap forward and made substantial progress towards the establishment of a strong housing finance industry in the public as well as private sectors.

10.02 The Indians have made significant progress in the overall financing system for housing. A National Housing Bank (NHB) was established in 1988 as a subsidiary of the Reserve Bank of India with responsibility for the regulation of the housing finance industry in India. NHB has also been providing significant amounts for refinancing (6.5 billion rupees in 1991), to selected housing finance institutions for below medium income mortgage loans at subsidized rates. This has not only helped the housing industry expand but it has also provided important housing benefits to the low income segments of the population. A second agency - the Housing and Urban Development Corporation (HUDCO) has been created by the Indian government to provide low interest loans to State Governments, State Housing Boards, local public bodies, development authorities, cooperative societies, slum clearance boards, and others for development of housing projects. HUDCO has been in operation since 1970 and has had no serious problem in the timely recovery of its loans since it is a wholesaler to other government bodies. Even though it provides its loans at subsidized rates, HUDCO earned a profit of Rs. 26.00 crores in 1990-91.

10.03 The Housing Development Finance Corporation (HDFC) was established in private sector in 1978, notwithstanding the apprehensions and doubts that existed at that time that, being in the private sector, it would face serious problems in recovery of loans. HDFC never sought any equity or financial assistance from the government of

India and, as a result of sheer efficient management, it has been able to disburse Rs. 2,875.00 crores as housing loans during the last fourteen years. HDFC has been providing 2-3 years' bridge loans to developers/builders @ 19.5% and 15-20 year loans to house buyers at 10% to 15% interest. The number of HDFC employees is only 729. The Corporation has not faced any serious problems in recovery of its loans due to the following reasons:

(i) proper scrutiny and appraisement of loan application; and

(ii) computer aided close and effective monitoring of the recovery of loans.

The recovery is over 98% and HDFC instituted only 15 court cases for foreclosure/sale of mortgaged property during the past 14 years. As a result of sound management, HDFC could declare a dividend of 24% for 1991-92.

10.04 Commercial banks in India are required to invest 1.5% of their incremental deposits in housing. Many commercial banks have set up HFCs as their subsidiaries. The Life and General Insurance Corporations of India have also set up similar subsidiaries. Equity in some of these HFCs is held by the NHB also. There are about 200 large and small finance companies in the private sector in India providing housing loans. Some of these institutions deal exclusively in housing finance and the NHB has approved 18 of these HFCs for providing them refinance at subsidized rates. Refinance is provided only for low and medium cost houses. Most of these HFCs are functioning quite efficiently. The emphasis by the efficient HFCs in India like Malaysia is on tight appraisal of loan applications and efficient monitoring of recovery. It certainly means selective lending and over-securitisation of loans but the result is that these HFCs do not have to seek the protection and assistance of courts to recover their loans.

10.05 One positive legal change in India that could also be applied in Pakistan has to do with bad cheques. In India it is a criminal offence to write a cheque with insufficient funds in the bank to cover it. This has been a strong weapon for HFCs in India to go after defaulters where bad cheques are involved.

10.06 The problem of leasehold ownership versus freehold ownership for real property has been examined. In India, there are a number of Development Authorities in the larger urban areas. Most of the land under Development Authority control is owned by the government. The land is leased to those interested in developing the land. For commercial development the period of the leasehold is normally 33 years, for industrial use 66 years, and for residential use 99 years. This has created a cumbersome process for transfer of land between parties. In India this has also limited the loans that HDFC and other housing finance companies have been willing to make on such leasehold land. The Indian government is now implementing a process to allow conversion of property from leasehold to freehold with a reasonable fee for the transaction. This is a basic problem in land transfer in Pakistan also and needs to be addressed.

10.07 Despite the above analysis, many HFCs in India particularly the less efficient ones have to resort to litigation to recover their loans. Courts in India are also overloaded, the defendants' counsel in India also indulge in delaying tactics and the cases drag on for even 10 years or more due to inefficiency and corruption in the recovery process and the legal mechanism. The HFCs are pressing the Indian government to amend the laws to help in expeditious recovery of housing loans.

11.01 SRI LANKA: As I mentioned earlier, Sri Lanka has no housing finance companies in the private sector. There are four main public sector agencies providing housing finance:

(i) NHDA: The National Housing Development Authority is the main arm of the government and implements the low income housing programmes. It also provides small loans - rather grants to individuals.

(ii) SMIB: The State Mortgage and Investment Bank which was founded in 1931 provides housing loans primarily to the middle income group. The minimum and maximum limits are Rs. 40,000.00 and Rs. 1.00 million respectively. The Bank issues debentures which are guaranteed by government. It has launched its own deposit mobilisation schemes including Loan linked Savings Accounts Scheme and investment bonds. The Bank presently has a portfolio of 40,000 loans involving a loan of about Rs. 2.00 billion. 20.5% interest is usually charged on the loans.

(iii) <u>HDFC</u>: Sri Lanka set up Housing Development Finance Corporation in the public sector in 1984. It is a Building Society and is regulated under the National Housing Act. 72% equity in this organisation is held by government. Housing Loans are provided in the range of Rs. 25,000.00 to Rs. 400,000.00 - for 15 years. Presently it has a portfolio of 25,000 loans. The building society has 4,000 members. HDFC has recently introduced the new concept of a variable rate of interest. HDFC receives long term loans from the NHDA at subsidized rate of interest. It also has its own Savings Deposits Scheme, Savings for Housing Loans Scheme and Investment Bonds. The Asian Development Bank has provided a $40.00 million Housing Loan Credit to Sri Lanka and HDFC is getting funds out of this programme @ 9%. In return the Government of Sri Lanka has agreed to privatise the HDFC during the next four years. HDFC has launched special programmes for providing housing loans to the employees of the Police Department, the Port Authority and one or two other large organisations. 50% of the loan amount is usually provided by these organisations out of the G. P. Fund of the employees and the balance 50% is provided by HDFC. The Corporation charges 3% of the loan amount for sanctioning and servicing the loan.

(iv) The National Savings Bank is a very important arm of the government and helps through mobilisation of deposits/savings. During the past twenty years the NSB has mobilised Rs. 30,000.00 million as deposits. The National Savings Bank also provides housing loans to individuals and presently has a portfolio of Rs. 500.00 million. The NSB has 7500 housing loan accounts and about 100 to 150 loans are being advanced every month. The range of housing loans is Rs. 10,000.00 to Rs. 1.5 million. The NSB has the resources to meet any increase in the demand for housing loans.

(v) We found that in Sri Lanka all the public sector agencies have a detailed procedure for appraisal of the loan application. They also monitor the recovery of the loans closely and the different agencies are in the process of totally computerising the accounts and recovery mechanisms.

(vi) The Central Bank of Sri Lanka which regulates the operations of all the commercial banks and the non-banking financing institutions is keenly interested in promoting the housing finance mechanism. We had a detailed meeting with the representatives of the Central Bank of Sri Lanka and besides other things, we were informed that, at the instance of the Central Bank, a Committee was formed about two years ago to resolve the problems of the banks and the financing institutions which they were facing in the recovery of housing loans as they were finding it very difficult to secure decrees from courts for the vacation and auction of the mortgaged property of the defaulters. On the recommendations of that Committee, the government of Sri Lanka made certain amendments to the existing legislation and/or passed new legislation which gave powers to the banks and financial institutions to sell the mortgaged property of the defaulters (of course after proper notice etc.) without the intervention of the courts. The new enactments also enabled the lending institutions to have the mortgaged house vacated and auctioned without much difficulty.

(vii) Salient features of these laws passed by Sri Lanka in 1990 are given below:

(a) <u>Act No. 2 of 1990</u>: A financing institution (including commercial banks, SMIB, NSB and a finance company) may recover the debt due to it by filing a plaint before the District Court along with an affidavit that the amount claimed is justly due from the defendant. A copy of the agreement relied upon is also required to be filed with the plaint. The Court on being satisfied of the contents of the agreement and the affidavit shall enter a 'decree nisi' which shall be served on the defendant. Thereafter, if the defendant wishes to contest the case, he has to deposit the amount of the decree in the court. Failing this, the court shall pass an order making the 'decree nisi' absolute, and then it will be deemed to be a writ and shall be executed as a writ.

(b) Act No. 3 of 1990: This Act is also applicable to commercial banks, the SMIB, NSB etc. This Act provides that when any of these lending institutions authorises any person to enter into and take possession of the property mortgaged and such person is obstructed or unable to take possession, such person will be entitled to apply to the Magistrate and the Magistrate shall order the court officer to deliver possession of the property to him; the court officer shall immediately execute the order and submit a written compliance report to the Magistrate. The court officer may use such force as may be necessary to execute the order of the Magistrate. The Act also provides that if a mortgaged property is sold for recovery of loan, and if the purchaser is unable to take effective possession of the property, then the purchaser shall be entitled to get an order from the District Court for the delivery of possession of that property. And possession shall be arranged to be delivered to the purchaser by the court.

(c) Act No. 4 of 1990: This Act is applicable to commercial banks, but similar provisions have been made in the different Acts under which the SMIB, the NSB and the HDFC etc., have been established. The Act provides that the borrower can be adequately served through a letter sent by registered post - at the address which the borrower is required to provide to the lending institution. If a borrower defaults in payment, the Board of Directors of the Bank may pass a resolution authorising a person to sell the mortgaged property by public auction after proper prescribed notices to the borrower and in press etc. The Bank can also authorise any person to enter upon and take possession of the mortgaged property, and return the possession of the property, to the defaulting/borrower after he has cleared the dues. The Bank has also the powers to fix an upset price for the auction and the Bank can itself buy the property in auction. After the auction sale, all the rights in the property shall vest in the buyer. A certificate signed by the Board of Directors of the lending institution is conclusive proof about the sale of the mortgaged property. The purchaser of the property shall be entitled to get an order for delivery of possession from the District Court. Every application for possession has to be disposed of by the District Court under a summary procedure prescribed in the Civil Procedure Code. The Act also provides that if the order of the District Court for delivery of possession to the purchaser is resisted by anyone, then he shall be guilty of an offence punishable with imprisonment upto six years.

12.01 Ladies and Gentlemen:

I am grateful to you for giving me your time and attention so far, listening to the analysis of the debt recovery problems, laws and mechanisms in Pakistan, Malaysia, India and Sri Lanka.

12.02 So where do we go from here. I am sure that you will agree that our laws and procedures are cumbersome, time consuming and ineffective.

During the course of my presentation I have touched upon several problems which have an impact on the housing finance industry - like the legal difficulties arising from the deficiencies in the system of title and registration of land. In the present context, this subject, you would agree, would call for major legislative changes since what is required is a wholesale reformation of the system of land record and registration in Pakistan. Minor legislative changes in the present set-up will not be appropriate and may in fact further confound an already perplexing situation.

12.03 Changes in the service of process for purposes of execution, on a closer examination, appear to be unnecessary as Section 11 of the Banking Tribunals Ordinance, 1984, envisages that the Tribunals shall immediately pass an order for the execution of the decree on the written or oral application of the decree holder. Thus the Tribunal is competent to pass orders for execution of decree without serving any notice on the defendant.

12.04 The administrative and institutional changes such as increase in the number of tribunals, high priority for housing loans by commercial banks, etc., call for no legislation and we may, if you all agree, endorse the recommendation that all these improvements be brought about by administrative action by the concerned authorities.

12.05 I would make a request here that we may, during the course of our meeting, discuss the need and desirability of introducing a legislation or regulation similar to the one in Malaysia that each developer be required to open and maintain a Developer's Housing Development Account so as to ensure that the developer is kept under proper control and not allowed to play with the loan of the bank/HFC or with the money of the house buyer. A discussion on this issue seems to be necessary as a lot of unaccounted for income is usually invested in the house building industry in our country.

12.06 There are, however, some areas, where the problems can be solved or minimised by bringing about appropriate legislation. Let us therefore recommend legislation which will seek to implement the following areas:

(i) The Housing Finance Companies, banks etc., be granted a right to foreclose in case of default by the Mortgagee.

(ii) Powers to HFCs to sell without the intervention of the court - of course after appropriate notices to the defaulter and advertisement of auction through press.

(iii) Right to obtain vacant possession of the property including the right to evict tenants or squatters. Resistance to court order for delivery of possession may be made punishable with suitable imprisonment.

(iv) Control of delaying tactics in court by the defendant by minimising adjournments and allowing adjournments only on payment of adequate costs.

(v) Declaring the issuance of a cheque a criminal offence when it is not covered by adequate amount in the bank account.

13. That is all for the time being. I shall be very happy to answer any questions. Our experts/resource persons from India, Malaysia and Sri Lanka are also present here and they would also be able to answer questions and/or further elucidate some of the points made by me/add something to what I have said today.