

MR. CHAIRMAN: Statement of the Public Accounts Committee. Shri K. Rahman Khan. Not there. Shri Anantray Devshanker Dave. Not there.

Statements of the Department-Related Parliamentary Standing Committee on Petroleum and Chemicals. Shri Ram Nath Kovind.

**STATEMENTS OF THE DEPARTMENT-RELATED
PARLIAMENTARY STANDING COMMITTEE ON PETROLEUM AND
CHEMICALS**

SHRI RAM NATH KOVIND (Uttar Pradesh): Sir, I lay on the Table a copy (in English and Hindi) of the Statements on Action Taken by the Government on the recommendations contained in the 5th Report (13th Lok Sabha) on Action Taken by the Government on the recommendations contained in the 8th Report (13th Lok Sabha) on Demands for Grants --2000-2001 of the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals.

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC
IMPORTANCE**

The Extreme Volatility in Stock Markets

MR. CHAIRMAN: Calling Attention to matter of urgent public importance. Dr. Manmohan Singh.

DR. MANMOHAN SINGH (Assam): Sir, I beg to call the attention of the Minister of Finance to the extreme volatility in the stock markets in the last few days which has led to a climate of uncertainty and instability for investment and remedial measures taken by Government with regard thereto.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Mr. Chairman, Sir, stock markets world wide have been on a downtrend, particularly technology stocks, for the last one year. This has also affected Indian markets. For instance, NASDAQ, which consists mainly of "new" economy stocks has declined by about 59 per cent from March, 2000 to March, 2001. The markets in Japan, Korea, Taiwan and Germany went down in the last one year by about 50%, 40%, 55% and 71% respectively. The BSE Sensex decreased by 22% in the last one year or so. In line with international technology stock indices the Indian technology stocks have also declined by about 63%.

[13 March, 2001] RAJYA SABHA

While the downward movement of the Indian stock market and its volatility have not been unusual compared to international markets, around the beginning of March, 2001. SEBI received information that stock prices were being manipulated. As such, investigations were initiated by SEBI in coordination with NSE, BSE and CSE on 2nd March, 2001 against 20 brokerage entities.

Subsequently, SEBI called a meeting of stock exchanges in Mumbai on 5th March, 2001 to review the current market situation. Thereafter, the following measures were taken by SEBI:

1. SEBI has imposed a 10% margin on all sales for non-institutional players effective from 5th March, 2001.
2. The threshold limit for applicability of the volatility margin to be reduced from the present 80% to 60%.
3. No exemptions to be allowed in the applicability of volatility margin to any class of investors.
4. All sales transactions effective from 8th March, 2001 shall be backed by delivery unless a sale transaction is preceded by a purchase position of at least an equivalent amount in the name of the same client in the same or any other exchange. This will also apply to proprietary trading by members. This decision will be reviewed after two settlements.

The current margining system will be moved to the Value-at-Risk (VAR) scrip-wise model from July 1, 2001.

On 11th March, 2001, SEBI announced the following additional measures to enhance market safety:-

- (i) As a temporary measure, banks will be allowed to provide collateralised funding in Automated Lending and Borrowing Mechanism (ALBM) and Borrowing and Lending Securities Scheme (BLESS) facilities of the stock exchanges;
- (ii) The existing trade guarantee funds set up by stock exchanges would henceforth provide counterparty guarantee for all the transactions which take place on stock exchanges and meet the payment obligations of brokers immediately without waiting to declare them as defaulters;

- (iii) Henceforth, the securities lending scheme would be applicable only to the transactions under the ALBM/BLESS facilities;
- (iv) The additional margin of 10 per cent on the "end of the day" net outstanding sale position of all scrips in Modified Carry Forward Scheme (MCFS)/ALBM and BLESS introduced temporarily by the SEBI on March 5, 2001 is being increased to 25 per cent with effect from March 12, 2001;
- (v) The broker-wise end of the day outstanding position (aggregate of all securities) of a member on any stock exchange other than the BSE/NSE shall not exceed Rs. 50 crore;
- (vi) The gross exposure limit for members of the Stock exchanges is being reduced to 10 times of the base capital and the additional base capital in the case of NSE and to 15 times for the other Stock Exchanges. On 12th March, 2001, SEBI announced further measures as below: -
 - (a) Anand Rathi, former President, BSE and his broking concerns have been prohibited from undertaking any fresh broking business till further orders are passed by SEBI in this regard. Anand Rathi has also been restrained from acting as a Director Member of the Governing Board of BSE till further orders.
 - (b) In the interest of investors, orderly development of the securities market and proper management of BSE, six members of the Governing Board on BSE have been restrained from acting as Directors or office bearers of BSE till further orders.

As far as bank advances against shares and guarantees to stock brokers by the banking system is concerned, the RBI has intimated that It is less than 2 per cent of the total advances as of 31st December, 2000. In this regard, according to information available with RBI, there has been no violation of its prudential norms.

While fluctuations are normal in stock markets and should not be a matter of undue concern we should be vigilant with regard to any systemic risk or movements driven by any form of manipulation. I have been assured by SEBI that there is no systemic risk to the market and there is no danger of a payment crisis.

SEBI has already started its investigations as far as price manipulation is concerned and will take necessary follow-up action. In addition, I propose to take the following measures to improve institutional mechanisms and trading practices in our stock markets:

- (a) Corporatisation of stock exchanges by which ownership, management, and trading membership would be segregated from each other. Administrative steps will be taken and legislative changes, if required, will be proposed accordingly.
- (b) Extension of rolling settlement to 200 category "A" stocks in Modified Carry Forward Scheme, Automated Lending and Borrowing Mechanism and Borrowing and Lending Securities Scheme by July, 2001.
- (c) Government intends to propose legislative changes to further strengthen the provisions in the SEBI Act, 1992 to ensure investor protection.

To conclude, I would like to reiterate that the Government and SEBI will continue to make every effort to ensure that capital markets operate in an orderly, transparent, safe and fair manner for all investors. I would like to assure the House that the guilty shall be brought to book without fear or favour and no one shall be spared.

DR. MANMOHAN SINGH: Mr. Chairman Sir, I have heard with rapt attention what the hon'ble Finance Minister has told the House. The strong, healthy, transparent capital markets are in the national interest. But to ensure that the market functions properly and to protect the interests of genuine investors, we need credible reforms backed by credible systems of supervision and monitoring. In the last decade, a good deal of effort has gone into this area. But, what is now happening in the stock-markets is a source of worry to all of us because all is not well. The hon. Minister has stated that it is only in March this year that the Government or SEBI knew that crises were being manipulated. If this is the state of information available to the Government or SEBI, this reflects very poorly on what is happening in the State of Denmark.

The second point that the hon. Minister has made is that he has stated, "I have been assured by SEBI that there is no systemic risk to the market and there is no danger of payment crisis". I hope what the hon. Finance Minister has said is right. But I think he knows it and everyone else knows it that the markets certainly do not share this perception. The over-activity on the part of the SEBI for the last several days had not diminished the nervousness of the market and, in fact, this morning the market again tumbled. So, there is a crisis of disbelief. We were told last week by SEBI that there was no danger of payment crisis, and come

Monday, the market crashes by 140 points. Last night, probably, in anticipation of a parliamentary debate, further measures were announced. But the markets were not impressed. So, I respectfully submit to the hon. Finance Minister that there is something deeper, in the nature of a malaise, that afflicts our stock-markets and that the time has come when this should not be put under the carpet. I sincerely believe that a mere routine inquiry by SEBI will not serve the purpose of ensuring that our markets are cleaned of unhealthy influences, unhealthy practices, excessive, rampant and reckless speculation, insider trading, price rigging, etc., that have been noticed from time to time, not only after March, but also, at least, for the last two years in a row. It saddens me that for the third time in two years the President of a leading stock exchange in our country, the Mumbai Stock Exchange, has to leave his office in ignominy. I think it was in March, 1999, that a former President of the Mumbai Stock Exchange had to step down following his alleged involvement in scandals relating to breaking into trading systems after market hours. Now, we have seen, in the last week, the fall of another President. A distinguished lady took his place. Last night, the SEBI has removed her also. Along with her, they removed seven Directors also. What is it? That itself is an indication that all is not well with the State of Denmark. That SEBI did not know that these broker-driven stock exchanges were indulging in activities which are detrimental to the interests of the investors, is, at large, a sad reflection on the functioning of SEBI and on all those associated with it.

Sir, all over the world, the markets do fluctuate and all markets are increasingly being integrated into the world market. So, a certain amount of fluctuation is inevitable. The NASDAQ is fluctuating and it affects the technology stocks. But I regret to say that in the last 18 months, and sometimes willy-nilly, SEBI has given the impression that it is interested in pushing the prices of these so-called new economic stocks in a particular direction.

I think, in violation of the norms of the SEBI, suddenly for initial public offerings these new economic stocks were lowered in order to ensure that prices behave in a particular way. In view of an this where are we going? I would like to tell the hon. Finance Minister that it might have come to their notice only in March, 2001 that the prices were being manipulated. The public memory is quite sharp. Perhaps, he has forgotten that two years ago, talks of a bull operator using bank funds to rig up prices of Sterlite, Videocon, BPL and Himachal Futuristics came to our

notice. SEBI had ordered an inquiry. Sir, to the best of my knowledge, that inquiry has still not been completed. If this is the state of policing of our stock exchanges, what confidence can the country have that we have a watch-dog which is equal to the task? I would, therefore, like to know from the hon. Finance Minister as to what has happened to the 1098 inquiry. So what is going on in the stock exchanges today is not a phenomenon which arose on the 2nd March. It has been going on for quite some time. Technology stocks were being driven up, were being ramped up with the help of a particular bull operator and his colleagues for more than a year. What did the SEBI -do? You banned the short selling. But what did you do when long purchases were taking place to ramp up these favoured ten stocks of a particular bull operator? I agree that you should investigate if there is a bear caught. But you should also investigate if there is a bull caught. In fact bears and bulls are integral part of stock exchanges. Bears of today can become bulls of tomorrow. But is it necessary for the SEBI to say that things have gone wrong only after the 2nd of March, 2001? What was going on and the manner in which certain bull operators were manipulating the stock market was not consistent with the underlined fundamentals of the situation. More recently there has been a talk once again of the involvement of bank funds in fanning excessive speculation in the stock market. The hon. Finance Minister has told us that the Reserve Bank of India has told him that the exposure of banking system to the stock market is not excessive. I respect his words. But, Sir, I hope he has also seen the newspaper reports that before the recent proposed merger of a private sector bank with the UTI bank, there was an excessive speculation in the shares of that private sector bank. It has also been alleged that a particular bull operator has a sizeable stake in that bank. Furthermore, that bank is lending shares to ramp up the prices further. I would like to know from the hon. Finance Minister as to what is the true state of affairs with regard to this particular matter. I am told that the Reserve Bank of India brought this matter to the notice of SEBI as early as in October or November and asked the SEBI to find out if there has been any rigging or ramping up of the prices of this particular private sector bank before the merger was completed. What has the SEBI done? We know that nothing much has been done. Recently, the Reserve Bank was compelled to ask the SEBI to apprise them, latest by 31st March, as to what its assessment is on the charge of price rigging of tNs particular share. The hon. Finance Minister has talked of certain long-term measures. Sir, I welcomed the decision to bring in the rolling settlement system.

asked him: "Who has been blocking the introduction of the rolling settlement system?" It is the SEBI which has been blocking this rolling settlement system on the plea that It will destroy the feel-good-factor in our market, that it will, in the process, depress prices and volume. I respectfully submit to the hon. Minister that it is not the function of SEBI to sit in judgement on what is the right volume or what is the right price. SEBI should be a ring-master, a monitor, to ensure that stock markets function in a particular way. But we have now acquired a system where every operator expresses his wish as to where the market should go and" where the markets will go, and, in the process, whether it is SEBI or other financial institutions, they are cheating the poor, the small, investors. We have heard about the Budget. We know what it has done to the poor people. Those who invest their monies in Provident Funds will lose; those who invest their monies in small savings will lose. Well, they were told, "Don't worry. You will have a rosy return in the stock market." We know, for example, what rosy returns these poor savers, widows, pensioners and retired persons would get if they heed the advice of all these new fund managers that, "Forget the old economy. Go and Invest your savings in the new economy."

Sir, I could go on. But I think, there is the limitation of time and I end by asking the hon. Finance Minister a few specific things. First of all, I would like to ask him: Did SEBI act on its own or It had to be persuaded by the Government to act to restore the so-called feel-good-factor generated by the Budget? in other words, when the SEBI intervened after the fall in prices on 2 March, was it at the direction of the Government or was it done by SEBI on its own? If it did not act on its own, responsibility should be fixed for lack of supervision of the market. The second thing that I would like to know from him is: What is the scope of Investigation being conducted by SEBI? Will it confine itself to the role of the so-called bear cartel or to that of the bull cartel also, which has been operating for a long time, particularly, with regard to some specific stocks, and whose operations have been the talk of the market not just in March, but, at least, for two years in a row? There are well-known ten stocks which have been the subject-matter of the activities of the bull cartel. I do hope that he will ask the SEBI to look into that aspect as well, not merely confining to what has happened in March. That is important. We must know the truth as to what happened in the Mumbai Stock Exchange; what the President's role in getting the privileged information was and the leaking of that privileged information; all these must be unearthed. I think, the activities of the so-

called bull cartel should also be investigated by the SEBI thoroughly. The third question that I have to put to him is: What happened to the 1098 SEBI inquiry in which certain brokers were involved in rigging the prices of Sterlite, Videocon and Himachal Futuristic? Why has the SEBI not completed this inquiry although three years have passed? The fourth question is: What has been the role of bank funds in favouring excessive speculative tendencies in our capital market? Has the Reserve Bank asked the SEBI to probe, in particular, the share prices of Global Trust Bank before its proposed merger with the Unit Trust of India Bank? If so, what has been SEBI's finding in this regard? My 5th question: I would like you to answer what has been SEBI's own role in encouraging excessive speculation in the so-called new economy stock by liberalising unduly listing-norms to favour particular promoters and particular companies. 6 question; Is it true that Indian markets are characterised by excessive speculation vis-a-vis the most other capital markets of the world? What measures are being contemplated to deal with this? You have mentioned the introduction of the Rolling Settlement System. I welcome this. But why is this Rolling Settlement System, which has been recommended for a long time, been held up? I am told that it is held up because SEBI and its bosses felt that this will destroy the feel-good factors. I would like you to contradict that. Then, newspapers have been publishing stories which are creating panic in the market. They say that Revenue Intelligence is in the picture; the Enforcement Directorate is in the picture; the CBI is in the picture. I would like to know what specific role you have assigned to these agencies and, if they have any role, how it is going to be coordinated with this inquiry that the SEBI has ordered. Then, Sir, and I say this with great trepidation, rumours are afloat that our stock markets today are also, unfortunately, being funded by underworld money. I would like you to tell us if you had any information at your disposal. I hope I am wrong. But these are some of the issues that we expect the hon. Finance Minister to clarify; and, in my view, this debate will serve a purpose, but the matter is far too serious. We need an inquiry that will truly inspire confidence. But so far as the nature of that inquiry is concerned, I think we can discuss that at a later stage.

श्री संजय निरुपम (महाराष्ट्र): आदरणीय सभापति महोदय, मैं वित्त मंत्री जी का आभारी हूँ कि मुंबई के शेयर मार्केट और कलकत्ता के शेयर मार्केट और पूरे पूंजी बाजार में जिस तरह की उथल-पुथल मची हुई है, उसके बारे में वे अपना बयान लेकर आए हैं और अपनी तरफ से वे वादा कर रहे हैं कि इन स्थितियों से निपटा जाएगा।

सभापति महोदय, मैं अपनी बात शुरू करने से पहले माननीय वित्त मंत्री महोदय का ध्यान 9 मार्च को हिंदुस्तान के अखबारों में जो खबर छपी है, उस खबर की ओर आकर्षित करना चाहता हूँ। महोदय, दिल्ली के पहाड़गंज इलाके के एक होटल में एक 8 मार्च की रात को 2 लाशें मिलीं। ये लाशें हरियाणा के वीरेन्द्र कुमार अग्रवाल और उनकी पत्नी रामकली की थी। लाशों की बगल में एक सुसाइड नोट मिला जिसमें लिखा था कि वह एक कोऑपरेटिव सोसायटी का ऑनरेरी सेक्रेटरी है। उसने अपनी सोसायटी के 70 लाख रुपए स्टॉक मार्केट में लगा दिए थे शेयर्स खरीदने के लिए लेकिन 2 मार्च को जब शेयरों के भाव गिरने शुरू हो गए और जब स्टॉक मार्केट ध्वस्त हो गया तो इतना बड़ा घाटा वह बरदास्त नहीं कर पा रहा था, इसलिए उसने जान दे दी।

सभापति महोदय, इस वर्ष यशवंत सिन्हा जी के बजट के बाद स्टॉक प्राइसेज में कुछ वृद्धि हुई थी लेकिन उसके बाद जो उथल-पुथल हुई, उसके कारण और कितने हादसे होंगे, हमें नहीं मालूम। जिस प्रकार 1992 के शेयर घोटाले में कितने ही बैंक बंद हो गए थे, 2 बैंकों के बारे में तो मैं जानता हूँ, मेट्रोपोलिटिन बैंक और बैंक ऑफ कराराड, ये पूरी तरह नेस्तनाबूद हो गए थे हर्षद मेहता के घोटाले की वजह से, उसी तरह से कई बैंक आज खत्म होने की स्थिति में हैं और उसमें से एक है गुजरात का माधवपुरा कोऑपरेटिव बैंक। इस बैंक की तरफ से गुजरात के अखबारों में इस तरह के विज्ञापन छापे जा रहे हैं कि परेशान मत होइए, जो हमारे इन्वैस्टर्स हैं, जो हमारे खाता-धारक हैं, उन सबके पैसे लौटाए जाएंगे लेकिन सच तो यह है कि यह बैंक इस समय बरबाद होने की स्थिति में है। माधवपुरा बैंक ने जी टेली फिल्म के 40 लाख शेयर खरीदे। उस समय यह शेयर एकदम से बहुत चढ़े जा रहे थे। इसलिए इस बैंक ने 40-50 करोड़ रुपए इस शेयर में डाले और अचानक जब शेयर के भाव गिरे तो बैंक के सारे अधिकारी परेशान हैं, बैंक के सारे निवेशक परेशान हैं और पूरा बैंक बरबाद होने की स्थिति में आ गया है। मैं पहले यही जानना चाह रहा हूँ कि 1992 के अनुभव के बाद क्योंकि 1992 से पहले सेबी हमारे पास नहीं थी, इस तरह से प्राइस मेनिपुलेशन हुए, बड़े पैमाने पर शेयर की ट्रेडिंग हुई और इसके बाद भी सेबी नजर क्यों नहीं रख पाई? पहला हमारा कहना आज यही है। वित्त मंत्री महोदय ने कहा कि पेमेंट क्राइसेज नहीं है, सेबी ठीक है। माननीय वित्त मंत्री जी, मैं आप से पूछना चाहता हूँ कि जब 2000 रुपए के शेयर भाव घट कर के 100 रुपए हो जाएंगे तो 1900 रुपए की घाटे की मार कौन बर्दाश्त करेगा और क्यों बर्दाश्त करेगा। जी टेली फिल्म की कीमत 10 रुपए, 12 रुपए थी जिसकी कीमत 2000 रुपए ली गई और अचानक फिर भाव गिर जाता है। कैसे गिरता है मैं आगे-आगे बतलाना चाहता हूँ। लेकिन मेरा कहना यह है कि बुल कार्टल हो या बियर कार्टल हो, तेजड़िये हों या मंदड़िये हों इनके झगड़े में जो आम निवेशक बरबाद हो रहा है, देश का जो पैसा लूटा जा रहा है उसके ऊपर छानबीन करने में, उसके ऊपर नजर रखने में सेबी ने कभी भी महत्वपूर्ण भूमिका नहीं निभाई। ठीक है कि उसने आज बहुत सारे सुझाव दिए हैं, सेबी ने बहुत सारे एहतियात के कदम उठाए हैं लेकिन मेरा ऐसा मानना है कि सेबी की भूमिका कहीं न कहीं कमजोर रही है, कहीं न कहीं दोषपूर्ण रही है। मैं जानता हूँ कि शेयर के भाव चढ़ते-उतरते रहते हैं, हमारा आप का उस पर नियंत्रण नहीं है। लेकिन दुर्भाग्यवश जो ब्रोकर्स हैं उनका इन पर नियंत्रण है और वे इसमें खेलते हैं अचानक शेयर के भाव आसमान छूने लगते हैं तब भी हम नहीं चौंकते। दो साल पहले जो आई.टी. शेयर्स के भाव उपर गए, जो एकदम से अप्रत्याशित रूप से बढ़े हैं, सेबी की जिम्मेदारी थी कि उनको चेक कर पाती लेकिन सेबी चेक नहीं कर पाई। कैसे भाव बढ़े और कैसे गिरे 9 मार्च, 2000 को जी टेली फिल्म का भाव 1348 रुपए था। ठीक

9 मार्च, 2001 को इसका भाव घटकर 124 रुपए हो जाता है। एक साल के अंदर इतना बड़ा फाल होता है। 9 मार्च, 2000 को पेंटामीडिया ग्राफिक्स का भाव 1816 रुपए था जो 9 मार्च, 2001 को यानी इस साल दो-तीन दिन पहले उसकी प्राइस घटकर 125 रुपए हो गई। ग्लोबल टेली सिस्टम का भाव 3061 रुपए था जिसकी प्राइस अब घटकर 236 रुपए हो गई। सिल्वर लाईन टेक्नॉलोजी का रेट 1102 रुपए था जो घटकर 106 रुपए हो गया और हिमाचल फ्यूचरिस्टिक 1102 रुपए से घटकर 206 रुपए पर आ गया। इतना बड़ा पतन क्यों हुआ, यह समझने वाली बात है। शेयर्स का भाव गिरना और चढ़ना दोनों स्वाभाविक रूप से हुए हैं और सिर्फ एक-डेढ़ साल, दो साल में हुए हैं। पूरे देश में एक ऐसा माहौल बना दिया कि आई.टी. सैक्टर बूम पर है, आई.टी. सैक्टर में इतना पैसा लग रहा है। अचानक यह पैसा कहां चला गया, अचानक ऐसी दुर्गति क्यों हुई यह मुझे सबसे पहले माननीय वित्त मंत्री महोदय से जानना है। माननीय मंत्री महोदय ने अपने बयान में इसका जिक्र नहीं किया है।

एक खास ब्रोकर है जिसके कम से कम 10 शेयर के भाव में प्राइस मेनिपुलेशन हुआ, प्राइस रिव्यू हुआ। यह खास ब्रोकर पिछले दो साल से जबर्दस्त तरीके से एक्टिव हुआ है, जबर्दस्त तरीके से सक्रिय हुआ है और उसी के शेयर्स के भाव बढ़े, उसी के शेयर्स के भाव गिरे हैं। वह खास ब्रोकर है वह हर्षद मेहता के घोटाले का एक अभियुक्त है। इसका केस नम्बर चाहेंगे तो वह भी मैं बतला दूंगा, कितने नम्बर का एक्यूज्ड है वह भी मैं बता दूंगा। मैं पहले यह जानना चाह रहा हूं कि जो लोग 1992 के घोटाले में इतने बड़े अभियुक्त थे उनको फिर से ऑपरेट करने का काम क्यों दिया गया? ठीक है, वह ऑपरेट कर रहा था तो फिर उसको ग्यो करने का क्यों मौका दिया गया और जब वह ग्यो कर रहा था तो सेबी क्या कर रही थी। आप कह रहे हैं कि सेबी सब कुछ ठीक कर रही है। लेकिन वहां पर सेबी की जिम्मेदारी थी वह सब ठीक करने की और सेबी ने यहां पर अपनी भूमिका को सही ढंग से नहीं निभाया। आम तौर पर हमारे यहां मुम्बई स्टॉक एक्सचेंज में 20 से 40 हजार शेयर्स की ट्रेडिंग पर-डे होती है। एक ब्रोकर ने एक दिन में 53 लाख शेयर्स की ट्रेडिंग की है। यह साल भर पहले की बात है। इससे सेबी को चौंकना चाहिए था लेकिन सेबी नहीं चौंकी। सेबी ने कहीं चेक नहीं किया कि कहां से पैसा आया, किसको दे रहे हैं, किससे ले रहे हैं। यह काम सेबी का था और सेबी का था और सेबी ने वहां पर अपनी दोषपूर्ण भूमिका निभाई। आज सुबह-सुबह मार्केट 300 प्वाइंट गिर गया है, कल यह कल यह 114 प्वाइंट गिरा था। जो भी कारण हो, बालको के कारण गिरा हो या दीना मेहता वगैरह को हटाया गया है उनके कारण गिरा हो। आज सुबह-सुबह 300 पाइंट्स गिरा, कल 114 पाइंट्स गिरा, पिछले से पिछले शुक्रवार से लेकर आज मंगलवार दस दिन में लगभग 1000 पाइंट्स गिरा है, इससे एक अंदाजा लगाया जा सकता है। मैंने शेयर बाजार के कुछ जानकार लोगों से पूछा कि टोटल कितने का लोस इसमें हुआ होगा। इसमें लगभग एक लाख करोड़ रुपये का लोस हो चुका है। एक लाख करोड़ रुपये का घोटाला हुआ है और उस घोटाले के लिए जिम्मेदार कौन है? ...**(व्यवधान)**... एक लाख करोड़ तो इस एक हजार शेयर का मोटा-मोटीतौर पर अंदाजा निकलकर आता है कि टोटल स्कैम तो पांच लाख करोड़ से ज्यादा का है।

सभापति महोदय, मैं यह कह रहा हूं कि आईटी शेयरों की ट्रेडिंग में सरकारी वित्तीय संस्थाओं का खूब योगदान रहा है। वह चाहे यूटीआई हो, एलआईसी हो या एसबीआई हो, बहुत सारे बैंक हैं, म्यूचल फण्ड्स हैं। मैं माननीय वित्त मंत्री महोदय से यह पूछना चाहता हूं कि इन बैंकों को सटोरियों के हाथों में खेलने की परमिशन क्यों दी गई? बैंकों में पब्लिक का पैसा है,

निदेशकों का पैसा है, बैंकों को आखिर इतनी खुली छूट क्यों दी गई कि जो बिग बुल्स हैं उनके हाथों में वे खेलें? आज एक बैंक से एक लाख रुपये का लोन लेना कितना मुश्किल होता है यह हमें मालूम है। आम अदमी एक बैंक से एक लाख रुपये का लोन लेने जाए तो उसे डेढ़ सौ तो कागजात जमा करने पड़ते हैं और उसके बाद भी उसे एक-एक महीने तक बैंक के चक्कर लगाने पड़ते हैं, लेकिन यही बैंक वाले मिनटों में, घंटों में ब्रोकर्स के जरिए करोड़ों रुपये शेयर मार्केट में फैंक देते हैं। इसी प्रवृत्ति की वजह से आज शेयर मार्केट में उथल-पुथल मची है, इसी प्रवृत्ति की वजह से यह स्थिति उत्पन्न हुई है। बिल्कुल इसी तरह से एलआईसी की वजह से आज कितनी जिंदगियां खतरे में पड़ी हैं, अगर वह पैसा वापस नहीं आयेगा तो लोगों को पालिसी का पैसा वापस नहीं मिलेगा। एक बाप मर जाता है। उसका बेटा पालिसी का पैसा वापस लेने के लिए निकलता है तो उसकी पूरी जिंदगी एलआईसी वालों के यहां दौड़ते रहने में निकल जाती है। लेकिन यही एलआईसी वाले ब्रोकर के एक फोन पर, एक रिक्वेस्ट करोड़ों रुपये शेयर मार्केट में डाल देते हैं। यह जो एक प्रवृत्ति शुरू हो गई है इस प्रवृत्ति को कहीं न कहीं रोकना पड़ेगा।

अब मैं यू.टी.आई. पर आना चाहता हूं। इसमें यूटीआई की सबसे महत्वपूर्ण भूमिका है और इसकी भूमिका की जांच निश्चित तौर पर होनी चाहिए। लगभग 70 से 75 हजार करोड़ सबसे बड़ा प्लेयर आज की तारीख में शेयर मार्केट में यूटीआई है। यूटीआई ने कितना पैसा लगाया है इसको मैं पता लगाने की कोशिश कर रहा था, मैं जानना चाह रहा था, मैं कई वेबसाइट पर गया कि यूटीआई ने आखिर कितनी कम्पनियों के शेयर खरीदे हैं, किस भाव पर खरीदे हैं? मैं इसके बारे में बताना चाहता हूं कि यूटीआई वाले इस इन्फार्मेशन को डिसक्लोज नहीं करते हैं। यूटीआई की रिपोर्ट में ये सारी बातें नहीं हैं। ओवरऑल बता देते हैं कि कितने शेयर हमने खरीदे। मैं माननीय वित्त मंत्री महोदय आपसे निश्चिततौर पर जानना चाहूंगा कि यूटीआई ने आखिर किन-किन कम्पनियों के शेयर प्लेसमेंट किए? जिन कम्पनियों के शेयर की कीमत पांच रुपये, चार रुपये तीन रुपये थी वे शेयर 75 रुपये, 100 रुपये में लिए गए हैं। हो सकता है कि यह अफवाह हो, अगर यह अफवाह है तो आप साबित करके दीजिए और मुझे बताइये कि मेरी जानकारी गलत है। लेकिन आज शेयर प्लेसमेंट के नाम पर मुम्बई में यूटीआई में एक बहुत बड़ा धंधा चल रहा है। चारों तरफ ब्रोकर्स, प्रमोटर्स और यूटीआई का एक नेक्सस पैदा हो गया है, नेक्सस तैयार हो गया है और आपको इस नेक्सस को तोड़ने की दिशा में काम करना पड़ेगा। यूटीआई में किन-किन कम्पनियों का, किन-किन ब्रोकर्स का इंटरेस्ट है, किन-किन ब्रोकर्स के हितों को साधा जा रहा है, इसकी भी छानबीन करने की जरूरत है।

अभी एक मर्जर का किस्सा सामने आ गया है। डाक्टर साहब ने थोड़ा-सा रेफरेंस दिया ग्लोबल ट्रस्ट बैंक यूटीआई में मर्ज होगा, यह किस्सा काफी अर्से से चल रहा है। पिछले एक साल से मर्जर की प्रक्रिया चल रही है। मैं यह जानना चाहता हूं कि ग्लोबल ट्रस्ट बैंक की क्रेडेबिलिटी क्या है? इसे कोई नहीं जानता है। सब उल्टी-सीधी बातें कर रहे हैं। मैंने लोगों से जानने की कोशिश की कि एक्जैक्टली इसमें किसका पैसा है, काला पैसा है या सफेद पैसा है यह किसी को नहीं मालूम है। माननीय वित्त मंत्री महोदय मुम्बई के पुलिस आफिसरों के पास ऐसी जानकारी है, मुम्बई के एक फिल्म फाइनेंसर को उन्होंने अरेस्ट किया हुआ है, वह इस समय जुडिशियल कस्टडी में है, उसका ब्लैक मनी इस बैंक में है। उस ब्लैक मनी में अंडरवर्ल्ड

का पैसा है। फिल्म फाइनेंसर को इसलिए पकड़ा गया है कि उसका अंडरवर्ल्ड से कनेक्शन हैं और ऐसी बात निकल कर आ रही है कि इस बैंक में अंडरवर्ल्ड का पैसा पड़ा हुआ है। क्या ऐसे बैंक के साथ यूटीआई की सबसिडियरी यूटीआई बैंक में मर्ज होगी? रिजर्व बैंक ने शायद रिजर्व का एक आर्डर दिया है कि रिजर्व किया जायेगा। सेबी इस पूरी मर्जर की प्रक्रिया की जांच कर रही है। सेबी को यह बोला गया है कि ग्लोबल ट्रस्ट बैंक के शेयर का अचानक इतना भाव क्यों बढ़ा, इसकी छानबीन करिए और सेबी इस की जांच कर रही है। लेकिन इस बीच जब "जी" टीवी के शेयर बढ़े, जब वह आसमान छूने लगे तो जांच क्यों नहीं की गई? यह हमारे यहां एक सिस्टम चल रहा है कि किसी भी कम्पनी को अगर दूसरी कम्पनी में मर्ज कराना है तो सबसे पहले उस कम्पनी के शेयर के भाव बढ़ा दो और बाकायदा सालभर पहले जब यह मर्जर की प्रक्रिया शुरू हुई तो "जी" टीवी के शेयर के भाव इसीतरह से बढ़ाये गए ताकि मर्जर प्रपोजल थोड़ा-सा लाभदायक हो सके। ऐसी स्थिति में जब मर्जर के ऊपर सवाल उठाया जा रहा है, उसकी चर्चा हो रही है, उसकी जांच हो रही है, उसकी जांच होनी चाहिए, तब यू.टी.आई. के चेयरमैन का क्या स्टेटमेंट आया है? मेरे पास एक अखबार पड़ा हुआ है, शायद कल का ही अखबार है, उनका फोटो भी छपा है। यू.टी.आई. के चेयरमैन का स्टेटमेंट है कि **the UTI Bank does not foresee any difficulty in the bank's proposed merger with the Global Trust Bank.** यानी चोरी भी और सीना जोरी भी। मुझे यह लग रहा है कि पूरा मर्जर ही गुनाह होने वाला है। ऊपर से एक सरकारी अधिकारी अखबारों में बयान दे रहा है कि मर्जर में कोई बुराई नहीं है। वित्त मंत्री महोदय, इस पूरे मर्जर की जांच होनी चाहिए। आखिर यू.टी.आई. और बी.एस.ई. के जो बिग बुल्स हैं, जो तेजडिये हैं, उनका क्या रिश्ता है? इसकी जांच होनी चाहिए। शेयर स्वेप के नाम पर जो खतरनाक खेल खेला जा रहा है, इसकी जांच होनी चाहिए। मेरा आपसे निवेदन है कि यू.टी.आई. और जी.डी.पी. के मर्जर के ऊपर खुलकर सारी बातें हमें बताइए कि किसका इंटरस्ट है, क्या इंटरस्ट है? जो ब्रोकर्स हैं, जो बिग बुल्स हैं, उनके कितने पैसे इसमें शामिल हैं? यू.टी.आई. क्यों इतना इंटरस्टिड है, यह स्पष्ट हो जाना चाहिए। अब सवाल उठता है कि जांच कौन करे? हम घूमफिरकर शेयर मार्किट में कुछ भी होता है तो सेबी पर आ जाते हैं। महोदय, सेबी का काम है-स्टॉक मार्किट को रेग्युलेट करना, डेवलप करना और इनवेस्टर्स को प्रोटेक्ट करना। सच पूछिए तो पिछले 9 सालों में सेबी की स्थापना के बाद से हम लगातार देख रहे हैं कि सेबी अपनी पूरी भूमिका में फेल हुई है, पूरी तरह से असफल रही है। 1998 में हर्षद मेहता फिर से सक्रिय हुआ। तीन कम्पनियों के शेयर्स के बारे में डाक्टर साहब ने बताया, उस संबंध में आज भी छानबीन हो रही है, सेबी छानबीन कर रही है। हमारा सवाल है कि हर्षद मेहता को अलाऊ किसने किया? सेबी उस समय क्या कर रही थी और जब हर्षद मेहता सक्रिय हुआ, अपने आपमें इतना बड़ा स्कैंडल निकलकर आया तो आज लगभग तीन साल हो गये हैं, उस पूरे मामले की छानबीन की रिपोर्ट सामने नहीं आयी। इसलिए मरा विश्वास है कि आगे भी इस पूरे प्रकरण की जांच में सेबी कितनी निष्पक्षता बरतती है, इसकी कोई गारंटी नहीं है। महोदय, 8 मार्च को बी.एस.ई. के प्रेजीडेंट ने इस्तीफा दिया। उन पर जो आरोप था, वह अपने आपमें एक संगीन आरोप है, ब्रीच ऑफ ट्रस्ट का मामला है। बी.एस.ई. के प्रेजीडेंट के पास कोई अधिकार नहीं है सर्वेलेंस डिपार्टमेंट से इनफार्मेशन हासिल करने का, किन्तु उन्होंने हासिल की। यह अपने आपमें जघन्य अपराध है। ब्रोकर्स को इस तरह से खेलने नहीं दिया जा सकता। जो बी.एस.ई. का प्रेजीडेंट है, उनको तो कम से कम अलाऊ नहीं किया जा सकता। लेकिन इस पूरे मामले को ढकने की कोशिश की गयी है। आनन्द राठी से इस्तीफा

ले लिया गया। आज आपने अपने बयान में बताया है कि आनन्द राठी को बोल दिया गया है कि अब आप शेयर मार्किट में ऐक्टिव नहीं रहेंगे, काम नहीं करेंगे। लेकिन मेरा मानना है कि सिर्फ इतना ही काफी नहीं है। बी.एस.ई. के ऐक्स प्रेज़ीडेंट को गिरफ्तार किया जाना चाहिए। ...**(व्यवधान)**... अहलुवालिया जी, हंसने की बात नहीं है। मैं यह इसलिए बोल रहा हूँ क्योंकि बी.एस.ई. के प्रेज़ीडेंट और सेबी के प्रेज़ीडेंट एक ही क्लब का हिस्सा हैं। बी.एस.ई. के प्रेज़ीडेंट ने जब सर्वेलेंस डिपार्टमेंट की सारी इनफॉर्मेशन ली, उस समय पांच लोग मौजूद थे। वे पांच लोग 8 तारीख से लेकर 11 तारीख तक मार्किट में सक्रिय रहे। 11 तारीख को उनसे इस्तीफा लिया गया। हमें बहुत खुशी हुई कि 8 मार्च को जब अंतर्राष्ट्रीय महिला दिवस था, उस दिन हमारे देश में पहली बार एक महिला शेयर मार्किट की अध्यक्ष बनी लेकिन वह महिला भी उसी मीटिंग में थीं। उस पूरे प्रकरण में वह महिला भी शामिल थीं। अब आपने उनको हटा दिया। तीन दिन तक क्यों खीचा, मेरी समझ में नहीं आ रहा है। मेरा यह कहना है कि बी.एस.ई. के प्रेज़ीडेंट और सेबी के चेयरमैन के रिश्तों की पूरी तरह से जांच होनी चाहिए। सिर्फ जोधपुर क्लब का मामला है, ऐसा नहीं है। और भी कुछ है। यह जांच कम से कम सेबी नहीं कर सकती। आनन्द राठी की हेराफेरी की जांच सेबी के ऊपर नहीं छोड़ी जा सकती वरना कुछ पता नहीं चलेगा और जैसे 1998 के अपराधों पर पर्दा डाल दिया गया, बिल्कुल उसी तरह से इस प्रकरण के ऊपर भी पर्दा डाल दिया जाएगा। सेबी के बारे में मैं इतना ही बोलूंगा कि जैसे गांव में जब चोरी होती है, डकैती होती है, कोई हत्या होती है तो चोर-बदमाश को पकड़ते हैं और थानेदार को हटा देते हैं लेकिन एस.पी. की भी जिम्मेदारी होती है। जिले के एस.पी. के खिलाफ कौन कार्यवाही करेगा? सारे लोगों के खिलाफ ऐक्शन ले लिया लेकिन सेबी का चेयरमैन जो जिले का एस.पी. बनकर बैठा हुआ है, उसके खिलाफ कोई कार्यवाही नहीं हो रही है जबकि उसकी बड़ी भूमिका रही है। पिछले तीन-चार वर्षों में जो प्राइस रिगिंग हुई है, प्राइज मैनिपुलेशन हुआ है उसमें उनकी बहुत बड़ी भूमिका रही है। भूमिका नहीं भी रही तो कम से कम मौन भूमिका रही है और मौन रहना भी एक खतरनाक बात है। वित्त मंत्री महोदय, अगर आप चाहते हैं कि शेयर बाजार को पूरी तरह से दुरुस्त किया जाए, अव्यवस्था को ठीक किया जाए तो मुझे लगता है कि पहले सेबी की व्यवस्था को दुरुस्त करना पड़ेगा। वैसे भी उनका पांच साल का टर्म था वह पूरा हो गया था दो साल कि एक्सटेंशन पर चल रहे थे। मुझे समझ नहीं आता की एक्सटेंशन क्यों दिया गया। यह सरकार की अपनी प्रेरोगेटिव है लेकिन ऐसी कोई मजबूरी भी नहीं है कि कंटीन्यू करना चाहिए। अगर आप चाहते हैं कि शेयर बाजार को पूरी तरह से क्लीन किया जाए एक निष्पक्ष जांच हो और तत्काल सेबी के अध्यक्ष के पद के पर आप एक अच्छे साफ सुथरे व्यक्ति को बिठाइए जिसका कोई पर्सनल इंटरेस्ट शेयर मार्किट में न हो। मैं सी.बी.आई. से जांच कराने की बात नहीं करूंगा। शेयर मार्किट के नये रिगिंग में, नये स्कैम में इसकी जांच सी.बी.आई. पर नहीं छोड़नी चाहिए, वैसे भी सी.बी.आई. वालों को शेयर मार्किट की एक्टिविटी समझ नहीं आती और फिर बाकी और तरह के आरोप लगते हैं। मैं चाहूंगा कि या तो आप ज्यूडिशियल प्रोब कराइए, किसी तरह की न्यायिक जांच कराइए या फिर एक ज्वाइंट पार्लियामेंट्री कमेटी बनाइए और इस पूरे मामले की नये सिरे से जांच कराइए ताकि 1992 में जो गलतियां हुईं, उसके बाद 1998 और अब 2001 में जो गलतियां हुई हैं उन सारी गलतियों को दुरुस्त करने के लिए नई लाइन निकलकर आए। वित्त मंत्री महोदय, मैंने आपका बयान देखा है। आपने टी.जी.एफ. के बारे में बताया है। आपने कहा है कि जो टी.जी.एफ. (ट्रेड गारंटी फंड) हमारे पास है उससे पेमेंट क्राइसिस निबटाएंगे। टी.जी.एफ. का उपयोग वे नहीं कर रहे हैं। टी.जी.एफ. का उपयोग किसी निवेशक पर एक

जेनुइन डिफिकल्टी होती है। अगर कोई क्लाइन्ट धोका दे दे और किसी ब्रोकर पर हो तो ऐसी स्थिति में उस पैसे का इस्तेमाल किया जाता है। ढाई हजार करोड़ के आसपास टी.जी.एफ. है। जिन लोगों ने पाप किया है, गुनाह किया है उनके गुनाह को ढकने के लिए अगर टी.जी.एफ. का उपयोग किया जाएगा तो यह एक दूसरा अपराध होगा। अगर मार्जिन मनी का उपयोग इसके लिए किया जाएगा तो यह एक दूसरा अपराध होगा। इसका मतलब यह हुआ कि बिग बुल और बियर कार्टल, दोनों को हमने बरी कर दिया। उन्होंने जो अपराध किया उसके लिए हमने उन्हें छोड़ दिया। इसलिए टी.जी.एफ. पर जो आपकी नजर है या सेबी की नजर है उस नजर को थोड़ा-सा रोकिए। वह पैसा बेचारे गरीब ब्रोकरों छोटे निवेशकों के लिए हैं। आपने कहा की वर्ल्ड वाइड फिनोमिना है। सर, मेरे पास जो जानकारी है उसके अनुसार नैसडेक में जिन शेयरों के भाव गिरे वे इस तरह के आई.टी शेयर नहीं थे, आई.टी. स्टॉक नहीं थे। वे तो डॉट कंपनीज के शेयर थे। अमरीका में बहुत सारी डॉट कंपनियां बन गई हैं। दो-चार मजबूत भी है याहू वगैरह मजबूत, अच्छी कंपनियां हैं। बहुत सारी फर्जी कंपनियां भी हैं जो सिर्फ लिस्टड हैं पर कंपनी एग्जिस्ट नहीं करती। उनकी वजह से पूरा नैसडेक शेयर मार्किट डिस्टर्ब हुआ, क्रैश हुआ। यह वैसा सीन नहीं है बल्कि यहां तो बिल्कुल अलग सीन है। आपने जो कार्पोरेटाइजेशन की बात कही है निश्चित तौर पर उससे मैं प्रभावित हूं। अब यही एक उपाय रह गया है। आस्ट्रेलिया में मैने सुना है कि उसका पूरी तरह से डिम्युचुलाइजेशन हो चुका है। एक कार्पोरेट कंपनी में कन्वर्ट किया गया। हमारे यहां भी, मुंबई में बाकी शेयर मार्किट को भी ट्रस्टियों के बल पर या स्टॉक मार्किट के बल पर नहीं छोड़ना चाहिए। कार्पोरेटाइजेशन होना चाहिए। अमरीका, यूरोप में इस तरह का ट्रेंड चल रहा है। ऐसी स्थिति में अगर आप यह ट्रेंड शुरू करेंगे तो यह निश्चित तौर पर एक अच्छा कदम होगा और मैं यह मानकर चल रहा हूं की इससे कोई फायदा हो सकता है। कलकत्ता शेयर मार्किट में इस समय करीब 600 करोड़ रुपये की देनदारी है। 500 करोड़ उनके पास टी.जी.एफ. है। यदि आप टीजीएफ पर नजर रखेंगे तो उससे भी कलकत्ता मार्किट सुधरने वाला नहीं है। कोलकत्ता, अहमदाबाद और मुंबई, इन तीनों के ब्रोकर्स काफी हद तक कॉमन हैं। मुंबई में जो ट्रेड कर रहा है लगभग उसी के लोग वहां भी ट्रेड कर रहे हैं। मेरा ऐसा मानना है कि आने वाले दिनों में बहुत अच्छे ढंग से कोलकाता शेयर मार्किट में जो उत्पाद मचा है, उथल-पुथल मची है उसका असर अभी मुंबई में और भी पड़ेगा। अगर यूं असर पड़ता रहा तो देश की इकॉनोमी पर, देश की अर्थव्यवस्था पर बुरा असर पड़ सकता है। हमारे पूंजी बाजार में इस समय लगभग दस लाख करोड़ के आसपास रुपये हैं। उस पैसे का उपयोग औद्योगिक विकास के लिए होना चाहिए लेकिन दुर्भाग्यवश उस पैसे का उपयोग औद्योगिक विकास के लिए नहीं किया जा रहा है। उसका उपयोग ब्रोकर्स के विकास के लिए हो रहा है, तेजोडिए और मंदोडिए अपने विकास के लिए कर रहे हैं और आम आदमी फंसा हुआ है। ऐसी स्थिति में आप कोई इंतजाम करिए, कोई साफ सुथरी व्यवस्था बनाइए जिससे पूंजी बाजार में उसका पूरा उपयोग हो। देश का औद्योगिक विकास बढ़ाने के लिए आपकी चिंता भी यही है और पूरे देश की चिंता भी यही है। यह तभी होगा जब इसकी एक निष्पक्ष जांच होगी और निष्पक्ष जांच “सेबी” नहीं कर सकती है। निष्पक्ष जांच के लिए कोई दूसरी व्यवस्था कीजिए, कोई दूसरा मैकेनिज्म निकालिए, तब कही जाकर शेयर मार्केट में जो यह उथल-पुथल मची हुई है और पूरे देश में जो सनसनी फैली हुई है, उस पर कोई अंकुश स्थापित किया जा सकता है। धन्यवाद।

SHRI NILOTPAL BASU (West Bengal): Mr. Chairman, Sir, there is a strange wink of irony in today's debate, in the sense that the Leader of the Opposition who had called the attention of the Minister, was on the chopping block, nine years back, and the present incumbent was the most articulate speaker from the Opposition Benches, demanding a JPC into the securities scam. Sir, I had the fortune or misfortune -- I do not know, I mean, that will become clear only at the end of the debate -- to go through some of the arguments marshalled by the present incumbent Finance Minister for constituting a JPC to go into the abnormal activities in the capital market, nine years back. There are dissimilarities and there are similarities between the two situations. Of course, it is somewhat awkward for a communist to try and study and make sense of the capital market. But I must tell you that we have good reasons to do it because the Finance Minister's Budget itself has forced us to go and properly study the implications of what is happening in the capital market. The Finance Minister has announced three steps regarding small depositors in his Budget Speech. One, one-and-half per cent interest cut on small deposits in Banks, Second, bringing down the limit for taxation, and also deduction of interest at source on bank deposits. Now, these steps are very clear recipe for pushing the small depositors away from the savings banks to the share market. I will not elaborate on the steps that he had initiated to produce a feel-good factor in the market which was depressed for the whole of last year. In fact, I will not go into the details because Mr. Sanjay and Dr. Manmohan Singh have done it. The Economic Survey itself notes that the market was depressed for most part of the last financial year, that is, 2000-2001. Unfortunately, there were other signs also in the behaviour of the market. I cannot agree with the basic premise on which the Finance Minister has based his statement, that is, that this is a secular movement taking place in sympathy with what has been taking place in the NASDAQ. Mr. Sanjay has mentioned about the inappropriateness of comparing the activities of the Sensex with that of the NASDAQ because everybody knows that the NASDAQ is an exchange which basically deals with start-up companies in the IT sector, specifically dot com companies, which have gone burst. You will soon come to know, and our IT Minister will also come to know that one day the scrap that you are dishing out, the pipe dream that you are trying to lead the country to, is going to burst. But the point is, NASDAQ is not the appropriate reference point *vis-a-vis* the movement of the Sensex. It is the Dow Jones. If you see the movement of the Sensex over the last one year, you will find that there is a downturn

of -65% in the Sensex, whereas the Dow Jones has gone down by a mere 5%. This is the situation. Therefore, I think, the inappropriate importance that you were attaching to the secular movement of the Bombay Stock Market, is totally misplaced. What is the similarity? The similarity is, the failure of the regulator. I mean, that time, there was no regulator at all; and, today, the regulator has failed. At that time, the public sector financial institutions were being charged or alleged that they had a role to play. Shri Sanjay Nirupam has mentioned about the UTI, I will come to that later on. Then, we had also attributed it to the role of the banks. That time, it was essentially the public sector banks. Today, it is not the public sector banks, but the private sector banks. You have indicated to the whole world that you are going to privatise the public sector banks all over the country. Therefore, it becomes all the more necessary for the Communists, for the Leftists, to examine as to what is happening in the share market, because, ideologies apart, we also want our economy to grow. But the recipe that you have suggested for the growth of the country is totally misplaced.

Now, I would like to point out that, if you see the actual figures of the market from September, 2000 to March, 2001, you will find that in the first seven days --I have some figures -- the change of percentage between the opening and closing in September, 2000 is -11%. The difference in percentage of high and low on a particular day was 19%. In October, it was -8% and -19%; in November, it was 7% and -8%; in December it was 0% and -13%; In January, it was 8% and -11%; in February, it was -1% and -10%; and, in March, for seven days, it has been the most volatile, i.e. -9% and -15%. So, if you say that the market was depressed, it does not give the whole truth. The market was depressed as well as volatile. If the market steadily goes down or steadily goes up, we can understand that, but the peculiarity of the situation was that, while it was depressed, it was also volatile. Nowadays, the Minister of Finance is saying 'we have nothing to do with the share market, it is the job of the independent regulator*. You have actually conceded to our demand that there has to be an inquiry and it has to be a credible inquiry, because you have already said in your statement that an inquiry is going on and the guilty will be punished. So, you have taken cognizance of the crime. Now, the point is, who is going to investigate the crime and who is going to find out what has actually happened? Can it be somebody who is already involved in the process? That is the whole question. It is very strange that the SEBI had held a meeting

1.00 P.M.

of the Risk Management Group on 7th of March --I will read out the Press release of March 7th " The exchanges have indicated to us that there are no settlement problems. They have also indicated that the past two settlements have been completed smoothly and the immediate next settlement is also expected to be completed in the normal course."

Not only were they trying to whitewash the dimension of the problem, they were also misleading you, Mr. Finance Minister, because the other day, as you have seen ...(*interruptions*)...

MR. CHAIRMAN: It is already one o'clock. You will continue at two o'clock.

SHRI NILOTPAL BASU: Okay; Sir.

MR. CHAIRMAN: The House is adjourned for lunch, till two o'clock.

The House then adjourned for lunch at one of the o'clock.

The House reassembled after lunch at four minutes past two of the clock,

(THE VICE-CHAIRMAN (SHRI SURESH PACHOURI) in the Chair]

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): Shri Nilotpal Basu to continue.

SHRI NILOTPAL BASU: Thank you, Mr. Vice-Chairman, Sir. In a way, it is very difficult for one to stop in the middle of a submission and to restart it again from where one has left it.

Sir, basically, I was talking about the total failure of the regulator and also that of the Government. I cannot spare the Government in this case because the Government has come out with a statement, which is merely parroting the explanation given by the SEBI. I have demonstrated with figures that there was not only depression in the market, but there was also volatility in the market. The reasons attributed to this volatility were the general trends in the NASDAQ. These are totally misplaced. People may argue that some of the big IT companies may be listed on the NASDAQ, but the problem is that the slide in the NASDAQ has been triggered off by the bubble type dot com companies listed on the NASDAQ. The general downslide there has brought the NASDAQ also down.

Similarly, if you study the upward movement of the Sensex, you will find that during 1999-2000, it was also a major ploy by some of the brokers whom people loosely call 'the bulls'. They used some of the good companies in the field of IT to shore up their shares so that in the general pull of the movement, the share prices of some of the bogus companies could also go up. Naturally, these things will have to be studied properly by the regulator. The regulator was very happy. The Government was also very happy with the so-called feel-good sentiments. Therefore, they were unable to see the deeper dynamics that was shaping the entire course of the share price movement in the market. Even during 1999-2000, 75 per cent of the shares that were being traded in the market were going down. Incidentally, they were mostly old economy stocks. But the shares of these small companies were going up. In one particular trading session, the share price of a company went up from 2000 to 9000. If you look at the earning per share ratio, it is unsustainably high. Somebody will ask me whether I am for the bull or for the bear. I am neither for the bull, nor for the bear. I am for the small investor, because the bull or the bear are also not very strictly straight-jacketed categories, because one bull run also creates conditions for the bear hammering and *vice-versa*.

My friend, Mr. Sanjay Nirupam rightly explained it. I am not going into the developments since March, but, over the year, in market capitalisation, Rs.20,000 crores were lost by the small investors. Now, somebody has got that money. Who has got that money? Who are the end recipients of that money? Were they acting on a level-playing field? If we study the pattern of investment of the FII's in the market, what do we see? It is a common knowledge that today in the share market, just a-dozen-and-a-half operators are controlling the market and are calling the shots. If you see the Annual Report of the SEBI, you will find that they are very happy. The total volume of FII's has gone up and, therefore, the market has deepened. But is it a fact that the market has really deepened and that the market is really broad-based? The issue is, if you have a market which is being controlled by a handful of people, then, manipulation becomes all the more easier. Therefore, what we are to look into is whether we are continuously deepening and broad-basing the market so that rigging by individual operators becomes impossible?

Now, there are some smart fellows. I remember when the Finance Minister was doing a yeoman's service to this country by authoring that seminal work on the securities scam. I feel proud of him. Now, they came

out with some conclusions. But some pink newspaper editors wrote what was all about the 1992 scam. They said that the Left Parties were not agreeing to computerise the whole system that once we induct new technology into the new system, all problems would go. But what was the conclusion our Finance Minister has drawn today in his statement regarding corporatisation of the BSE? If you allow me, Sir, I will quote from the report of the earlier scam. We have here two eminent Members who have served on this Committee. What were their conclusions? What did they say about the functioning of the Stock Exchange? I quote:

"Violation of trading restrictions is a rule rather an exception in the effective imposition of this essential disciplining measures. BSE even during the hyper volatile period, for example, has failed signally. Inspection by every agency has revealed that virtually every member inspected had violated these trading restrictions. This fact, therefore, that there was rampant violation of them was within the knowledge of the Exchange Authority. Yet, while on the one hand in the hyper volatile months of 1991, 1992 various trading restrictions were being imposed, on the other, their effectiveness was being completely nullified by allowing concessions, relaxaing the rigid restrictions and penalising defaulters,"

Now, how is it that this report concluded that BSE has to be corporatised? I am sorry for the author of this report, the hon. Finance Minister, in the third year of his incumbency, nothing has happened. Rather, one private channel has played the tapes. How can information from the so-well publicised surveillance division of the BSE go to some office-bearers of the BSE? Yesterday, they have announced that seven people have been pushed out. Now, this is a classic case of bolting the door after the thief has left. Why was this done? Now, you have to definitely investigate into the bear hammering of the prices from 1st March. At the same time, how can you overlook the build up of the situation? Suddenly, you see in January, February, FIs have brought in a large amount of money. Your general conclusion is the FIs have no role to play in the volatility of the market because they are net investors; and, therefore, they do not contribute to the hammering. One does not know what we are trying to do. The whole aspect is about Mutual Funds. Now, I have downloaded this only from the SEBI website that in 1999-2000, about 13 Tech Funds were created. Their total market capitalisation was Rs.2,500 crores. Along with that you take the other players who were trading about 60 per cent of their stocks in ice companies. Now, today, what is the

return they are giving? The Tech Funds are giving a return of minus 38 per cent. It was a bubble; and that bubble has burst. The bears which were on a prowl got inside information and they pounced back and the market crashed. Frankly, I can tell you that some people are asking this intriguing question. The people with whom we talked, we don't share their perception that this Budget is very good.

But, all those people who are connected with the market say that this is a grand Budget. In spite of that, why is the market crashing like nobody's business? Most of the Infotech companies, at the closing of the market yesterday, hit the lowest circuit breaker. And people are losing out money. It is the honest, small, brittle investor who is losing out the money. Therefore, how to revive the sentiments of the market, of the honest people who want to invest, not by pushing them through your Budget as you have done, without any proper protective environment for the protection of their investments? You are saying that already an inquiry is on. Who is going to inquire? The SEBI. I would put one question to you. The merger of the GTB and the UTI Bank was through. We come to understand from Press reports that in the meeting which was held on Saturday between the RBI Governor and the SEBI Chairman, the SEBI Chairman had admitted prima facie that there had been an unusual movement in the GTB shares prior to the merger so that the swap ratio became favourable to the GTB. What is the history, genesis, of the GTB? Who is the present Chairman? You must be aware that the present Chairman, in 1992-93, was the CMO of the Vysya Bank. The Vysya Bank was part of the Scam. The Vysya Bank had to pay a fine of Rs.70 lakhs. In 1993, the GTB applied for licence. The present Chairman of the GTB was continuing. He suddenly resigned. Till he had resigned from the Vysya Bank, on his behalf, his son, who was not even an adult, was acting on the Board of Directors of the GTB, His second-in-command in the Vysya Bank also left the bank. They piled up huge NPAs. How is it that in the first place, the GTB who were claiming wrongly-according to the company law definition, they could not claim that they were promoters, but they were claiming that they were promoters--were allowed to open this bank? What has happened today? Everybody knows. You go through the first hundred accounts of the GTB. One particular broker to whom the bull activity is being attributed-1 do not want to name him, the whole world knows it-had eight companies, apart from his own. I am not going into the names of those companies. You know it better than I do. The total amount of advance that he took was Rs.300 crores. It is alleged that he had also connection with other private banks. For ideology,

if you say that privatisation is the panacea for all ills, without setting right the ground rules, it is unfair. You cannot dismiss this argument of Nilotpal Basu saying, "It is okay, because you are from the Left, you are opposed to privatisation". You have to answer this question. How could the GTB get the approval? Will you find out who was in-charge of banking as Deputy Governor of the RBI at that point of time? Will you give us the name? I know the name. But I will not tell you the name. I want you to confirm. This is a very, very serious situation. In one year, Rs.20,000 crores have been lost in capitalisation. Small people have lost. Sanjayji was quoting one figure for the last seven days, Rs.1 lakh crore. Kapilji objected saying, "Rs.7 lakh crores". That figure has to be actually ascertained by experts who assist the JPC. It is not for pedestrian MPs like us to guess what the real figure will be. But the short point is, people have lost out money. And you are pushing, through your policies, those vulnerable people to the share market in a situation where there is mayhem and murder in the market.

Sir, I speak from the bottom of my heart. Sir, you consider this point whether the inquiry that is going on--which you have also admitted in your statement-- is it fair to place the whole thing in the hands of SEBI? After the release of the Press statement, after people saying that everything being fine, I have heard the very next day that in the Calcutta Stock Exchange, there was a payment crisis. Forget about other things. How is it that SEBI's inquiry is limited only to the dear part of the whole development? They are refusing to go into the build up of the whole thing, the bubble that was built up in thin air. and which has led to this kind of a situation. In spite of the measures that the SEBI is announcing, almost on a daily basis, the market is crashing, and it is refusing to bow. There are some market fundamentals. In your reign, Sir, let us say, this all happens. The market has its own self-correcting mechanism. May I put this question to you? Why are the HFCL shares and the DSG software shares, which were picked up by your own UTI, knowing fully well that they were not worth even a toilet *paper*...*(Interruptions)*...

SHRI KAPIL SIBAL (Bihar): They are not worth more than that.

SHRI NILOTPAL BASU: Do you mean to say that toilet papers are more valuable than those papers? This is the situation. If you see the Mutual Fund during the whole year of 1999-2000, the bank deposits were going down and the mutual funds were going up. They were trading in ice stock. What type of fund managers are they? You are talking of SEBI

conducting the inquiry, when there is proof that SEBI employees were also trading in the market. You cite me one country in a free market economy, where there is an open, credible, transparent capital market, where employees of the regulators are being allowed to trade in shares. Sir, there is a Chinese Wall everywhere. Separation of functions have to be there. Otherwise, you cannot save your system. It appears strange that a Communist has to talk about how to devise better methods for defending it. During the whole year of 1999-2000, have you ever ventured to find out that, while your ice companies were soaring sky high, why all those public sector units which are profit-making and which were on the chopping block for disinvestment, their shares were coming down? Earlier, we had a debate in this House about GAIL'S shares. While the shares of NASDAQ were going up, while the shares of DOW JONES were going up, while the shares of SENSEX were going up, only the shares of GAIL'S, which was performing so excellently, and which had a sound balance-sheet, were coming down. Sir, I think, everybody will acknowledge, as Dr. Manmohan Singh had also accepted in the course of that debate on that fateful day of April in Rajya Sabha, from where it all started, that there are no exact ways of evaluating the share prices. I mean, any person, with reasonable sense, will say that. So, Sir, the only safeguard could be, to put in place safeguards, systems, which could take care of the kind of distortions and aberrations that take place. Therefore, I think that the dis-similarities are there. The year 1992 was all about bull rut. The year 2001 is all about bear hammering. But, ultimately, Sir, the BSE remains where it was exactly, when you studied the Scam. The role of the regulator remains where it was, the role of the public sector financial institutions, like the UTI, remains the same, and the new player, the new dimension is the role played by some of the private banks...

At that time also, private banks were there. But the gigantic involvement of the public sector banks and PSU shares had overshadowed that. Now, those factors are not in evidence. We don't know. Once we start digging, we will come to know that. But the situation remains exactly the same. Therefore, if your demand, at that point of time, in April, 1992, had been valid, could you give me one good reason why it is not equally valid today? There is no other way. You come out with an inquiry. Nobody is going to believe you, because you say everything is fine, but the next day the market crashes and there is a payment crisis. I don't know what will happen elsewhere. But you have also fallen into the trap of SEBI. You have assured the nation that there is no payment crisis. I think, in the

best interest of democracy, in the best interest of governance, in the best interest of transparency and probity in public life, the Government should agree with the Opposition. There is no victory or defeat in this, because, I believe and you also believe, all of us have the national interest in our hearts. Therefore, in order to save the system, in order to see that the money saved through the sweat and toil of the men and women of the country is not wasted, does not go into unproductive activities, and to see that it comes into the productive arena and plays a role in the industrial development, in the overall economic development, of this country, you should agree to the constitution of a JPC. You can give a time schedule and we can come out with a report. Only that can restore the confidence of millions of Indians in the capital market and save the situation. I think it is good for you; it good for us; good for the country and good for the small investors. Thank you.

SHRI PREM CHAND GUPTA (Bihar): Mr. Vice-Chairman, Sir, as you are aware, the stock exchanges are said to be the barometer of a country's financial health. If the stock markets are healthy, the economy of that country is considered to be a healthy one. If the stock markets are in a bad shape, the economy of that country is not considered to be a healthy one.

To understand the implications of what has gone wrong, I would like to place before you a few facts. There are two types of investors, small investors and large investors. The small investors are those who invest their hard-earned savings, their pension funds, their small savings, etc., with the hope of getting dividends and, at the same time, of getting the appreciation money on those shares in which they invest. The large investors are the Indian financial institutions, the foreign financial institutions, large private investors, mutual funds, gamblers and speculators. Under the category of speculators come the bulls and bears. The bulls are the ones who push the prices up and create an atmosphere that everything is fine and there is euphoria, and the prices shot up. A share of Rs. 10 is sold for Rs. 1,000 or Rs.500 or Rs.200, for no reason. When the bulls have done their job, the bears smell blood and become active. These bears think that there is a saturation point and this is the right time to attack. They enter the market.

What do they do? They short sell the shares. They pick up certain shares in which the bulls have done well. Then these bears short sell those shares. In the process, the innocent investors suffer in two

ways. Sir, there is a saturation point for bulls. When the saturation point comes, these bears become active. When they start short selling, the price of that particular stock starts dropping. When the price of that particular stock comes down, they buy that stock; affect the delivery and settle the entry. In this process, they make money. That is how most of the innocent investors are trapped. They go on speculating because a gambler does not want to lose. He would like to try his luck up to the last moment. We have the example of the Mahabharata. The Pandavas went to the extent of losing their wife, So a gambler goes on gambling. He goes on placing his bet on a particular stock. In this process he has to pay badala charges every week. Shri Keswaniji is laughing. I do not know why he is laughing. *...(Interruptions)...* Yes, you don't need any education. This is how these bulls and bears operate. All over the world, whether it is a stock market or a metal market or a currency market, to keep these two animals under control, i.e. bulls and bears, there is a watch-dog, What is the duty of the watch-dog? The watch-dog is supposed to keep a watch on the day-to-day happenings. If there is no watch-dog, what can happen is beyond imagination. There are instances in the past when these bulls and bears have played havoc with the country's economy. Sir, if you remember, the Hunt brothers started buying silver at 4 dollars 50 cent an ounce and pushed up the price to 56 dollars in a matter of few months. In the process, the price of gold and platinum also increased. The price was pushed up by ten times. The industrial use of silver came to a halt. The world stock of silver was blocked in a particular hand. That is how a crisis was created. Recently, in the Far Eastern countries, certain big bulls played havoc with the currency market. These countries were so trapped in their own currency problems that some of the countries lost the value of their currency by ten times in a matter of days. Malaysia, Indonesia, Korea, Thailand and Philippines are the examples. Sir, rumour-mongering is another thing which can create havoc and can help the bulls and the bears in this market. So to keep these two animals under control, there is a watch-dog.

Sir, in the early 90s, we had the security scam when a particular broker manipulated the market by his operations as bull. The Government realised that in the whole country, there was a big hue and cry over this. Then, a parliamentary committee was appointed to look into the matter, But, unfortunately, nothing concrete came out of that. Certain suggestions might have been implemented but nothing concrete was done. Again, in 1998, bulls were operating in the case of BPL, Sterlite - the great company

which has taken over BALCO -- and Videocon, the company which is in the process of bidding for Indian Airlines. Their prices were rigged by 10 times in a matter of a few days. And, at that time, our watch-dog, SEBI, started investigations into their affairs. But, for three years, nothing was done. Only a few days ago, I read an item in the newspapers, that on Wednesday night, SEBI has received legal advice as to what can be done in this particular case. For three years, they have been sleeping. Even Kumbhkarna slept only for six months in a year. And, he woke up when he got the call for a war against Lord Ram. But, here, our watch-dog, our Kumbhkarna, had been sleeping for three years, doing nothing...

SHRI SANGH PRIYA GAUTAM (Uttanchal): You have given a typical illustration.

SHRI PREM CHAND GUPTA: I respect your cap, Sir.

Sir, in this whole process, the foreign financial institutions have not lagged behind. I want to give an example. All of us have heard about Morgan Stanley. What happened when they opened a 15-year Mutual Fund? Sir, whenever any offer is made, there is a document which is made public showing what the intention of the company is. It is a legal document which is to be made public. They had stated in that legal document that they would retain Rs.300 crores to be raised out of this Fund. A hype was created in the market. The share application itself was sold at a price. Normally, applications are freely available. In fact, companies spend money for distribution of applications. But, - in this particular case, the share applications were sold in the black market. When this Fund was offered to the public, a hype was created and in a matter of 72 hours, they raised Rs. 1,000 crores. And, our watch-dog allowed them to retain Rs. 1,000 crores as against the legal document, as against the announced statement of this company, that the company would retain only Rs.300 crores. Sir, this makes a big difference. If the subscription is for Rs.300 crores, then, the market position is different as compared to the case when the subscription is for Rs. 1,000 crores. So, they raised almost 40 to 50 per cent of the money as premium in the unofficial market.

There was a hue and cry all over the country. And our watchdog, SEBI, permitted them to retain that money! No action was taken.

Mr. Vice-chairman, Sir, I look at you and I feel very disturbed. I will try to cover all my points quickly.

Sir, our financial institutions also haven't remained behind. What has happened? The financial institutions like UTI should have been concerned with the investment in projects that were approved by the Government or the genuine projects that were coming up by way of expansion or modernisation or the new projects. So, their resources should have been available to Government for emergency use. I will give a small example. During the transitional period of Hong Kong's transfer to China, there was a collapse of Hong Kong's stock market because of investors losing confidence in it. The Hong Kong Government, through the Chinese Government, through its financial institutions, pumped in a hundred billion Hong Kong dollars in seven days' time to buy 80% of the stock from the market and restored the confidence of the investors. But what have our financial institutions been doing? Our financial institutions like UTI, where public funds are involved, have been subscribing to shares of BIFR companies at 10%, 20%, 30% or 40% of the price and they have been doing all sorts of things to help either the bulls or the bears. I would appreciate if the hon. Finance Minister could look into this matter.

Then, what has been the role of the media? I am sorry. But I would be frank. I know my friends would be very unhappy with me. The media, equally, has been a villain in this game. Everyday, in the morning, you find tips given in newspapers as if it is a racecourse. They suggest these tips everyday morning. On the 8th of March, in the morning, people read one responsible English daily suggesting that one should sell one particular share. People go by that. The next day, on the 9th March, they suggest that the same share should be bought. What happens? The share is sold on the 8th. If the share is sold on the 8th for Rs.10, on the 9th, the very next day, he has to buy it at Rs. 15. Such activities are not allowed anywhere. SEBI, the watch dog, should have kept a watch on this. Unfortunately, they did not.

SHRI SANGHA PRIYA GAUTAM: The watch may be missing.

SHRI PREM CHAND GUPTA: Only the bull-dog remains. (Time Bell) Just two minutes more, Sir. Now, the hon. Finance Minister presented a Budget that was claimed to be a feel-good Budget by the industry. He got nine out of ten or, I think, even ten out of ten. My party may not agree with that. But the general impression was that this Budget was good for industry. What happened? In two days, the market crashed. They spoiled your pie. Who are these people? They are the bears. I would submit that a thorough investigation should be carried out to find out as to who were

these people who shattered the entire financial system of the country. This morning the stock market dropped by 300 points which means ten per cent of the value got eroded in a matter of twenty minutes. Sir, we are not involving politics here. Neither is we talking about any particular interest. The point is that our financial institutions, the SEBI, the so-called watch dog, have not performed their duties diligently.

Sir, it would be in the larger interest of the country that a Joint Parliamentary Committee is constituted. It could then be found as to what has gone wrong and what can be done so that this kind of a situation does not recur. Thank you very much, Sir.

SHRI MANOJ BHATTACHARYA (West Bengal): Thank you, Mr. Vice-Chairman, Sir. Comrade Nilotpal Basu has dealt with the matter in detail. I don't like to go into the technical details of the situation because the time at my disposal is short. Sir, what I want to communicate to the Finance Minister is that he should take the lessons from the international scenario. The path of Neoliberalism, which he is following so vigorously, is certainly detrimental to the economies of the nations. Sir, I have talked about this several times in this House that this Neoliberalism entails transnationalisation of capital, multinationalisation of production and standardisation or universalisation of taste and culture. Sir, it is known to the hon. Finance Minister as well, perhaps, that the world over, some 600 trillion dollars are roaming around; and, out of that, only 28 trillion dollars are used for productive activities. The rest of the amount, i.e. 572 trillion dollars, which is essentially volatile, is used for speculative activities. It is a speculative capital. In one nation it enters, and, at the opportune moment, it goes out and there is crunch in the share market. What benefit can it give to industries? This speculative capital is also known as casino capital in some countries, in Malaysia, it is known as crony capital; in Indonesia, it is known as crony capital. What benefit can it render to the development of industries, and how can it ensure the development of a nation?

Sir, I would urge upon the hon. Finance Minister that the policy he is following is the path of ominous disaster. It is a path by which the nation's interests would be at peril. The national economy will be demolished. These are quite evident; these are only small symptoms. This sort of waverings in the share market are only the minor symptoms of this. We should draw a lesson from what has happened in the East Asian countries, what has happened in the South East Asian countries and how their entire economies have dwindled. Fortunately, I am told that our

Finance Minister is a very competent person. He should have drawn some lessons from this situation and some concrete measures should have been taken, instead of following this path of Neoliberalism in a blind way, I must say.

Sir, I don't like to give a long speech on this. I would conclude with a word of caution. In this situation, the Finance Minister may say, "Well, I don't have another alternative. At present, I don't have any panacea in my hands." But I would urge upon the hon. Finance Minister that he should agree on the floor of this House that a Joint Parliamentary Committee would be constituted; and that Committee would probe into the matter. The Members who are competent for that, who know about the share market -- I must confess that I don't know much about the share market -- but I understand the generals of the economy -- should be included in that Committee. I have never seen the share market, I have never gone there and I don't have much knowledge about the share market. I say all these things on the basis of my general knowledge of economics. The Government of India should be dissuaded from the economic policy which is being pursued by it. Sir, they should use their prudence to save the national economy. Unless we apply our prudence, unless we apply our wisdom, perhaps, it would be too late. It may never be possible to correct.

Through you, Sir, I appeal to the Government of India, the entire Union Cabinet and the hon. Finance Minister, in particular, to reconsider the whole thing afresh. Even in the Budget, what has he done this time? In India also, there is an "international standard coming in, the standardisation of tastes. In England and America, there is "Who will become a Millionaire?" Here also, it is *kaun banega karorpati*. Money-making has been made very easy. All the TV channels are following this. In one channel, it is Amitabh Bacchan; and in another, it is Govinda; in yet another, it is Anupam Kher. Everybody is in this now. You can grab easy money now, without using your labour, without using your wisdom, without putting the right means. That is market economy. This type of market economy is operating now.

Sir, this time I am surprised. I am agonised. I must express my anguish. I must express my indignation. This time, the hon. Finance Minister has made a provision for *kaun banega karorpati* type of speculative capital. The tax has been reduced! You are trying to encourage speculative capital in this country. That money is not used for productive activity. This

will not help the Government in resolving the perennial problem of unemployment in this country.

Millions and millions of young people are languishing because of the severe unemployment problem. *Kaun banega karorpati* will not help in resolving this problem even to a minimum extent. Sir, in the interest of the entire nation, what have you done? You have reduced the tax so that those people can be encouraged further. This type of activity of yours is going to encourage this sort of bears and bulls in the share market. Unless immediate corrective measures are taken, based on the recommendations of a Joint Parliamentary Committee, the situation would go beyond our control. I once again express my apprehension. I am afraid, the situation may go out of our control. You may not be there, Mr. Yashwant Sinha, but somebody would be there who would be presiding over the ominous destruction of the country. Who would be held responsible for that? Sir, I agree with the hon. Members who have expressed their serious concern over the recent developments.

I once again urge upon the Government and the hon. Finance Minister that he should dissuade himself from the ominous path of disaster.

Thank you.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Thank you, Sir, for allowing me to speak. Sir, as the hon. Members have said, this is the biggest scam in the stock market. In spite of the earlier scams, it is very unfortunate that we could not introduce effective measures to protect the interests of the small investors. At least, they should have tried to ensure that there is no room for such transactions. Sir, it is true that bulls and bears would be there in the stock market, and they are prone to manipulate things, as long as the regulatory system is very weak. But Government, or its agencies, should not admit such manipulations. That is what is happening now. See the case of private banks. Charged with the ambition of making more profits, they are prepared to advance money at a higher margin for equities or stock brokers. Naturally, the forward transactions are taking place in every stock market. So, in this process the banks which are very eager to earn profits and build up their net worth, unscrupulously have been advancing to stock brokers without verifying their credentials. Sir, we have the experience of the Harshad Mehta case. It was a multi-million scam. There was rigging in Videocon's shares also. An inquiry was

3.00 P.M.

ordered. But reports are lying in the cold storage. No recommendation is being implemented with sincerity in this country. Sir, I will quote one example from the recent Budget. This has been quoted by many -other hon. Members also. Virtually, the small investor in this country is driven to the stock market, to the primary market. Sir, they are gullible people. Even the so-called very big economists or qualified Chartered Accountants are unable to assess the prospects of a company and the real worth of a company. It is very difficult for them to assess a company's net worth in order to make their investment judiciously. They are virtually being driven to mutual funds. Everybody is aware of the story of the mutual funds in this country. The biggest mutual fund, the UTI, is not in sound health. Sometimes the Government announces that it is behind the company to refurbish the confidence of the investors. We know the case of the US64 scheme. The point I am trying to put forth here is this. I do not support the demand for a JPC. The Government should have an exhaustive machinery. They should appoint a committee of experts to study the deficiencies in the system and make recommendations. The Government should try to implement those recommendations sincerely so that in future such things do not take place.

Sir, now I come to the role of the SEBI. It always barks but will never bite. The Government has to give more teeth to it. We know its place in the market. Everybody is aware of it. Everybody knows that the SEBI is very weak and it does not have any control over there. Sir, the funniest thing is that except the National Stock Exchange, it is virtually the brokers' raj which is prevailing. They have 140-years old hegemony in the stock exchange. Sir, why should we have such institutions which are being marred by these brokers? The brokers are elected as the office-bearers. They have the privilege of getting the inside information which they use for their own advantage. So, this is what has happened recently. Sir, I have one more thing to say. Sir, in this entire process the foreign institutional investors are the greatest beneficiaries. You see now the prices have gone down. Therefore, they have entered the market and have started purchasing shares. Sir, in this process the disadvantage is this. Sir, the Finance Ministry has announced so many measures for attracting investment. Ultimately, the foreign institutional investors are coming to purchase the existing equity of the existing companies. They are not coming to the green areas. This is the greatest danger that this country is

facing. This has to be taken note of. Sir, the Finance Minister has reduced the rate of interest on the small savings. Sir, logically he can say that he has done so because he has reduced the lending rate also and he is constrained to do it. Sir, it seems that he has done it to reduce his fiscal deficit because the Government is the biggest borrower in this country. So, that will be the greatest advantage to the Government. Maybe, some paltry advantage will be there to the proposed investments that can be made in the industry. But, ultimately, what is happening? You are trying to adopt the systems that are in vogue in the developed and the Western countries. When you want to do it, do it in toto; not piecemeal. The systems that are prevailing, the atmosphere that is prevailing in the developed countries, are entirely different. This country has got the least security net. You have reduced the rate of interest. Here, there is no health security. Here, there is no old age pension. And, there is no other social security system here. Just because it has been reduced in other countries, you are adopting the same, when the conditions are not identical here. So, I request the hon. Finance Minister that he should keep this in mind. If you want to adopt the conditions that are prevailing in other countries, which you have followed, you do it in toto, but culling out one aspect and adopting that here will not work in this economy. (Time-bell) I will conclude. I would not take much time of the House.

Sir, the biggest mutual fund is the UTI. The UTI is being made to acquire the assets of the PSUs! So, ultimately, the UTI has got the peoples' money and the Government always tries to organise things in such a way that whenever it wants to acquire the shares of weak PSUs, it will pump the funds of the UTI. This is not for the first time that the Government is interfering in the UTI. I can quote an example of even 1998. At that time, it was me who spoke on the subject that the Government had tried to dispose of the shares of the ITDC which were owned by the UTI. Of course, eventually, that proposal was shelved. So, what I am trying to say is, you do not try to abet. I am sorry to use this word. Let the things take its own course. And, ultimately, the value of the shares has to be decided on the profit-making capacity of a company and on its intrinsic worth and not by the encouragement given by the Government in one way or the other. This is a very unfortunate situation. The entire stock market is in the doldrum. This is to be taken care of. Even the hon. Finance Minister's statement has not infused much confidence in the investors. Ultimately, this is going to have an adverse impact on the investors of the country. So, there should be utmost surveillance, utmost transparency, and there

has to be a deterrent punishment for the guilty. These are the things which will dispel the apprehensions in the minds of the small investors. So, the Government has to take it very seriously and try to solve this problem. Thank you.

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): There are eight additional names. I request the hon. Members to be brief. Now, Mr. R.K. Anand.

SHRI R.K. ANAND (Jharkhand): Mr. Vice-Chairman, Sir, how many black Fridays Indian can afford to have? It is very strange that some insiders, with the active connivance of some brokers, can hold the country to ransom. Wealth worth several crores of rupees has been grabbed. It has hit badly not only the investors, but it has also shaken their confidence. It is a matter of common knowledge that the broker involved in it is an accused in the 1992 case, and that case is still pending before the High Court of Mumbai. The statement made by the hon. Finance Minister makes a reference to the SEBI getting information about the stock prices being manipulated. When the prices are being hiked, everybody knows in the market that a share worth Rs. 8 is being hiked to the extent of Rs. 3,000. Can anyone believe that the regulatory authority does not have the information about the hike and the price manipulation? Sir, either the authorities are incompetent or are negligent or are conniving with the office-bearers of the stock exchange and with the brokers. In either case they are negligent or conniving with somebody, there will always be an unlawful gain to somebody and unlawful loss to somebody.

So, a criminal case under Section 420 of the IPC is made out against them. We talk of the nexus. It is a matter of common knowledge that the brokers have got a close and notorious nexus with the officials of the Stock Exchange as well as the promoters of the companies. The taperecording which has been produced in the newspapers today clearly reveals that the officials of the SEBI are also involved. They have not learnt any lesson from the past. In 1998 also, there was a price rigging in regard to three companies. One of the companies was Sterlite, which was involved in the BALCO deal. At that time, the President of the Bombay Stock Exchange was asked to resign. But what was the result of the inquiry? Now it is 2001 but, till today, no action has been taken against any of the officials. The Government of India has made the regulation under the SEBI Act. It also laid down the Code of Conduct for the stock-brokers. One of the Code of Conducts is about manipulation, which says a stock-

broker shall not indulge in manipulative, fraudulent or disruptive transactions or schemes or spread rumours with a view to distorting market equilibrium or make personal gains.' If this is the situation, it confers power, under Rule 26, for suspension and cancellation of the license of the stock-broker. But it is strange that since 1992, till today, i.e. 2001, and especially after the 1998 episode, the license of that broker has not been suspended. He was allowed to continue in the market and he is still operating.

Another aspect I would like to touch is, the role of the RBI. Last year, the RBI took the decision of allowing pledging of shares and, in turn, availing the facility of loans. It has widely contributed to the present state of affairs. In India, all the time, the banks are involved in the scams. In the year 1992, the Canara Bank was involved, and, now, again, in the year 2000, one of the private banks is involved. In no part of the world, the banks are involved in such kind of scams. We have been given to understand that the New York Branch of the State Bank of India was raided by the FBI on 7th February, 2001 for money-laundering. We would like the Minister of Finance to throw some light on the raid conducted on the New York Branch of the State Bank of India, on 7th February, 2001. You will have to go to the root-cause of the present problem. In India, only probes are conducted. The solution lies in identifying the price manipulations and giving them immediate exemplary punishment. That is possible only if we have a better, comprehensive, regulatory framework. We should give the market regulators enforcement powers. The Indian regulators hardly have any infrastructure to monitor the transactions on an on-going basis. We should take a lesson from the NASDAQ, where every transaction is tested sixty times. Whenever a computer detects something unusual, it gives a warning, the transaction is investigated by an analyst and the report is submitted. It is high time immediate action is taken against the people who have taken out sensitive price information from the stock exchanges. I propose that a JPC should be constituted and the report should be submitted to Parliament within a proper time-frame.

श्री रामदास अग्रवाल (राजस्थान): उपसभाध्यक्ष जी, आज जो ध्यानाकर्षण प्रस्ताव विपक्ष के माननीय डा. मनमोहन सिंह ने रखा है, उस विषय पर बोलने के लिए मैं खड़ा हुआ हूँ। वैसे मैं यह मानता हूँ कि डा. साहब ने जो विषय उठाया है, यह बड़ा सामयिक है, महत्वपूर्ण है। मैं यह बात भी जानता हूँ कि डा. मनमोहन सिंह ने अपने कार्यकाल में इससे भी ज्यादा भयंकर भूचाल सहे हैं, जो उनके कार्यकाल में आए थे। अभी जो झटका है इस समय, वह जैसे अहमदाबाद में आजकल 3 या 4 रिक्टर का झटका आता है, वैसा है। लेकिन इन्होंने तो रेक्टर स्केल पर 7 प्वाइंट का झटका सहा है, जिस समय शेयर मार्केट और उसका स्कैंडल सारी

दुनिया में प्रसिद्ध हुआ था। कहते हैं कि दूध का जला छाछ को फूंक-फूंककर पीता है, उसी तरह से माननीय डा. मनमोहन सिंह जी ने बड़ी सावधानी से और बहुत अच्छे ढंग से यह बात कही है कि शेयर मार्केट इस समय डांवाडोल दिख रहा है और इसको रोकने के लिए कुछ न कुछ किया जाना चाहिए। इस संदर्भ में उन्होंने कुछ प्रश्न भी रखे हैं और कुछ सुझाव भी दिए हैं।

उपसभाध्यक्ष महोदय, मैं आपसे निवेदन करना चाहता हूँ कि आज सुबह जब हम सब यहां बोल रहे थे तो उस समय यह कहा गया था कि शेयर मार्केट जब आज सुबह खुला तो वह कल के मुकाबले 300 प्वाइंट गिरा हुआ था। महोदय, मैं शेयर मार्केट के बारे में ज्यादा जारकारी नहीं रखता लेकिन आज मुझे मुम्बई फोन करके पूछना पड़ा कि शेयर मार्केट की क्या हालत है तो मुझे बताया गया कि सुबह जो मार्केट 300 प्वाइंट गिर गया था वह ढाई बजे 23 प्वाइंट पर रुका हुआ है यानी 277 प्वाइंट इंप्रूव कर गया है। अब शाम तक जब हम यह बहस समाप्त करेंगे तो क्या स्थिति होगी, मैं नहीं जानता। हो सकता है कि यह 200 प्वाइंट उपर आ जाए या और भी नीचे गिर जाए। सदन की इस बारे में चिंता स्वाभाविक है और अगर हम चिंता नहीं करेंगे तो कौन करेगा लेकिन सवाल यह है कि हमें चिंता किस बात की है? हमें केवल दो चीजों की चिंता होनी चाहिए। यह मार्केट है और यहां अप ऐंड डाऊन तो होता ही रहता है, हमारे प्रेमचंद गुप्ता जी इस बात को अच्छी तरह से जानते हैं। इसमें उतार-चढ़ाव स्वाभाविक प्रक्रिया है और यदि इसमें गतिशीलता है तो केवल उतार-चढ़ाव के कारण है। अगर कभी स्टॉक मार्केट स्थिर हो जाए तो आप समझ लीजिएगा कि अब स्टॉक मार्केट की दुकानें बंद हो जाएंगी। स्टॉक मार्केट कभी स्थिर नहीं होता। इसके उतार-चढ़ावों को हमने देखा है, कई बार देखा है। मुझे याद है कि अभी 2 साल पहले शेयर मार्केट 5400 प्वाइंट तक चला गया था, उसके बाद 2800 पर आ गया, उसके बाद 6100 तक चला गया, यह मार्केट है लेकिन इसके प्लेयर्स कौन हैं? एक बार जब माननीय चिदम्बरम जी वित्त मंत्री थे और हम उस तरफ बैठते थे, तो मैंने उनसे यह सवाल पूछा था कि स्टॉक मार्केट में आज प्लेयर कौन है, हिंदुस्तान के फाइनेंशियल इंस्टीट्यूट्स हैं, हमारे इंस्टीट्यूट्स हैं, बैंक हैं, हमारे इंडस्ट्रियलिस्ट्स हैं, कौन हैं? यह जो मैं 5400, 2800 और 6100 प्वाइंट्स की बात कह रहा हूँ, यह उन्हीं दिनों की बात है। यह रिकॉर्ड पर है। जब मैंने उनसे पूछा कि मार्केट इतना अप ऐंड डाऊन क्यों होता है, हमको बताइए कि इसके प्लेयर कौन हैं, तब उन्होंने कहा कि आज स्टॉक मार्केट के प्लेयर्स भारत के फाइनेंशियल इंस्टीट्यूट्स नहीं हैं क्योंकि अब ग्लोबलाइजेशन हो गया है, इसलिए इसकी प्लेयर दुनिया कि सब कंपनियां हो सकती हैं और वे खेलती हैं। इसलिए हमें यह बात ध्यान में रखनी चाहिए कि जब हमने अपना बाजार खोल दिया है तो आप किसको रोकेंगे? लेकिन एक बात मैं हमारे माननीय वित्त मंत्री जी से जरूर कहना चाहता हूँ कि जब 1989-1990 में दंडवते जी वित्त मंत्री थे, उस समय यह मार्केट बजट के बाद गिरा था और उन्होंने इस बात की जांच करनी चाही कि आखिर बजट के बाद यह मार्केट अचानक इतनी बुरी तरह से क्यों गिरा। तब उनको पता लगा कि कहीं न कहीं कोई षड्यंत्र इसमें चल रहा है। मैं वित्त मंत्री जी से कहना चाहूंगा कि आपके बजट के बाद मार्केट बढ़ा था क्योंकि इस बजट को इंडस्ट्री फ्रेंडली माना गया था और उसके कारण मार्केट में उसका रिएक्शन अच्छा हुआ था। लेकिन यह रिएक्शन सारी इंटरनेशनल कम्पनियों को शायद पसंद नहीं होगा या हिन्दुस्तान में भी कुछ ऐसे प्लेयर हो सकते हैं जिनको यह अच्छा नहीं लगा हो कि आज देश के वित्त मंत्री ने इतना शानदार बजट रख दिया है। तो लोगों ने उस खेल को शुरू कर दिया। उपसभाध्यक्ष जी, मैं वित्त मंत्री जी से जानना चाहूंगा कि क्या जैसे 1989-90 में जब दण्डवते जी वित्त मंत्री थे और जिस प्रकार का एक खेल फाइनेंशियल इंस्टीट्यूट्स ने

खेला था और उनके अध्यक्ष ने खेला था कहीं आपके बजट के बाद की जो प्रतिक्रियाएं हो रही हैं इसमें कहीं षड़यंत्र तो नहीं है चाहे वह हिन्दुस्तान के एफ.आई.जी. का हो, चाहे किसी विदेशी फाइनेंसियल इंस्टीट्यूशन को हो या और किसी का हो? यह मेरा प्रथम प्रश्न माननीय वित्त मंत्री जी से होगा। सर, दूसरी बात यह है कि माननीय वित्त मंत्री जी ने भी कहा कि केवल बाजार हमारा नहीं गिरा है बाहर का बाजार भी गिर रहा है। वैसे तो नीलोत्पल बसु जी और बाकी सब चले गए हैं उनको मैं एक तथ्य देना चाहता था लेकिन सरला जी शायद मेरी बात को सुन लेंगी और आपके दिल को टंडक पहुंचेगी।

श्रीमती सरला माहेश्वरी (पश्चिमी बंगाल): जरूर सुनूंगी।

श्री रामदास अग्रवाल : अमेरिका का नासडेक क्योंकि अमेरिका के नासडेक का नाम आपको शायद अच्छा लगता है। उसका केपिटल लॉस कितना है वह है 97 लाख 59 हजार करोड़ रुपए का। मैं यह नहीं कहता कि उनका सिर फूटा और मेरी ऊंगली टूटी तो हमें प्रसन्नता है। हम इसे प्रसन्नता का विषय नहीं मानते। ...**(व्यवधान)**... अमेरिका की इतनी बड़ी केपिटल कम हो जाएगी तो केपिटलिस्ट कंट्री को नुकसान हुआ। ...**(व्यवधान)**...

श्रीमती सरला माहेश्वरी : इतना बढ़िया ड्रीम बजट है ...**(व्यवधान)**...

उपसभाध्यक्ष (श्री सुरेश पचौरी) : चलिए, आप अपनी बात करिए।

श्री रामदास अग्रवाल : मैं अपनी बात कहता हूँ। लेकिन वह मेरे पीछे पड़ जाती हैं। ...**(व्यवधान)**...

उपसभाध्यक्ष जी, यह बड़ा गंभीर विषय है। अब इसमें सवाल यह आता है कि रोल किस का क्या है? एक विषय है, हम जानते हैं कि अप-एंड डाउन होगा। दुनियां की कोई ताकत शेयर बाजार के अप-एंड-डाउन को नहीं रोक सकता, चाहे वित्त मंत्री यशवंत सिन्हा जी हो, चाहे मनमोहन सिंह जी हों, चाहे चिदम्बरम् जी हों या कोई और हो, और कभी कोई मौका भगवान जाने मिल जाए वैसे इसकी उम्मीद नहीं है। नीलोत्पल बसु जी को यह टैकिल करना पड़े तो उनके लिए भी यह मुश्किल होगा। लेकिन यह जो अप-एंड-डाउन हो रहा है इसके बारे में जो रोल है वह किस-किस का क्या है? मैं केवल ब्रीफ में आप के सामने रखना चाहता हूँ ताकि कम से कम यह बात क्लियर रहे कि किसका रोल कितना है और उसके कारण उसके ऊपर जिम्मेदारी कितनी है? सबसे पहली बात तो यह है कि यह मार्केट ब्रोकर्स का मार्केट है। स्टॉक एक्सचेंज में लाइसेंस देने का काम सरकार और एक्सचेंजेज करती हैं। हमने उनको लाइसेंस दिए हुए हैं और वह काम करती हैं और उनका काम बाजार के अंदर तेजी और मंदी लाना-तेजड़िया और मंदड़िया का काम है। हिन्दी में बुल को क्या कहते हैं और अंग्रेजी में बियर को क्या कहते हैं वह सब नहीं लूंगा। बुल और बियर यह दोनों मार्केट की ऐसी कड़ी हैं जैसे चोली-दामन का साथ होता है वैसे ही शेयर मार्केट में इनका साथ है। ...**(व्यवधान)**...

उपसभाध्यक्ष (श्री सुरेश पचौरी) : अग्रवाल जी, अपनी बात रखिए सिर्फ।

श्री रामदास अग्रवाल : इन दोनों के संबंध बहुत महत्वपूर्ण हैं और यह दोनों ही स्टॉक एक्सचेंज मार्केट के पहिए हैं। एक पहिए पर गाड़ी नहीं चल सकती। अगर मंदी ही मंदी आ जाएगी तो देश का क्या होगा और तेजी-तेजी आएगी तो आपने भी चर्चा की कि तेजी आई उस

समय हमने क्यों नहीं गंभीरता से इस बात की चर्चा की। उपसभाध्यक्ष महोदय, जब तेजी आ रही थी तो इस सदन में कभी भी कोई चर्चा मुझे याद नहीं है जब माननीय सदस्यों ने यह मामला उठाया हो कि बाजार बहुत तेज हो गया है जरा सावधान हो जाइए। लेकिन आज चूंकि बाजार गिर गया तो स्वाभाविक है कि आपको चिंता है। मेरे माननीय सदस्य श्री निरुपम जी ने एक बड़ा दर्दनाक उदाहरण प्रस्तुत किया। मैं उनका आभार मानता हूं कि उन्होंने किसी अग्रवाल का उदाहरण प्रस्तुत किया। मैं उनसे निवेदन करना चाहता हूं कि हम सहानुभूति निश्चित तौर पर रख सकते हैं जिसका नुकसान होता है उसके प्रति। लेकिन मैं उसी किस्से को इसलिए दोहराना चाहता हूं क्योंकि वह किस्सा आज रिकार्ड हुआ है। रिकार्ड स्ट्रेट रहे इसलिए मैं उसको दोहरा रहा हूं कि जिस व्यक्ति के नाम से आज उन्होंने कहा उसने और उसकी पत्नी ने आत्महत्या कर ली। उपसभाध्यक्ष जी, उस व्यक्ति ने, को-आपरेटिव बैंक का, को-आपरेटिव सोसायटी का जिसका वह सेक्रेटरी था, जिसके पास उसका चेस्ट था, उसका खजाना था, उस खजाने में से 60-70 लाख रुपये निकाल लिए और सट्टे के बाजार में लगा दिए। उसने वह बाजार में लगाया कमाई के लिए लेकिन हो गई उसकी गंवाई और जब उसकी गंवाई हो गई तो उसने आत्महत्या कर ली।

उपसभाध्यक्ष महोदय, किसी को चोरी करके सट्टे में पैसा लगाने की राय तो कोई भी नहीं देगा। अगर वह कुल मिलाकर के कहीं से पैसा लाया और उसके कारण उसने आत्म हत्या कर ली तो उसके लिए सदन कोई सहानुभूति नहीं रख सकता है। क्यों लगाये कोई सट्टे में पैसा? अच्छे भी काम होते हैं उसमें लगाये जा सकते हैं। सोसायटी के उद्देश्य थे उनमें भी लगाये जा सकते थे। ठीक इसी प्रकार से मैं यह कहना चाहता हूं कि जहां तक यह सवाल है ...

उपसभाध्यक्ष (श्री सुरेश पचौरी) : आप टू दा पाइंट बात करिए।

श्री रामदास अग्रवाल: उपसभाध्यक्ष महोदय, मैं टू दा पाइंट ही बोल रहा हूं। मैं पाइंट से बाहर नहीं बोल रहा हूं। आप कृपया मेरे ऊपर मेहरबानी रखिये। मैं निवेदन यह करना चाह रहा हूं कि छोटे इन्वेस्टर्स के प्रति निश्चित तौर पर यह सदन चाहता है कि उनका संरक्षण हो और वित्त मंत्री जी इस बात के लिए सावधान होंगे, इस देश के किसी भी वित्त मंत्री को सावधान रहना होगा कि जो स्टॉक एक्सचेंज के अंदर छोटा इन्वेस्टर्स है उसका संरक्षण हो और उसकी राशि की रक्षा हो। इसके लिए निश्चित तौर पर कोई न कोई ऐसी व्यवस्था की जानी चाहिए।

उपसभाध्यक्ष महोदय, मैं यह कह रहा था कि चार प्रकार के लोग हैं जो स्टॉक एक्सचेंज को चलाते हैं। पहला होता है स्टॉक एक्सचेंज और उसका सेट-अप। दूसरा होता है जो इन्वेस्टर्स कम्पनीज हैं, चाहे वह फाइनेंशियल इंस्टीट्यूशन्स देशी हों या विदेशी हों, उनका रोल होता है। तीसरा सेबी जो उसकी रेगुलेटरी अथारिटी होती है। वह उसको रेगुलेट करती है और चौथी सरकार, जो सबसे ऊपर है।

उपसभाध्यक्ष महोदय, सवाल यह आ जाता है कि इस सारे उतार-चढ़ाव के लिए हम एक ही एजेंसी को जिम्मेदार ठहरा दे? आप यह कह सकते हैं, मान लीजिए सेबी ने कोई कदम उठाया, वह आपको पसन्द नहीं हो यह माना जा सकता है। लेकिन मैं यह कहना चाहता हूं कि जब से सेबी का गठन हुआ है, शायद 1992 में इसका गठन हुआ था, उसके बाद से सेबी ने धीरे-धीरे इस स्टॉक एक्सचेंज में उस घोटाले के बारे में जरूर निश्चित तौर पर पारदर्शी व्यवस्था बिठाने की कोशिश की है, उन्होंने व्यवस्था को सुधारने का प्रयास किया है और

व्यवस्था के सुधार के कारण ही ऐसा कोई बड़ा घोटाला इन पिछले छह-सात सालों में नहीं हो पाया है, क्या यह सेबी की क्रेडिटेबिलिटी नहीं है? क्या जो लोग हमारी सरकार की तरफ से काम करते हैं, जो लोग सरकार की तरफ से अच्छा काम कर रहे हैं तो क्या उनके लिए अच्छी बात नहीं कहेंगे? सेबी ने बाजार को नियन्त्रित करने के लिए, बाजार को रेगुलेट करने के लिए, जो उसका दायित्व है उसको निभाने का प्रयास किया है, उस प्रयास में आप और हम खामी निकाल सकते हैं। यह आपका और हमारा अधिकार है। लेकिन मैं यह कहना चाहता हूँ कि हम डायरेक्टली यह चार्ज न लगायें। इस सारे उतार-चढ़ाव के लिए केवल सेबी ही जिम्मेदार नहीं है और अगर सेबी के किसी व्यक्ति ने चाहे वह कोई हो उससे मेरी कोई बात नहीं है, किसी ने कहा कि जोधपुर क्लब है। I do not know Jodhpur. अगर सेबी के अंदर किसी ने गलत किया हो उसे जरूर सजा दीजिए। लेकिन उन्होंने अच्छा काम किया है, रेगुलेट करने का काम किया है। सेबी ने तत्काल कार्रवाई की है जो कि उसने सरकार के साथ सलाह-माशविरा करके की होगी। उन्होंने वहां के हैड को जो शायद राठी थे, उनको हटा दिया। वहां और जो डायरेक्टर्स थे आज उनके लिए भी आर्डर्स इश्यु कर दिए और भी कदम उठाए हैं। रोलिंग स्टॉक का जो कदम उन्होंने आज उठाया है उसके कारण शेयर मार्केट वापस ठीक होने जा रहा है। ये सारे कदम हैं जिनके कारण सेबी को क्रेडिट जाता है कि उसने इस प्रकार के कदम उठाकर मार्केट को क्रेश होने से बचाया है। अगर आज मार्केट 3500 या 3600 है तो क्रेश नहीं हुआ है। इसके पहले भी मार्केट 2800 हो चुका है, पहले भी मार्केट इससे ज्यादा गिर चुका है।

उपसभाध्यक्ष जी, इसलिए हम अपने मन में यह चिंता न करें कि यह मार्केट अप एंड डाउन होता है। आज 3800 होने पर कोई व्यक्ति आत्म हत्या कर लेता है कि उसका पैसा चला गया, पैसा नहीं जाता है। छोटे इन्वेस्टर्स के लिए मैं केवल एक बात कहना चाहता हूँ कि जैसे मैं आज 100 रुपये में शेयर खरीद लेता हूँ। और कल मार्केट 70 रुपये रह जाती है तो मेरे लिए आवश्यक नहीं है कि मैं कल ही उस शेयर को बेचूँ, जब उसका रेट 70 हुआ है, मैं उसको रोक सकता हूँ। रोकने के बाद साल-छः महीने में तेजी आती है, तब बेच सकता हूँ। छोटे इन्वेस्टर्स को अपने विवेक से भी काम लेना पड़ता है और लोग लेते हैं। ऐसा नहीं है कि आज आपने कह दिया कि यह 3800 हो गया, 3500 हो गया, और ढाई लाख करोड़ — हमारे कपिल सिब्बल जी ने कह दिया, सात लाख करोड़ — न जाने इसकी पूँछ हनुमान जी की पूँछ जैसी कितनी लम्बी है और इसे कितना लम्बा हम करते जाएंगे। लेकिन सवाल है कि कैपिटल का लॉस जो माना जाता है, यह वास्तविक लॉस नहीं होता, यह नोशनल लॉस है और नोशनल लॉस के आधार पर आप अपनी नीतियां निर्धारित नहीं कर सकते। हां, मार्केट को चैक करने के लिए — अगर कोई फाइनेंशियल इंस्टीट्यूशन आपकी मार्केट के साथ खिलवाड़ करता है या कोई बुल या बियर आपकी मार्केट के साथ खिलवाड़ करता है तो उसको रोकने के लिए सख्त से सख्त कदम उठाए जाने चाहिए और मैं समझता हूँ कि हमारे वित्त मंत्री महोदय ने निश्चित रूप से उन कदमों को उठाया है जो मार्केट के ठीक प्रकार से संचालन के लिए आवश्यक हैं। उसी तरह से मैं यह कहना चाहता हूँ कि हम मार्केट में इतनी जल्दी अपनी पेशेंस न खोएं। मार्केट फिर ऊपर आएगी और उस वक्त आप फिर यह बात देखेंगे कि मार्केट वापिस चार हजार, साढ़े चार हजार तक जाती है। पहले भी गयी है, आगे भी जाएगी। इसलिए इसके बारे में ज्यादा चिंता न करते हुए कोई स्कैम न हो जाए, उतनी हमको चिंता करनी चाहिए, उतना ही हमारा दायित्व है। अगर हम उससे ज्यादा बाजार के उतार-चढ़ाव में दखल करेंगे तो मार्केट की पोजीशन ज्यादा खराब होगी। इसलिए मैं अपने मित्रों से निवेदन करना चाहूंगा कि हम मार्केट को खिलवाड़ का विषय न बनने

दें। उसको गंभीरता से लेते हुए इस बात का ध्यान रखें कि मार्किट में कोई हमारे द्वारा कहे हुए शब्दों का दुरुपयोग या उपयोग न कर पाए, यह मेरा आपसे निवेदन है। आपने बोलने का समय दिया, उसके लिए बहुत धन्यवाद।

श्रीमती सरला माहेश्वरी : शेयर बाजार में खुलकर खेलिए।...**(व्यवधान)**...

श्री अमर सिंह (उत्तर प्रदेश) : महोदय, मुझे बड़ी प्रसन्नता है कि इस विषय पर मुझे आपने बोलने का मौका दिया। इसके लिए मैं आपका आभारी हूँ। इस सदन की गरिमा के अनुकूल आदरणीय मनमोहन सिंह जी का गरिमापूर्ण और सारगर्भित वक्तव्य हम सबने सुना। भाई नीलोत्पल बसु ने भी बताया कि हम कम्यूनिस्ट हैं, शेयर बाजार से हमारा मतलब कम है लेकिन दास कैपिटल पढ़ने वालों को भी शेयर मार्किट का अध्ययन करना पड़ा क्योंकि देश में ऐसी स्थिति है। हमेशा तेज़-तर्रार तरीके से बोलने वाले हमारे उग्र साथी संजय निरुपम ने भी संतुलित, सारगर्भित और विस्तार से अपना वक्तव्य दिया जिसे सुनने का अवसर हमें मिला लेकिन मैं इस पूरे मामले को राजनीति के चश्मे से देखने के पक्ष में नहीं हूँ। मेरा मानना है कि यह देश के आर्थिक प्रबंधन का प्रश्न है। हम समाजवादी लोग माननीय वित्त मंत्री जी की अंधी उदारीकरण की जो नीति है, उसके प्रबल विरोधी हैं और उतने ही विरोधी हम कांग्रेस द्वारा प्रतिपादित उदारीकरण की नीति के भी रहे हैं लेकिन इस उदारीकरण की नीति के फलस्वरूप जो एक वातावरण बना है कि NASDAQ में अगर छींक भी आती है तो मुम्बई में बुखार आ जाता है या जापान में कुछ होता है तो उसका भी असर यहां की शेयर मार्किट पर होता है। इस तथ्य को नकारा नहीं जा सकता है। यह कहा गया कि NASDAQ में सिर्फ वही डॉट कॉम कम्पनियां फेल हुई हैं जो फाल्स थीं, फार्स थीं। मैं आपको बताना चाहता हूँ, आप निष्पक्ष इन्क्वायरी करवाएं। ऐसी तमाम भारतीय कम्पनियां हैं जिनका शेयर बहुत उछाल पर था, उनका दस-बीस हजार करोड़ का टर्नओवर है, चार-पांच सौ करोड़ की कमाई है, वह थोथी कम्पनियां नहीं हैं, बड़ी ठोस कम्पनियां हैं, फिर भी उनका शेयर नीचे है। शेयर बाजार परसैप्शन का बाजार है। अच्छे परसैप्शन पर अच्छे दाम मिल जाते हैं, खराब परसैप्शन पर मंदी आती है यानी बंद है मुट्ठी लाख की, खुल गयी तो खाक की। यह शेयर बाजार इसी तरह चलता है।

श्री सुरेश ए. केसवानी (महाराष्ट्र) : यह आपने अच्छी बात कही है।

श्री अमर सिंह : यह शेयर बाजार का काम है और अपने जीवन में सट्टे से बड़ा आदमी बनते हुए मैंने किसी को नहीं देखा। सट्टे से कमाकर जो निकल गया, वह अलग बात है। यह सट्टा लॉस वेगास के जूए के काउंटर की तरह है। जीतने वाला और लगाता है और फिर हारकर लौटता है लेकिन स्टॉक मार्किट एक रियेलिटी है बल्कि एक ग्लोबल रियेलिटी है। आज सवाल उठ रहे हैं कि जब बाजार में उछाल आया तो इंकवारी क्यों नहीं हुई। मैं अपने सभी साथियों से पूछना चाहता हूँ कि जब बाजार में इन दस शेयरों में उछाल था, जिन दस शेयरों का नाम लिया जा रहा है उन दस शेयरों के उछाल की इंकवारी क्यों नहीं हुई...**(व्यवधान)**...

श्री संजय निरुपम : सेबी से पूछिए।

श्री अमर सिंह : क्योंकि इन्वेस्टर कमा रहे थे, सेन्सेक्स हाई था एंड एवरीथिंग वाज हेंकी डोरी। किसी ने नहीं कहा कि यह गेम प्ले हो रहा है। ऐसा नहीं है कि यह उछाल सिर्फ इस समय आया है। 1992 में हर्षद मेहता द्वारा, स्टर्लाइट, बी.पी.एल., वीडियोकोन और आज

विप्रो, ये सब रिस्पेक्टड कम्पनियां हैं। यह वही स्टारलाइट कंपनी है जिसने बाल्को लिया है और विप्रो अजीज प्रेमजी की है। 1992 से इन्क्वारी चल रही है...(व्यवधान)... 1992 से इन्क्वारी चल रही है लेकिन उस इन्क्वारी पर धूल पड़ी हुई है। लेकिन मैं यह भी मानने के लिए तैयार नहीं हूँ कि 1992 में जिस तरह का घोटाला हुआ था अब की बार भी उसी तरह का घोटाला हुआ है। यह मानने के लिए मैं इसलिए तैयार नहीं हूँ क्योंकि 1992 में सरकारी प्रतिष्ठानों का पैसा लगा था। इस बार ऐसा कोई ठोस सबूत नहीं आया है कि इसमें सरकारी प्रतिष्ठानों का पैसा लगा हुआ है। उस समय हर्षद मेहता पेमेंट नहीं कर पाए थे। इस बार ब्रोकरों ने अपने पेमेंट कर दी थी। माननीय वित्त मंत्री जी ने कहा था कि पेमेंट की क्राइसिस नहीं होगी तो मुंबई और कलकत्ता में पेमेंट की क्राइसिस नहीं हुई, कम से कम ऑफिशियल पेमेंट हो गया, ऐसा हमने अखबारों में पढ़ा है। मैं इस संसद के माननीय सदस्यों से और आदरणीय मंत्री जी से अपील करूंगा कि कल का इकॉनॉमिक टाइम्स पढ़ें। मैं आदरणीय पूर्व वित्त मंत्री और सदन के प्रतिपक्ष के नेता डा. मनमोहन जी की भी सराहना करूंगा कि उन्होंने विशेष रूप से पूछा है कि क्या यह सच है कि डी.आर.आई. लगी है? क्या यह सच है कि सी.बी.आई. लगी है? क्या यह सच है कि जे.पी.सी. बनेगी? एक तरफ तो आप चाहते हैं कि आप एफ.आई.आयज आएँ, पांच दस हजार करोड़ का निवेश करें और अगर आप क्रेडिट यूजर्स के पीछे सी.बी.आई. लगा देंगे, एफ.आई.आयज के पीछे सी.बी.आई. लगा देंगे, जे.पी.सी. लगा देंगे तो वे यहां आकर क्यों इन्वेस्ट करेंगे। आप अपने देश की इन्वेस्टमेंट क्लाइमेट खुद खराब करेंगे। मैं पूछना चाहता हूँ कि जब बड़ी-बड़ी कंपनियां पांच या दस हजार करोड़ डिफाल्ट करती हैं, एस्सार वाले डिफाल्ट करके बैठे हैं, इन्हें सरकारी दामाद जैसा ट्रीटमेंट दिया जाता है, ये रेस्पेक्टेबल बनकर घूमते हैं, इनकी रिशेड्यूलिंग हो जाती है, इनकी रिस्ट्रक्चरिंग हो जाती है और इन सरकारी दामादों को पी.एम.ओ. में बुला-बुलाकर चाय पिलाई जाती है तब तो किसी के कान पर रेंग नहीं होती, कोई क्राइसिस नहीं होता...(व्यवधान)...

श्री एस.एस. अहलुवालिया : आप किसी कंपनी का और पी.एम.ओ. का नाम लेकर बोल रहे हैं, यह गलत बात है...(व्यवधान)... अगर यह सब शुरू करना है तो आपको यह भी बोलना पड़ेगा कि यह आप किसके लिए बोल रहे हैं। ऐसा मत बोलिए...(व्यवधान)...

श्री संजय निरुपम : किस कंपनी के बोर्ड की रिस्ट्रक्चरिंग हुई और कितने पैसे का घोटाला हुआ, यह भी बता दीजिए...(व्यवधान)...

श्री अमर सिंह : आप बताइए न...(व्यवधान)...

श्री संजय निरुपम : आपकी कंपनी है...(व्यवधान)...

श्री एस.एस. अहलुवालिया : अमर, तुम बहुत अच्छा बोल रहे हो, राष्ट्र के हित में बोल रहे हो पर इंडिविजुअल केस पर मत जाओ।

श्री अमर सिंह : चलिए, नाम नहीं लेता लेकिन जिन कार्पोरेट टाइफून्स को आप आप 10-20 हजार करोड़ की रियायत देते हैं...(व्यवधान)...

उपसभाध्यक्ष (श्री सुरेश पचौरी): चलिए, अपनी बात कहिए।

श्री अमर सिंह : मुझे कहने दीजिए, हम नाम नहीं ले रहे हैं, यह तो एक एनॉमोली है।

यह क्या एनॉमोली है? दण्ड का प्रावधान एक होना चाहिए। अगर यहां कोई डिफाल्टर भी नहीं है तो भी उनका पब्लिक प्रोसिक्यूशन चालू है। अगर एसोसिएशन ही इस तरह की है तो श्री संजय निरुपम जी, मैं आपको बताना चाहता हूं, मैं नाम नहीं लूंगा, जिस प्रकार से आपने खड़े होकर नाम ले लिया कि बड़े-बड़े लोगो से एसोसिएशन होते हैं, हम लोग पब्लिक लाइफ के हैं इसलिए किसी का, किसी से कहीं भी एसोसिएशन हो सकता है। लेकिन जिससे एसोसिएशन हुआ है उसकी क्रीमिनेलिटी से किसी का कोई लेना-देना नहीं है। मीडिया ट्रायल नहीं होना चाहिए। यह हमें सदन की गरिमा और अपनी जिम्मेदारी समझकर तय करना पड़ेगा। उस पूरे मामले को उछालकर अखबार की सुर्खियों में लाकर इसका राजनैतिकीकरण करना चाहते हैं या इस पूरे मामले को सोचे समझे ढंग से, सुचारुरूप से संशोधित करना चाहते हैं। हम किस अखबार के किस कम्पेन को सही माने। हम सुशीला दलाल की कहानी को सच माने या मुर्गा केली की कहानी को सच मानें। अभी मनमोहनसिंह जी ने अपने भाषण में कहा कि जो आज के मंदोड़िये हैं वे कल के तेजोड़िए हो सकते हैं। आज जो बियर काट थे कल वे बियर काट नहीं, बुल जो जायेंगे। ही इज दि न्यू बुल क्योंकि बुल का सारा पैसा बियर के पास है। सट्टा बाजार में सट्टा खेलने का काम दलालों का ही है। यह काम हमारा और आपका नहीं है। दलाल तो दलाली करेंगे और सट्टा खेलेंगे। यह हम लोगों का काम नहीं है। मैं तो यह कहना चाहूंगा कि किस तरह से सेबी ने, मैं सेबी के ऊपर कोई आरोप नहीं लगाना चाहता। सेबी के अध्यक्ष की बड़ी साफ सुथरी छवि है। लेकिन मैं यह कहना चाहूंगा कि क्या कारण है कि 1998 की इन्क्वयरी पर अभी तक धूल की परतें पड़ी हुई हैं। क्या कारण है कि टेप मिल जाते हैं, उस टेप का ट्रांसक्रिप्शन अधिकृत रूप से बाहर नहीं आया लेकिन अखबारों में वह आ गया है। सीएनबी उसको प्ले कर रहा है। वह सत्यापित नहीं हुआ है ऐसा हमारा मानना है। लेकिन अगर वह अधिकृत रूप से सत्यापित है तो उससे पता चलता है कि एक लाबी के लोग इस पर लगे हुए हैं कि शेयरों को हैमर करके बाजार में लाया जाए। इस की पूरी जांच होनी चाहिए। लेकिन मैं फिर भी कह रहा हूं कि इसकी जांच सेबी या आरबीआई से होनी चाहिए। मैं हर किसी केस में सीबीआई, एकाकनामिक आफेंसेज विंग, बीआरआई और जेपीसी की बात नहीं करता। यह मेरी बुद्धि से परे की चीज है। सेबी में अगर कोई कमी है, सेबी में अगर प्रोसीक्यूशन के मामले में कोई कमी है तो उसको मजबूत करिए। आप सेबी को मजबूत करिए जितना मजबूत अमेरिका का एसईसी है जिसके डर से लोग थरथर कांपते हैं। हम वित्त कमेटी के सदस्य भी हैं। हमने सेबी की ढिलाई के बारे में बात कही, अहलुवालिया जी ने भी इस बारे में पूछा तो आदरणीय अध्यक्ष ने कहा : **"We have not been given teeth to deal with the situation". If they want to be provided with more teeth, give them sharp teeth as compared to the SEC of America** . उसके बाद अगर काम नहीं होता तो फिर सी.बी.आई है, बी.आर.आई है, एकाकनामिक आफेंस विंग है, जे.पी.सी. है, ये तमाम रास्ते आपके पास हैं। मैं आपको यह भी कहना चाहता हूं कि बिना डिलेबरी के शार्ट सेल की अनुमति दुनिया में कहीं नहीं होती, यह भारत में ही चालू है। विदेशों में बिना डिलीवरी के कोई शार्ट सेल संभव नहीं है। इस पर रोक लगाने की जरूरत है। बाजार क्यों गिर रहा है। इसमें एक चीज आप यह भी देखिए कि बैंकों ने ब्रोकरों से कोलेटरल मार्जीन लेकर शेयरों के पैसे लिए हैं और एकाएक जब कोलेटरल की कीमत घटी तो उन्होंने उसको एकजीक्यूट करना शुरू किया। उसमें हमारे बैंक के लोग भी हैं, हमारे जो इंस्टीट्यूशंस हैं, उनके लोग भी हैं। मैं आरोप नहीं लगा रहा हूं। हो सकता है कि उसमें यूटीआई भी हो क्योंकि यूटीआई का यह काम ही है शेयर बाजार में खेलने, शेयर बाजार में

इन्वेस्ट करना, यह उसका आफिशियल काम है। उसके जो कई काम हैं उन में यह काम भी है। इट इज नाट इल्लीगल। तो क्या यूटीआई ने भी शेयर निकाले हैं जिससे यह हुआ है? इसकी सम्यक और व्यापक जांच करने की जरूरत है। आपके लिए कल मेरा बड़ा आक्रामक रवैया था और मैं इस रवैये को अपनाने के मूड में था। मैंने कल सोचा था कि मैं माननीय वित्त मंत्री जी से मिलूंगा और उन पर हमला करूंगा कि दुनिया में कहीं भी दलालों के हाथ में शेयर बाजार नहीं रहता। लेकिन उन्होंने मुझ से इसका अवसर छीन लिया। जब मैंने सबेरे अखबार में पढ़ा कि आपने मुंबई एक्सचेंज को दलालों से मुक्त कर दिया है तो मैंने अपना इरादा बदल दिया। इसके लिए मैं आपको बधाई देना चाहता हूं। इसके लिए मैं आदरणीय मनमोहन सिंह जी को भी बधाई देना चाहता हूं जो उन्होंने एनएससी को माडर्न पैटर्न दिया। नेशनल स्टाक एक्सचेंज के पेटर्न पर आपको बी.एस.ई. को करना पड़ेगा। यह सिर्फ आगाज़, इसका अंजाम तब तक पूरा नहीं होगा जब तक कोलकाता, अहमदाबाद और देश के दूसरे सभी स्टाक एक्सचेंजों को दलाल मुक्त नहीं करेंगे। अगर आप सभी स्टाक एक्सचेंजों को एन.एस.ई. के पेटर्न पर दलाल मुक्त करेंगे और ऐसे प्रोफेशनलज के हाथों में देगे जिनका शेयर मार्किट से सीधा लेना-देना नहीं होगा, इस तरह के टेप, इस तरह के आरोप-प्रत्यारोप आपके सामने नहीं आएंगे। मैं आपसे अनुरोध करता हूं कि जिस त्वरित गति से आपने मुंबई स्टाक एक्सचेंज के दलालों के विरुद्ध निर्णय लिया है, उसी त्वरित गति से डिमैट से शार्ट सेल में कौन कौन लोग सम्मिलित हैं, आपको इसकी पूरी जानकारी मिल सकती है। इससे पता चल जाएगा कि उस ब्लैक फ्राइडे से ले कर के आज के ब्लैक डे तक कौन कौन लोग बाजार को नीचे लाने के जिम्मेदार हैं। आप उनके ऊपर कार्यवाही करिये क्योंकि यह मामला सिर्फ आपका, हमारा, भारतीय जनता पार्टी का, समाजवादी पार्टी का, सी.पी.आई. (एम) का या सी.पी.आई. का मामला नहीं है, अब यह मामला पूरे देश का है। बैंक के जिस रेट पर आपको ऋण मिलता है उस पर इंटेरेस्ट भी नहीं लगाया जा सकता है। अगर बाजार खराब रहेगा, हम को अगर इन्वेस्टर्स से पैसा नहीं मिलेगा तो कोई उद्योग नहीं लग सकता है। इतनी बात कह कर मैं अपना वक्तव्य समाप्त करता हूं। आपने ध्यान से मेरी बात सुनी, बहुत बहुत धन्यवाद।

SHRI KAPIL SIBAL: Mr. Vice-Chairman, Sir, I have listened with rapt attention to all my colleagues. I am not going to repeat what has already been said by the hon. Members of this House. However, I will start with some figures. I will try to place before the hon. Members of this House and before the hon. Finance Minister as to what, I think, is the genesis of this crisis. Sir, you are aware that the stock Index was 6400 some time ago and as of yesterday, it was 3557. At that time when the index was 6400, the market capitalisation was Rs. 16,00,000 crores. When it has dropped to 3757, the capitalisation is Rs. 9,00,000 crores. There has, therefore, been a loss of national wealth to the extent of Rs. 7,00,000 crores. The second fact that I want to place for the consideration of the hon. Finance Minister is that between the period 1st January, 2001 and 10th March, 2001 there was a buying spree. In fact, stock worth Rs. 1,500 crores was purchased during this period. There was a lot of money coming in from FIIs. Yet, the market was falling. The reason was that

there was unlimited availability of stock. Sir, you are aware of the fact that there is a concept of stock lending in this country. There are only two stock lending institutions in this country. One is the Stock Lending Corporation of India which is controlled by SEBI. And the second is the Deutsch Bank. These are only two stock lending institutions. These are the only two institutions which actually fulfil the prescribed norms. The reason why the concept of stock lending was adopted in India is that ever since the market was opened in 1994, when the international players started playing in the Indian market, when the stock was on paper -- it was not an electronic stock -- at that point of time, when multinationals wanted to buy the stock, there was always a shortfall. In other words, because of the problem of paper stock, there was free trade. It was, therefore, decided that we should become an international player. And to avoid that free trade, we allowed a broker to take the stock from the market. Supposing I am a seller and I want to sell the stock. Actually, I want to sell 100 scrips. But I have only 90 scrips; I am 10 short. I can go and pick it up from somewhere else and then it can be refurbished later. This was allowed only to check free trade. But what started happening in the Indian stock market, and why short-selling led to this crisis, was that people started short-selling the stock to bring the value down, for reasons I don't want to go into. But from where did they get the stock? The Stock Holding Corporation of India lent them that stock. Why does the Stock Holding Corporation of India lend that stock? It is because they get a commission on it. So, what happened was that short-selling was, in fact, given impetus to by the Stock Holding Corporation of India. And huge stocks that were held by the Stock Holding Corporation of India were lent to brokers for the purposes of short-selling so that they could bring down the market. The Stock Holding Corporation didn't bother because they were getting commission. But the value of their own stocks was going down. They didn't realise that the national wealth was going down. Their own stocks, which were Rs. 400 came down to Rs. 100, even though they got a commission out of it. That is the real reason for this crisis. Now, what are these stocks that we are talking about? These stocks are of financial institutions' because the Stock Holding Corporation of India holds the stocks of the LIC, the GIC, the New India Assurance Limited, the United Insurance, the National Insurance Corporation, and so on. These are the stocks that were off-loaded. Now, three questions arise. This cannot be done because the stock brokers are only small players in the market. The stock brokers make money. But who are the big players in the market? No

stock broker can make money unless he is backed by financial institutions, unless he is backed by big players who have big stocks. That is where the problem is. There is a conspiracy, at a given point of time, • I am not talking of this transaction; it applies to bulls also • between the stock broker, the institution and, unfortunately, the regulatory authority, whose nominees are on the Board of the Bombay stock exchange. Therefore, I request the hon. Finance Minister to first ascertain, what is the extent of the erosion of national wealth that has taken place. On Black Friday alone, the erosion was to the tune of Rs.3,000 crores to Rs.3,500 crores. It is a matter of national concern. It is not a political issue. The next thing that I would like the hon. Finance Minister to find out is, who the parties are who gave it because the stock broker cannot do this alone unless he has stocks to lend. And he can only get stocks lent through big players in the market. Who were the big players who were lending the stock? The third question is: Who were the various market intermediaries that were conspiring in this enterprise? I would request the hon. Finance Minister to look into this matter because this is the reason for this crisis. Now, another fact that I would like to bring to the notice of the hon. Finance Minister is that the Bombay Stock Exchange has certain rules and regulations under which brokers themselves, -- this has been pointed out even by Amar Singhji and others -- try to become office-bearers of the Association, and this is not something that was not unknown. This was known to the Government. And these brokers also, as per the rules of the stock exchange, are entitled to set up committees. Under the board of the stock exchange, committees are entitled to be set up. One such committee was set up under rule 120 and this is a very important issue that I would like to bring to the notice of the hon. Finance Minister. Under rule 120 of the bye-laws and regulations of the stock exchange of Mumbai, where the governing board is empowered to appoint sub-committees, one such sub-committee was appointed and this sub-committee was appointed at a meeting of the governing board on the 25th of May, 2000, which took a unanimous decision to advise and assist the administration in improving the surveillance system of the exchange. That sub-committee was not appointed for the purposes of finding out on-line as to what kind of trading was taking place. The members of that exchange included a nominee of SEBI, It included a Government nominee who was a public representative, apart from the brokers. What happened? Instead of suggesting and advising the administration on improving the surveillance system, they started participating in the surveillance system and they started participating in the

presence of the people who were not members of the sub-committee. I don't have to tell you, Sir. You are aware of the tape-recording that has now been published on the Internet itself by CNBC. And the then President of the Bombay Stock Exchange was ringing up the employee of BSE and asking for the Chief of Surveillance, wanting to find out from him in which stocks which public institutions were investing. That was the point that I was making earlier -- that the reason why stock brokers are able to make it good, either in the bull market or in the bear market, is because there is active connivance of large entities that hold large stocks. He was finding out which were the public institutions investing in which stocks so that you could start short-selling all those stocks without having the stock with you, knowing full well that you would be able to get that stock from the Stockholder Corporation of India, whichever stock you were selling. The Deutsche Bank of India is not involved in it. The result was that the entire market fell. It is not a question of free-play. There is no such thing as free-play in the Indian stock market. The reason is simple. Unlike Western stock markets, where individuals have a share in the stock market, where ordinary individuals in the middle class have a share in the stock market -- and it is widely held -- we do not have that kind of a situation here in India. Therefore, this cannot happen in India, unless it is with the connivance of the institutions and the connivance of the big players. So, I request the hon. Finance Minister to conduct a thorough inquiry into this matter and find out who the persons are that are involved in this and what is the extent of the national loss in wealth that has taken place. The hon. Finance Minister has laid a statement on the Table of the House in which an impression is sought to be created as if what happened in NASDAQ happened here and, so, there is nothing wrong with it. But, Sir, there is a difference. There is a basic difference and you know it. The hon. Finance Minister knows it. In NASDAQ, 60% of the stocks are information technology stocks, whereas in the Bombay Stock Exchange only 16% of the stocks are information technology stocks. So, you cannot say, what happens there is bound to happen here because 84% of the stocks at the Bombay Stock Exchange are not information technology stocks. Therefore, it is not as simple, as this that the world market is going down and, therefore, our stocks are going down. I request the hon. Finance Minister to reconsider this. And the idea is not political, that you should have a large inquiry, whether it is JPC or anything else. We are concerned with the loss of national wealth. So, the idea is to get into the bottom of this. Whoever it is, whether it is a bull or a bear, it really does, not matter,

Sir, the next point that I want to make is. there is also something wrong in the stock market moving to 6400. If it has fallen to 3757, where was the occasion for it to reach 6400? There comes the story of the bulfs. Imagine, Sir. in the bear stock market what happens? A person sells the share and if the stock is falling, then what you do is. at a later point in time, if you have sold it for 100. six days later, that stock is 40, you can buy it for 40, and make sixty rupees overnight. Who makes those sixty rupees? Not the ordinary investor, because the ordinary investor does not know how the market is being manipulated. It is the broker who makes the sixty rupees. When you come to the other side of the picture, it is the bull who makes the money. Why? Because he buys long-term. Here, the bear sells short-term and the bull buys long-term. When the bull buys long-term, -the market rises. He buys at 50. But the problem is, the bull can't buy till he has the money, and no individual can have 300, 400, 500, 600 crores to manipulate the market. So, where does the bull get the money from?

The bear gets the stock from the Stock-holding Corporation of India, but the bull has to have the money to buy. Where did he get the money from? That is where the other players come in, whether it is Global Trust or it is a financial institution or it is a bank lending. These big players give the money to the bull to buy long-term. They also make money in the process because they also have stock in their hands. So, what they do is, they lend it to the bull; the bull buys long-term, buys at 50, and when the market goes to 100, sells it, dumps it at 100; makes that fifty rupees. The crisis arose there because the bull who was buying, had reached the saturation point. The bull who was buying was raided by the income-tax authorities; the bull who was buying was said to owe Rs. 280 • 300 crores to the Income-tax Qepartment. The bull who was buying had to cut a cheque for Rs.26 crores to buy peace. Then, what happened? The market realised that the bull had no more money. So, let us dump his stocks. Global Trust realised that 'look we can't go with the bull anymore. We have lent him a lot of money; we can't go with the bull anymore.' So, they started demanding collateral from the bull. What was the result? When these stocks started going down, the stocks' selling started. That is how the whole scenario has come about where we see the ordinary middle class, the lower middle class person who has put his savings, his life savings, in the stocks, not knowing when to sell and when to buy. And the loss of national wealth is not the loss of the brokers, as much as it is the

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loss of those who have nothing more to survive with. That is what the Government has to be concerned about. I request the hon. Finance Minister. As I said, this is not a political issue. Now, who is conducting this inquiry? May I say the person who is conducting this inquiry is one Mr. Reddy, Chief of Surveillance? He belongs to the Stock Exchange himself.

SHRI PREM CHAND GUPTA: He is a party.

SHRI KAPIL SIBAL: He is a party, and he is conducting the inquiry. Even if you were to give this inquiry to the SEBI, the question will arise; the SEBI's representative knew, because he was the nominee on the Board of the Stock Exchange, as to what was happening. If the SEBI nominee knew, somewhere else, the SEBI authorities also knew as to what was happening. So, how can the SEBI conduct the inquiry? Now, I am not saying, give it to the CBI. It is not my case. But, surely, give it to a responsible person who is sufficiently distanced from the transaction.

That responsible person can be someone whom you can tell us about when you respond to our queries. But, surely, this kind of inquiry would not muster confidence, not only amongst the Members of this House, but also among the general public.

Sir, the last point I wish to make is, this kind of rumour-mongering should not be allowed; the SEBI must be given teeth in this regard. In fact, the SEBI conducted an inquiry; the role of media was also commented upon, because, every morning, as Amar Singhji pointed out, you see, on some channels, there would be comments on which would be the best stock to buy. Ultimately, the SEBI held a meeting and said that whoever goes to these channels, must disclose his interest in that particular stock. The person giving the investment advice shall be required to disclose, in the media in which the recommendation is being made, whether he or the employer firm has long or short position in that security. This decision was taken by the SEBI on February 1, 2001. Yet, it has not been implemented.

Further, the intermediaries must ensure that when a representative of the intermediary is giving a public investment advice, such an advice must invariably be accompanied by the disclosure mentioned above. Not implemented yet. This is causing havoc in the market. Whenever there is a rumour, what is the position of SEBI? It must quell this rumour. If there is a rumour that some mafia money has gone into the stock market, the

SEBI must investigate it overnight. Otherwise, the ordinary investor would suffer. The SEBI must make a statement that its preliminary inquiry found this or that, whether it is right or wrong. The problem is-I don't say, everybody--certain individuals and certain individuals and certain institutions. when they get together and start manipulating the stock market, it is then the crisis arises. This crisis is peculiar to India. It is not even a crisis akin to the 1992 stock market crisis, because, in that crisis, money was borrowed for one purpose but invested in the stock market for an entirely different purpose. That is not what has happened over here.

What has happened here is a systematic institutional failure, in which the individuals in the institutions and the stock brokers are coconspirators. I, therefore, urge the hon. Finance Minister to look into this aspect of the matter and help this House, help the people of this country, to ensure that this kind of depletion of national wealth is not repeated in the future.

Thank you.

SHRI R. MARGABANDU (Tamil Nadu): Sir, in the present-day situation, there is no money circulation among the common people. The banks do not lend money. Even if they lend, that would not be recovered, since the industries which borrowed the money are not able to compete in the global market. As a result, the industries are becoming sick; they are not able to survive. Sir, in this position which is prevailing in the country now, the poor is becoming poorer and the rich is becoming richer.

Sir, the entire Budget is dependent on borrowings and disinvestment. It is a sorry state of affairs that, out of every one rupee of the Budget, 27 paise is borrowed from other countries and 28 paise is paid by way of interest towards the loan borrowed. This being the case, how can the nation be saved? Sir, today, the SEBI has restrained all the broker-members and directors from acting as members of the Board of the BSE.

The broker member Directors of the BSE doctored the market which resulted in this stock exchange crisis. The SEBI should act immediately and safeguard the interests of the investors and also ensure the stability and development of the securities market. Sir, yesterday the sensx crashed by 114 points and today it has crashed by 300 points. It also crashed on the post-Budget day. The reasons for this crash should be investigated properly by the SEBI authorities and by the CCEA. Keeping in view this sensx crash, the Government should take steps to show good

signals to the foreign as well as the Indian investors by booking the culprits who doctored or manipulated the BSE market. The Government should also take immediate steps to solve the payment crisis. The BSE should prove that the markets are safe for the investors. Sir, I request that the broker member Directors who have been restrained by the BSE should be investigated thoroughly. The possibility of pumping of black money and taking away of money by manipulation should be investigated thoroughly. I request that a Joint Parliamentary Committee should be appointed immediately to probe into this matter so that the investors are saved. Thank you, Sir.

श्री एस.एस. अहलुवालिया: उपसभाध्यक्ष महोदय, बुल हो या बीयर हो, वे किसके नीयर हैं और किसके डीयर हैं, इसका पता लगाना बड़ा मुश्किल है। महोदय, 1992 में जब सिक्योरिटीज स्कैम हुआ था तो उसकी जांच के लिए जे.पी.सी. गठित हुई थी उसमें इस सदन की ओर से माननीय वित्त मंत्री उसके मेंबर थे, माननीय चतुर्वेदी जी मेंबर थे और मुझे भी उसके सदस्य के रूप में काम करने का मौका मिला था। उस समय हमने बुल और बीयर का रवैया देखा और उनको समझने की कोशिश की।

महोदय, वह वक्त ऐसा था जब 1992 में जो क्लोज्ड इंडस्ट्रीज थीं, जो इंडस्ट्रीज बंद पड़ी थीं, जो सिक इंडस्ट्रीज थीं, उनके शेयर्स अगर हर्षद मेहता खरीद लेता था तो उनके भाव ऊपर भागने लगते थे। जो बात आज विपक्ष के नेता माननीय डा. मनमोहन सिंह जी ने शुरू की कि आज एक नियंत्रित, स्वस्थ, कुशल और पारदर्शी स्टॉक मार्केट की जरूरत है, उसका कारण यह है कि एक नियंत्रित, स्वस्थ, कुशल और पारदर्शी शेयर बाजार ही किसी राष्ट्र की आर्थिक नीति का द्योतक होता है। आज आप कोई भी अखबार उठा लीजिए, अखबार में पहले तो खबरें हैं, गरम-गरम खबरें हैं, फिर खेल की खबरें हैं, फिर सिनेमा की खबरें हैं, कुछ आर्टिकल्स हैं और उसके बाद शेयर बाजार की खबरें हैं। कोई भी अखबार आप देख लीजिए, इलेक्ट्रॉनिक चैनल्स देख लीजिए, कोई चैनल ऐसा नहीं है जिसमें शेयर मार्केट के बारे में न बताया जा रहा हो। सारी दुनिया में यह होता है। और तो और आज एंटरटेनमेंट बंद करके शेयर बाजार के बारे में बताने लगते हैं और इन्वैस्टमेंट गाइड के रूप में बताने लगते हैं। आजकल तो इंटरनेट का जमाना है, ऑन लाईन ट्रेडिंग आप कर रहे हैं, उसमें भी माऊस आ जाता है और आपको सजैस्ट करने लगता है कि यह शेयर खरीद लो। दुर्भाग्य की बात है कि वहां पर उस शेयर का जो रिस्क फैक्टर है उसको कोई भी नहीं दिखाता या उसके बारे में पता नहीं लगता और यही कारण है कि आदमी फंसता है। राष्ट्र का एक अच्छा बजट आया, बजट के बाद एक सुनहरा दिन दिखाना चाहिए था लेकिन यह काला दिन दिखाने के लिए कुछ कोशिश हुई। कुछ इसी तरह के बुल्स एंड बियर्स सबने एक कार्टल बनाया और बड़े-बड़े जितने शेयर थे, उठाए क्योंकि उम्मीद थी कि इनके भाव बढ़ेंगे और कुछ एनाउंसमेंट होगी और उसके बाद फिर इनको बेचा जाएगा। पर हुआ क्या कि बजट लीक नहीं हुआ, बजट की बात पता नहीं लगी और वह अंधेरे में रह गए और खरीद कर धोखे में आ गए और वह आकाश से नीचे की तरफ गिर गए। अब आरोप कोई लगादे कि यह सब कुछ बी.एस.ई के प्रेजिडेंट का है और अभी हवाला भी दे रहे थे हमारे पूर्व वक्ता सिब्बल साहब कि

इंटरनेट पर उन्होंने देखा है, मैंने भी देखा है। मंत्री महोदय, मैं जानना चाहूंगा कि इंटरनेट पर जो सब स्टोरी आ रही है कि बी.एस.ई. के प्रेजीडेंट ने पहले फोन किया वहां के एक्जीक्यूटिव डायरेक्टर को और सर्वेलेस हैड को एससर्टन करने के लिए कि मार्केट 183 प्वाइंट क्यों गिरा है, क्या कारण है। वहां यह दोनों लोग नहीं थे क्योंकि ये सेबी की मीटिंग में गए हुए थे। फिर वहां जो नेक्स्ट अरुण थानाबड़े थे उनसे बात हुई। यह बात 3-05 बजे पर शुरू हुई और 3-16 बजे तक चली। जब बात शुरू हुई थी तब इंडेक्स 4095.16 था अर्थात् 7.02 points higher than the points when the BSE President started talking to the Surveillance Department enquiring about the fluctuations. अब यह कौन से लोग हैं? यहां कहा गया कि 1998 से बातें चल रही हैं, जो मेजर क्लियर थे संसेक्स में उसमें हिन्दुस्तान लीवर को देखा जाता है, आई.टी. को देखा जाता है, इंफोसिस, रिलायंस, सत्यम, जी.टी.वी. को देखा जाता है। उस बातचीत के दौरान मेरे पास इंटरनेट पर उनके हर एक के रेट हैं जो फलक्वुएट हुए हैं। तो आखिर यह खरीद फरोख्त कहां हुई, कैसे हुई, कितनी हुई, इसके पीछे हम जाएं तो इसमें जो कुछ कम्पनियां हैं जो बिग बुल्स बने हैं किसने फाइनैस किया पता लग जाएगा। हमारे भाई अमर सिंह जी ने बड़ी अच्छी बात कही कि जो आर्थिक बाजार का माहौल है जो डी.आर.आई. से शुरू होगा जो फॉरेन इन्वेस्टमेंट है वह सब बंद हो जाएगी। आज उसकी जे.पी.सी. बैठा दीजिए कल यह सारे इन्वेस्टमेंट बंद हो जाएंगे। कल इसी सदन में एक प्रस्ताव के साथ चार लाईन लिखी हैं वह पास हो गईं, मैं उसकी चर्चा नहीं करना चाहता। पर चार लाईन अमेंडमेंट करके हमने राष्ट्रपति महोदय को भेजा तो बाजार 300 प्वाइंट गिर गया क्योंकि वहां से लोग पूछते हैं कि क्या हो रहा है, क्या होना है। उसके लिए नुकसान किस का है। हम यहां पर घड़ियाली आंसू बहाएं कि साहब, गरीब का पैसा मर रहा है, गरीब का पैसा डूब रहा है। इन्वेस्टर गरीब भी हैं, अमीर भी हैं यहां तो पैसा लगा हुआ है — ग्लोबल ट्रस्ट का 507 करोड़ रुपए, सेच्युरिटी बैंक का 426 करोड़, यू.टी.आई. बैंक का 348 करोड़, सिटीबैंक का 760 करोड़, स्टैंडर्ड चार्टर्ड बैंक का 640 करोड़, आई.सी.आई.सी.आई. बैंक का 330 करोड़, एच.डी.एफ.सी. का 762 करोड़ यह पैसा किस का है? इसमें एक ग्रुप बना हुआ है, कार्टल बना हुआ है। इससे शेयर का भाव ऊपर करते हैं और इससे शेयर के अगेंस्ट में कर्जा ले लेते हैं। आप कोई भी शेयर लेकर किसी बैंक के पास चले जाएं, उस शेयर की जो वेल्यू आती है, एक हफ्ता, महीना भर जो चल रही है उसको स्टेबलाइज्ड करके रखते हैं मार्केट में। उतने दिन उसको होल्ड करके रखते हैं और उसी के अगेंस्ट में 70 परसेंट, 80 परसेंट कर्जा ले लेते हैं। उसके बाद अगर वह 100 परसेंट के नीचे आ जाए उसको फर्क नहीं पड़ता क्योंकि बैंक का नोटिस आता रहेगा, उसके साथ सुलटते रहेंगे। उसने जो बनाना था, वह बनाया। महोदय, इसके बारे में मेरी वित्त मंत्री जी से गुजारिश है कि शेयर बाजार तो बंद नहीं किया जा सकता है जिसके बारे में मैं पहले भी कह चुका हूं कि एक स्वस्थ, गतिशील और पारदर्शी शेयर बाजार यहां की स्वस्थ अर्थ-व्यवस्था का द्योतक है। जिन गरीबों की बात नीलोत्पल बसु जी कर रहे थे, कम्युनिस्ट पार्टी तो बिलीव करती है कि ओवरआल इकोनॉमिक सिचुएशन सुधरनी चाहिए और लोगों की परचेजिंग पावर बढ़नी चाहिए। उनकी परचेजिंग पावर है तभी तो वह शेयर खरीद रहे हैं। भावुक होकर हम लोग किसी की आत्महत्या की बात, किसी के सेल्फ इमोलेशन की बात करें तो यह ठीक नहीं है, कठोर हाथों से इस पर नियन्त्रण करने की जरूरत है। मैं वित्त मंत्री महोदय से जानना चाहूंगा कि सेबी ने जब यह निर्णय लिया, मंत्री महोदय ने अपनी स्टेटमेंट में बताया है कि दो मार्च को आपने एनएससी, बीएससी, सीएससी की कोऑर्डिनेशन से इन्वेस्टीगेशन शुरू

कर दी। क्या बीएससी के अध्यक्ष में सेबी को इन्क्वायरी करने के लिए लिखकर दिया था? अगर दिया था तो कब दिया था? क्या केन्द्र सरकार ने सेबी को तुरन्त कार्रवाई करने का आदेश दिया था?

महोदय, मुझे फाइनेंस कमेटी का और जेपीसी का सदस्य होने के नाते बीएससी के सारे सिस्टम को देखने का मौका मिला है। जैसा कि आप जानते हैं मेरा इलेक्ट्रानिक सिस्टम में एक खास इंटररेस्ट रहता है, बीएससी में एक बॉस सर्वलेंस सिस्टम लगा हुआ है, **BOSS**, वह बॉस ऐसा है कि वहां का बॉस एक चपरासी से भी बात कर रहा हो तो उसको रिकार्ड कर लेता है, वहां का कोई भी एम्पलाई अपने घर अपनी पत्नी या अपनी गर्ल फ्रेंड से बात कर रहा होता है तो वह भी रिकार्ड हो जाती है। यह सारा जो उनका इंटरनल कन्वरसेशन है बिटवीन 35 टू 316 यह रिकार्डिड है। इंटरनेट पर आरबी आ रही है, सी.एन.बी.सी. पर बजाई जा रही है, न तो उसका आर्थेंटिकेशन हो रहा है और न उसका कंट्राडिक्शन हो रहा है, लेकिन उसका जो इंटरप्रेशन हो रही है वह गलत हो रही है। उसकी इंटरप्रेशन रोकने का तरीका यह है कि या तो उसका कंट्राडिक्शन करिए या उसको आर्थेंटिकेट करिए और उसका राइट इंटरप्रेशन आने की जरूरत है और वह तभी आ सकती है जब आप तुरन्त इसकी इन्क्वायरी करें कि क्या यह घटना उसी कारण से हुई थी?

दूसरी बात उठती है कि हमारे अखबार लिख रहे हैं, बड़े जोर से लिख रहे हैं कि साहब बीएससी के प्रेसीडेंट ने इस्तीफा तो दे दिया परन्तु वह वहां पर व्यापार करते रहे हैं या वहां के ब्रोकर हैं या बिजनेस करते रहे हैं, यह अभी कपिल सिब्बल साहब ने भी कहा है। उपसभाध्यक्ष महोदय, मैं आपके माध्यम से वित्त मंत्री महोदय से यह जाना चाहूंगा कि क्या बीएससी के प्रेसीडेंट ने बतौर प्रेसीडेंट बीएससी कोई बिजनेस स्टाक एक्सचेंज में कर रहे थे, अपने नाम से या अपने परिवार के नाम से या अपनी किसी कम्पनी के नाम से और अगर कर रहे थे तो उसका क्या क्वेंटम था? अगर कर रहे थे तो सेबी ने उसको क्यों नहीं रोका कि आप ऑफिस बीयरर हैं, आप बिजनेस नहीं कर सकते हैं? यह भी बताने की जरूरत है कि प्राइवेट बैंक में कुछ बैंक ऐसे हैं, कुछ बैंकों के चेयरमैन, कुछ बैंकों के आफिशियल्स जिन्होंने कुछ कम्पनियों में अपना हिस्सा लिया हुआ है। जो कि स्टॉक एक्सचेंज में टोकन होल्डर हैं, कार्ड होल्डर हैं। इसके बारे में आपको कोई इत्तला है कि नहीं? अगर इत्तला है तो ऐसे बैंकों के चेयरमैन या लोग जो बायपास करके, नज़रअंदाज करके व्यवसाय कर रहे हैं, उस पर कोई अंकुश लगाने की कोशिश हुई है कि नहीं? महोदय, मैं भी यही विचार रखता हूं कि इस ईशू को जितना जल्दी सुलझाया जाए, जितनी जल्दी इस चीज़ का पता लगाकर लूपहोल्स को बंद किया जाए, उतना राष्ट्र का भला है और इसको जितना ब्लोक करने की आप परमिशन देंगे, उतना राष्ट्र का और राष्ट्र की आर्थिक नीति का नुकसान होगा। महोदय सेबी के अध्यक्ष जो पहले आर.बी.आई. में माननीय अध्यक्ष भी रह चुके हैं और उनकी अपनी एक इंटीग्रिटी है, उनके बारे में बहुत सारी बातें इस सदन में कही गयीं जो अच्छी नहीं थीं और न कहनी चाहिए क्योंकि हमारे यही इंस्ट्रुमेंट हैं, यही संस्थाएं हैं जिनके माध्यम से हम लोगों ने स्टॉक एक्सचेंज पर और वहां के उतार चढ़ाव पर अंकुश लगाना है। किसी व्यक्ति पर आरोप लगाकर हमें उसे बदनाम करने की या किसी को हथकंडा देने की कोशिश नहीं करनी चाहिए। मैं चाहता हूं कि आप इस सदन को अपने कॉन्फीडेंस में लेते हुए हमें बताएं कि आप तुरन्त कैसी कार्यवाही करेंगे ताकि यह पूरा नियंत्रण में आए और हम आने वाले दिनों में एक स्वस्थ, नियंत्रित, पारदर्शी स्टॉक एक्सचेंज देख

सकें जहां पर इस तरह के घोटाले नहीं आ सकें। धन्यवाद।

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu); Mr. Vice-Chairman, Sir, since morning, hon. Members from both sides have been expressing their concern over the volatility of the stock market which is unprecedented in India. Sir, both sides have said that they have given their opinion only to strengthen healthy business in the stock market. Like the Kargil stand-off, this is also one of the national issues. Whenever national issues are debated in this august House, we find that there is unanimity in the thinking and this is what is called democracy, which we are having in our country. Sir, I do not want to go through or repeat what the other hon. Members have already expressed. The stock exchange episode came to light on 2ⁿ March, 2001, when the Sensex declined by 176 points. Then only the SEBI woke up and tried to find out the reasons for that. After 5th of March, they decided to take some action. Sir, I do not want to go into the intricacies of what happened in the transactions, but, at the same time, I want to say that this type of manipulation should not take place hereafter, for which the Government of India, i.e., the Treasury Bench should take necessary steps.

After its meeting of 5ⁿ March, 2001, the SEBI has taken some action, whereby the counter-party guarantee has been introduced and the banks are allowed to provide collateral funding in the Automated Lending Borrowing Mechanism (ALBM) as well as in the Borrowing and Lending of Securities System (BLESS); additional margin has been stipulated; outstanding limit has also been curtailed, etc. Sir, all these steps have been taken subsequently, after this manipulation came to light. I would like to quote the second paragraph of the Statement which was made by the Finance Minister in the morning. I quote, "While the downward movement of the Indian stock market and its volatility have not been unusual compared to international markets, around the beginning of March, 2001, ...," Had it been so, these type of measures ought not to have been taken. Sir, when we have taken these measures, we found that there are some people who have indulged in some foul play. Sir, I feel that the message which should go today from this august House should be to strengthen the stock market, and set a healthy tradition in the stock market. And, tomorrow, I feel, it will take an upward turn and the *status quo ante* will be restored. Keeping that view in mind, I want to make some submissions. Sir, I would like to quote what Ms. Dina Mehta, the then President of the BSE said yesterday, and which appeared in today's newspapers. I quote,

"She pointed out that out of BSE's Rs. 2,400 crore trade guarantee fund, Rs. 1,260 crore is in hard cash. She added that the average liabilities of the exchange stood at around Rs. 800 crore, which meant that even in case of a cent per cent market failure, the trade guarantee fund would have more than enough to cover a default." Therefore, Sir, I feel that default is not going to be an issue. There won't be any default. We are giving this information to the nation only to strengthen the stock market. At the same time, Sir, the SEBI has also taken some stringent measures. The broker Directors have been shown the door. They are now restrained from acting as Directors. Functional Directors, Surveillance Inspectors, have also been removed from their place. Sir, I feel, the step regarding the trade-guarantee fund, to provide counter-guarantee, ought to have been taken some years before. Sir, the SEBI was constituted in 1988, in the month of April. Now, they have got ample experience of more than a decade. They should have visualised all these things. But since they could not visualise all these things, I feel, they are lacking in training, and they need further training. Sir, how has this happened? The banks have given a total credit of Rs. 5000 crores, which is not enough. But it is not a small amount. They say that they are giving only 60% of the stock value as loan. They are lending it. Therefore, they are having between Rs. 8,000 and Rs. 9,000 crores as securities for the loan they have given. Therefore, it should not be treated as NPAs. That is what I want to make very clear. Sir, from the bank's side, there is no problem. It is all right. Actually, what has happened is that the bull has purchased to the maximum extent possible. It has reached the saturation point. Then, it has to come down. When it comes down, there is a release and the prices come down.

When the prices came down, the banks were alarmed. Some panic button was pressed. The banks wanted to get the collateral security increased. For that purpose, they pressed the people whom they had lent money to see that their securities were increased further. When the banks indulged in such an activity, the people who had stocks with them, whether they were willing or not, were reluctantly forced to sell their shares again. This actually expedited the process or the decline. Then, the SEBI came into the picture. The SEBI and the Government applied some pressures. I tell you what they did.

Sir, I quote what *The Economic Times*, under the caption, "Capital Market Arrests the Free Fall," has written today:

"The banking sector must continue to provide funding support to the market, and the SEBI should immediately revoke the ban on naked short sales.*

This is a suggestion. I do not say that this is an advice.

Sir, when the banks and the RBI also intervened, they wanted to put some sort of a brake. They wanted to give instructions according to the commercial practice. The commercial banks also wanted to tighten their grips over the borrowers. When it was so, what happened was that the shareholders wanted to sell their shares even at a distress price. Therefore, the index came down further.

The international situation is also contributing to some extent. It has also become a factor in this. But I feel that this is not the only thing. Some intricate play also had its own role.

At the same time, in any system and in any area, this type of upheaval takes place. For example, in 1992, the former Prime Minister of the UK, Mr. Major, when he was the Lord Chancellor of the Exchequer, had actually put Britain into the bracket of the EERM. He had integrated the British system with the European exchange market mechanism. He thought that actually the sterling was pegged with the mark and the DM and that no devaluation would take place. When a journalist from *The Sunday Times* asked Major, when he was the Prime Minister, "Are you going to devalue the sterling?", he stubbornly refuted it and said, "There is no such condition." He requested the Government of Germany to cut its interest rate as well as to devalue the DM. But the Government of Germany refused to do so. Instead, the Government of Germany requested Britain to devalue the sterling. When this call was actually taken from Bonn, within hours, it had its own effect on Britain. Between 10.30 and 19.30 hours, the same day, that is, on the 16th of September, 1992, the British people lost 4 billion pounds. Their regulatory system is much advanced. They have got their own experience. Still, even Great Britain was not able to control it. They lost nearly 4 billion sterling. Therefore, this happens in every area and in every field. But we must take a lesson from this and see that it does not repeat itself. We must be very careful about that.

Sir, some people say that money circulation in this country is less. It is not so. This is a propaganda that is being made. The money circulation is proper. If the money circulation has to be increased, it will be

at the cost of inflation. Actually, it is unrelated; it is not at all related to the subject that we are dealing with.

In spite of that, if somebody has raised it, it is not proper. I oppose it. I do not know what does the rolling settlement mean. In case the rolling settlement is going to help in pushing the market liquidity in the stock market, the Government may think over it. Sir, we had a very bad experience of what happened earlier. We must come out of it. I am not for JPC to go into it, but the Government must decide on the mechanism, which they want to adopt to find out how this mal-practice took place. The remedial action should be evolved in a time-bound manner and it should be ensured that this type of manipulation is not repeated in the country.

SHRI V.V. RAGHAVAN (Kerala): Sir, I will put straight questions to the hon. Minister. Sir, in the share market, about 80 per cent are speculators and only 20 per cent are the real capital share investors. These speculators operate with an ill-gotten bank fund. This morning the hon. Finance Minister denied that. Ten years ago, Harshad Mehta operated with the ill-gotten bank fund. That is an established fact, I hope the hon. Minister will agree with me. Even now the speculators operate with ill-gotten bank funds. It is the responsibility of the Ministry of Finance to scrutinise and find out how this happens.

Sir, the RBI, the SEBI and the Ministry of Finance were in the dock. They did not know if this crisis existed. Sir, under your very nose, haste was shown in the GTB and UTI bank amalgamation. These speculators operate by utilising the bank resources and cheat the real investors. You have a great responsibility towards the small investors. Already suicides have taken place. I am told that psychiatrists are very busy these days. It is not a small thing. Kindly exert all your force and utilise all your establishments and instruments to see how these things are going on. The hon. Minister is looking at the clock. Sir, I will be very short. It has been established that Harshad Mehta utilised the bank funds.

In this way, speculation is going on. The norms of the Reserve Bank of India are being violated. I don't say, the SEBI has purchased to influence. All the controlling agencies are influenced by these speculators. That is how things are going on. So, in the interest of the genuine investors, do some drastic thing. Thank you.

SHRI YASHWANT SINHA ; Mr. Vice-Chairman, Sir, I am extremely grateful to all the hon. Members who have participated in the debate,

particularly, to the hon. Leader of the Opposition who initially drew my attention to this issue.

Sir, you may recall that I had made a statement in the beginning which clearly states that an inquiry was on and that the Government will not allow anyone who is guilty of manipulating markets to go scot-free. The guilty will be certainly punished. But I must hasten to add that what we are looking at is not the decline in the share prices. As far as I am concerned, that is not a matter of concern. What we are looking at is the issue of manipulation, if there is any.

I must express my gratitude to the hon. Members because many of them have added to my inadequate knowledge on the functioning of the stock market; and I am richer by that knowledge, after this debate. But I must make it clear that speculation in the stock market is not a crime. It is permitted the world over. Making profits in the stock market is not a crime. People are there for making profits. So, prices will fluctuate. Prices will go up and down. People will make money. Some people will lose money. They are in this game because they like to play it. Those of us who do not like to play this game, do not invest their money in the stock market.

SHRI V.V. RAGHAVAN: My complaint was, they were using the public money.

SHRI YASHWANT SINHA: It will come to your complaint. You were the last and most distinguished speaker. How can I forget what you have said? It will continue to ring in my mind until I finish.

Here, I am talking about the point which has been made by various hon. speakers, including Mr. Kapil Sibal, about the loss of national wealth. I would like to refer to the point which I had made in my statement, which has been contested by various friends here, including Mr. Nilotpal Basu, that we cannot really make a comparison with what is happening "internationally. I have here, in my hand, a copy of the *Economist* of London of 10th March; and it is worth quoting. Therefore, I quote;

"We ask all our readers to observe one minute silence on 10th March to mark the first anniversary of the NASDAQ peak. Over the past year, this index, once the beacon of America's new economy, has tumbled by 55 per cent. America's broadest stock

market index has lost more than 20 per cent of its value. Markets around the world are now, on an average, at least, i/5 below last year's peak, as share prices have tumbled from Tokyo to Frankfurt, Sao Paulo to Seoul...

Over the past year, around four trillion US dollars has been wiped off the value of American shares alone, a sum equivalent to 40 per cent of the country's GDP." I am quoting this in order to emphasise the point that over the last 12 months, the stock markets the world over have lost; the world over. If anyone were to say that it is a peculiar phenomenon associated only with the Indian market, then, I will most humbly beg to differ. Sir, as I have already quoted, the Japanese market is down by 50 per cent, the Korean market is down by 40 per cent, the Taiwanese market is down by 55 per cent and the German market is down by 71 per cent. Now, we were talking about the market cap, the total market cap, capitalisation. On 31st March, 1999, the market capitalisation was Rs. 5,45,361 crores; on 31st March, 2000, it was Rs. 9,12,842 crores. When it went up from Rs. 5,45,361 crores to Rs. 9,12,482 crores, whose gain was it? if we are so concerned about the loss, we should also look at the gain. On 20^m February this year, it was Rs. 7,16,172 crores. On 12th March, it was Rs. 6,09,763 crores. It would have gone down further today because the market was declining. But, as Ramdas Agarwalji has pointed out, this is a notional loss. If I am holding a share and the value has gone down, I will realise the diminished value, if I go and dispose of the share. If I hold on in the hope that the market will climb in future, and if the market does climb, then I am not going to lose. Therefore, let us not associate this with the loss of national wealth. National wealth, in terms of stock market, will go up and go down. That is what the stock market is all about. If we are restless at the thought of national loss of wealth in the stock market, I am afraid that is not the way to look at it.

Sir, I would like to begin with the role of SEBI because this is an issue which has been raised repeatedly. Specially, the hon. Leader of the Opposition asked why the SEBI did wake up only around the first week of March, the beginning of March. Sir, this is a calling-attention notice. My attention has been called to the immediate event of decline, fluctuation and manipulation in the stock market now. I could have gone into the history. I could have begun from 1992. But that is not the purpose of this calling-attention. The purpose of this calling-attention is what is happening in the stock market now. Therefore, I talked about the beginning of March. If we

were to go into the past, then, let me tell you that share prices have gone up and down. At times, they have also been manipulated. And at such times, whenever it had been brought to the notice of the SEBI or it had come to the SEBI's notice, *suo motu*, they had taken a number of steps. They were saying, why we were worried only about the decline in the market. They were worried when the market had gone up to 6100 in February, 2000. They were concerned as to what was happening. So, it is not that we are concerned only when the market is going down and we are not concerned when the market is going up. I have *Uere* a whole list of initiatives which have been taken by the SEBI over a period of time, mechanisms for risk contain merit, both when the markets have gone up and when the markets have gone down. It has been a continuous process of improvement every time because we have been learning as we have been going along. It is only that the instruments that we use when we are dealing with a declining market are different from the instruments that we use when we are dealing with a rising market. They are different.

And so, different instruments have been used by SEBI, from time to time. I would not like to take the time of the House in pointing out the various steps which SEBI has taken. But, okay, if some illustration has to be given. Let me point out some measures. When was the market surveillance division set up in SEBI? It was set up in July 1995, and the primary responsibility of market surveillance has been entrusted to stock exchanges, under the overall direction of SEBI. Now, some of the surveillance systems and risk containment measures, that have been put in place, are briefly given below: -

Risk containment measures, in the form of elaborate margining system and linking intra-trading limits and exposure limits to capital adequacy; daily price checks to curb abnormal price behaviour and volatility, reporting by stock exchanges through periodic and event-driven reports, inspection of intermediaries, suspension of trading in scrips to prevent market manipulations, formulation of inter-exchange market surveillance group for prompt, interactive and effective decision-making on surveillance issues^and coordination between stock exchanges, suspension of trading in scrips to prevent market manipulations, implementation of Online Automated Surveillance System, the stock watch system at the stock exchanges. Now, Sir, mark to market, base capital, additional capital, implemental carry forward margin, payment margin by clients, volatility margin, price in bank, margining of institutional trade surveillance cells of stock exchanges, are all

these steps which have been taken by SEBI, from time to time, in order to prevent undue volatility and manipulation of the stock exchanges. Sir. An issue was raised of the 1998 price manipulation of Videocon, • Sterlite and BPL. It is not that SEBI has not acted. SEBI conducted an inquiry. It was as a result of the findings of that inquiry that the then President of the Bombay Stock Exchange was asked to resign, and he had to leave. The Executive Director had to leave because of the findings of the SEBI. A number of stock brokers, who had indulged in manipulations, were suspended for two to three years by the SEBI, and at the moment also, this case is going on, because we must realise that SEBI is a market regulator, and SEBI also has a quasi-judicial role. When SEBI assumes that quasi-judicial role, we do not interfere, the Government will not interfere, nobody will interfere. That is a quasi-judicial role, where the judicial system takes over, the law of the land takes over, and whoever is arrayed before SEBI, if he wants to ask for information, if he wants to look at documents, SEBI, in the quasi-judicial role, is obliged under the law, to make that available, and therefore, in respect of some of the players, if there is an impression that action has not been taken, it is only on account of the fact that SEBI is conducting these inquiries in its quasi-judicial capacity, and there is a certain due process of law, which has to be followed, and that is being done by the SEBI, and therefore, the question that SEBI has not acted, the question that SEBI is sitting over the inquiry of 1998, I am afraid, is not correct.

DR. MANMOHAN SINGH: Mr. Minister, is it true that only recently, SEBI has begun hearing of cases? When did SEBI begin hearing of cases of 1998? All I want to impress upon you is, we are operating a market which is internationally integrated. If you think that three years' time is inadequate to deal with this issue, then we should close our market to the international players.

I don't think the markets elsewhere will tolerate a system that cannot bring the culprits to book for three years. This is the concern. We are not interested in apportioning the blame. This is the concern I wish to convey to you in all seriousness.

SHRI YASHWANT SINHA: Sir, with great respect to the hon. Leader of the Opposition, I would like to say that the functioning of the SEBI is governed by a law, the SEBI acts under the law that set up the SEBI, the SEBI acts under the Securities and Exchange Act and the SEBI is not allowed to do anything which will not stand judicial scrutiny. The point

that I am most humbly making is that, as far as the administrative action is concerned, which included removal of the President of the Bombay Stock Exchange, which included the removal of the then Executive Director, which included the suspension of the brokers, all that has been done. But when it comes to the quasi-judicial function, we have to be within the framework of law. SEBI cannot violate its own law. So, I am afraid I don't share....

DR. MANMOHAN SINGH: These are not effective punishments. That is why we have this recurrent phenomenon. I think you have a President who resigns three weeks before his term comes to an end. If all these things are considered to be punishments, I must say that it is this atmosphere of permissiveness which is leading to the recurrence of these events.

SHRI YASHWANT SINHA: Sir, I have listened to not only the Leader of the Opposition but also to all other Members without a single interruption.

DR. MANMOHAN SINGH: I am sorry. That was not my intention.

SHRI YASHWANT SINHA: Sir, I most respectfully submit that I have a train of thoughts. I should be allowed to complete what I want to say and if there is any question that is outstanding, I will be most willing to reply to that. There is no question on my part or on the part of anybody in the Government of hiding anything. We have nothing to hide. Therefore, let there be no impression that we are doing anything in order to protect somebody, we are doing anything to drive anything or sweep anything below the carpet. Nothing at all. I will be very straight and very honest, and I say, if any malfeasance, if any misdemeanour, comes to our notice or is brought to our notice, we shall take the strictest possible action against him, be it a broker in the stock-market, be it one of our institutions, be it any officials of the SEBI. But I happen to be a member of this Government, a responsible member of this Government, and, as Finance Minister of this country, I cannot condemn anybody without any inquiry, without due process of law. Most of all, I would not accept the kind of criticism that has been levelled against SEBI and its Chairman. I personally feel the integrity of the Chairman of the Securities and Exchange Board of India is absolutely above board. ...*(Interruptions)*...

SHRI PRAFUL PATEL (Maharashtra): Nobody has accused him. Why are you standing in judgement, when nobody has accused the Chairman and the SEBI? ...*(Interruptions)*... Why are you standing in judgement? ...*(interruptions)*...

SHRI S.S. AHLUWALIA: Why are you interrupting?
...(Interruptions)...

SHRI PRAFUL PATEL: Though I had not spoken today, I don't think I was not here for the day. Nobody has accused the Chairman of SEBI ...(Interruptions)... Don't interrupt like this. ...(Interruptions)...

SHRI S.S. AHLUWALIA: Why are you interrupting?
...(Interruptions)...

SHRI PRAFUL PATEL: Why are you interrupting?
...(Interruptions)... Why are you interrupting? ...(Interruptions)...

SHRI S.S. AHLUWALIA: When you are interrupting the Minister, I can also interrupt you. ...(Interruptions)...

SHRI PRAFUL PATEL: Why are you interrupting?
...(Interruptions)... Don't interrupt like this. ...(Interruptions)...

SHRI S.S. AHLUWALIA: Let the Minister reply.
...(Interruptions)...

SHRI PRAFUL PATEL: Mr. Finance Minister, nobody has accused the SEBI Chairman. ...(Interruptions)...

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): Members are requested to take their seats. ...(Interruptions)...

SHRI PRAFUL PATEL: Nobody has accused the SEBI Chairman. ...(Interruptions)... I have not heard a single person accusing the SEBI Chairman. ...(Interruptions)...

SHRI S.S. AHLUWALIA: Without an inquiry, how can you form such an opinion? ...(Interruptions)... How can you do it? ...(Interruptions)...

THE VICE-CHAIRMAN: Members, please take your seats.

श्री मोहम्मद आजम खान (उत्तर प्रदेश): क्या फायदा ऐसी जांच का?... (व्यवधान)...

SHRI YASHWANT SINHA: The SEBI's role has been questioned in this House. ...(Interruptions)...

SHRI PRAFUL PATEL: It is the SEBI's role, not the Chairman's misdemeanour or his integrity. ...(Interruptions)...

SHRI YASHWANT SINHA: No, it is very clear. ...(Interruptions)... A lot of things have been said. I am prepared to go into the record and point out all the remarks that have been made against the SEBI. When you make remarks against the SEBI, how can the SEBI Chairman not be responsible for it?

5.00 P.M.

Can you say that the Chairman of SEBI is a different entity?
...(Interruptions)...

SHRI PRAFUL PATEL: Mr. Finance Minister, you did mention
...(Interruptions)... I am only making a point. I am only helping him.

THE VICE-CHAIRMAN (SHRI SURESH PACHOURT): But is he yielding?

SHRI PRAFUL PATEL: Sir, nobody here is putting anybody in the dock. We are all trying to get to the bottom of the issue. A lot of Members have participated in the debate. I have not spoken. But that does not mean that I have not heard all the speakers. My point is this. The hon. Finance Minister is saying that somebody was accusing the Chairman of SEBI doubting his integrity and basic loyalty to the organisation. Nobody has talked like this. ...(Interruptions)... There may have been some allegations made...(Interruptions)... Will you let me complete? .. (Interruptions)...

श्री राजनाथ सिंह “सूर्य” (उत्तर प्रदेश): नाम लेकर कहा गया है।...(व्यवधान)...

उपसभाध्यक्ष (श्री सुरेश पचौरी): राजनाथ जी, आप बैठिए...(व्यवधान)...

श्री राजनाथ सिंह “सूर्य”: आप डिस्टर्ब कर रहे हैं, हम आपको न टोकें
...(व्यवधान)...

उपसभाध्यक्ष (श्री सुरेश पचौरी): अच्छा, आप अपनी सीट पर जाइए।

श्री नीलोत्पल बसु: ज्यादा मत बोलिए, तहलका मच जाएगा...(व्यवधान)... क्या है, सब साफ हो जाएगा।...(व्यवधान)...

श्री एस.एस. अहलुवालिया: ये कह रहे हैं तहलका मच जाएगा, क्या तहलका मच जाएगा?

उपसभाध्यक्ष (श्री सुरेश पचौरी): आप लोगों को जो भी प्वाइंट रेज़ करना है अपनी सीट से करिए...(व्यवधान)...

श्री राजनाथ सिंह “सूर्य”: रिकॉर्ड देख लिया जाए, नाम लेकर कहा गया है
...(व्यवधान)...

SHRI PRAFUL PATEL: Sir, there may have been some stray allegations here and there. ...(Interruptions)...

SHRI YASHWANT SINHA: What is the difference between stray and non-stray? ...(Interruptions)...

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SHRI PRAFUL PATEL: Will you allow me to complete? I am only-helping you. The Finance Minister has just now admitted that this is an institution. There are certain mechanisms. These are problems or failure of the system which have led to this problem. The Finance Minister or the Ministry itself has no direct role. SEBI is a regulator. If there are some problems, if some problems have been attributed to the lack of SEBI's interest in taking timefy action, why is it being construed that the Members are accusing SEBI or the Chairman of SEBI? That is all I am trying to say. We are not accusing the Finance Ministry or the Finance Minister or the Chairman of SEBI for any instance which has taken place in the stock market. We are only trying to say that SEBI has failed in its responsibility of acting as a regulator.

SHRI YASHWANT SINHA: Sir, we tend to forget things quickly. Our memory is short. It was asked in the debate in this House, "When was clearance given to the Global Trust Bank? Who was the Deputy Governor of the Reserve Bank of India at that point of time?" ...*(Interruptions)*...

SHRI NILOTPAL BASU: Sir, I soecMaSti...*(Interruptions)*...

SHRI YASHWANT SINHA: Sir, ...*(Interruptions)*... Sir, how can I be interrupted like this? ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): Let him reply to your queries. ...*(Interruptions)*...

SHRI YASHWANT SINHA: Sir, I have listened to all the speakers. Now everybody is jumping up. ...*(Interruptions)*... Let me come out with these facts. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): The Minister Is capable enough to reply. ...*(Interruptions)*...

SHRI NILOTPAL BASU: Don't put words in my mouth.

SHRI YASHWANT SINHA- I am not putting words In your mouth.

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI):Mr. Basu, please take your seat.

SHRI YASHWANT SINHA: Sir, they put this question, "When was the Global Trust Bank set up? How permission was given ta the Global Trust Bank?" Sir, I have collected this information. In principle, the

clearance for setting up the Global Trust Bank was given on is"¹ September, 1993. The license was given on 6^m September 1994. At that time, the Deputy Governor of the Reserve Bank of India was Shri D. R. Mehta, who happens to be the Chairman of SEBI today. Then an issue was raised about the Vysya Bank, not Vaish Bank. The Vysya Bank was not involved in the securities scam in 1992 and none of the deals of Harshad Mehta was through this bank. That, I hope, clears the air... (*Interruptions*)...

SHRI NILOTPAL BASU: They didn't pay up...

SHRI YASHWANT SINHA: Sir, if I have to reply to every statement that I am making, if I have to justify every statement that I am making, ...(*Interruptions*)...

SHRI NILOTPAL BASU: He is misleading...

SHRI YASHWANT SINHA: You have misled the House and I am clearing the air. That is what I am doing. I am putting the truth before the nation, through this House. And, it became important for me to raise the issue of the integrity of the SEBI Chairman because his integrity has been called in question. When I am the Minister of Finance, it is my duty to protect the Chairman of the SEBI and say that he is not the guilty person. Let us not hang people when they are not guilty. Shri Nilotpall Basu also made a point as to why we should compare our market with the NASDAQ and others. I mentioned to him that Microsoft, CISCO, IBM, Intel, Sun Microsystems, are all well-known names of IT companies of the U.S. and all their stock prices have come down. It is not merely the prices of some bubble dot.com companies which have come down. No market will go down in the manner in which the markets have gone down the world over if only a few bubble companies were to burst.

Sir, it is a serious matter indeed, as the hon. Leader of the Opposition has pointed out, that in three years' time, -- in less than three years' time, in fact, -- two Presidents of Bombay Stock Exchange had to leave in circumstances which were not pleasant. It is a matter of concern to me as well. And, therefore, I have said clearly in my statement that we are going to move towards de-mutualisation, the issue of which has been under discussion. But, over a period of time, --it is not merely in the last three years - while the benefits and merits of de-mutualisation had been accepted, we have not really moved in that direction. I have started serious action on this. And, as I have mentioned in my statement, if it can

be done without legislation, we will do it without legislation. If legal opinion tells us that it has to be done by legislation, then, I will come before the House with a legislation. But it has to be done. There is no alternative to de-mutualising the stock exchanges. I entirely agree with the opinion which has *been* expressed in this House that the participation of the brokers, who trade in the exchange, in the management of the exchange, has to be separated. It is very important because this recent experience of the tape does confirm the belief that, at times, it becomes difficult for the brokers to resist the temptation of getting information which they are not entitled to. Even in the present system, they are not entitled to that. But, the President of the Exchange has spoken to a person who is not very high-up in the Exchange, and let me tell you the surveillance system, as Mr. Ahluwalia was pointing out, is like the black box in an aircraft; whatever you do is recorded. That is how this whole thing came out. Therefore, this has to be separated. And I have already told the House that we will come up with this.

Now, the other issue which was raised by the hon. Leader of the Opposition was about the SEBI trying to bolster the market, that they were pushing up the prices of certain technology stocks. After he raised this issue, I went into that question. I made enquiries during the lunch time, and I have been assured that the SEBI has done nothing of that kind, that it is neither their role nor their responsibility, nor have they actually indulged in pushing up any technology stock prices...

DR. MANMOHAN SINGH: If you yield, I shall explain. I was referring to certain decisions that were taken by the SEBI in the course of the last eighteen months with regard to initial public offering and listing companies. Before that, there was a certain stipulation that a certain proportion of shares must be held by the public before any issue can be made. I think in the course of this period of eighteen months or so, these limits in respect of shares in the technology sector, including media, were relaxed. If I am wrong, I will correct myself. But...

SHRI YASHWANT SINHA: I will share the information. As per the existing SEBI norms for initial public offering, 25% of the estimated market value had to be offered to the public. This requirement was initially relaxed for IT companies because IT companies did not need, always, the amount of money; they wanted to come for IPOs because they had to offer their shares- to their employees and we are all aware of the fact that IT companies are in a special class and because of the worldwide demand for

qualified professionals, each IT company was and is very keen to retain its employees and, therefore, through ESOPs, they were allowed to make IPOs and offer as ESOPs to their employees and it was all done within very clearly prescribed norms. Therefore, it was decided to let such companies issue ten per cent of the market value to the public, subject to a minimum of Rs.50 crores, to be offered to the public. Subsequently, this was raised to Rs. 100 crores and now a company, being an IPO, can issue ten per cent of their shares, subject to a maximum of Rs.100 crores. This has been done specially for IT companies in order to enable them to offer their shares to their employees and retain the employees who the world over today are more interested in the Employees Stock Options than in the salaries that they get. This is something which is well recognised, Sir. So, the intention was not to allow, through these very limited issues, any...

DR. MANMOHAN SINGH: Mr. Finance Minister, even members of SEBI. for example, opposed this. I do not want to name anyone. But there was a serious apprehension expressed at that time. I may be wrong. But I say this in all sincerity. Some members of SEBI also opposed this thing, within SEBI. This matter was discussed at various forums that SEBI had. There was a difference of opinion and, at that time, there was an apprehension that this measure would lead to ramping up of prices. Well, I am not imputing any motive whether that was the intention or not. But, in practice, I think this has led to a situation of the type that I described.

SHRI YASHWANT SINHA: Sir, I was merely referring to the impression. If, as a result of the intervention of the Leader of the Opposition, an impression has gone out that SEBI deliberately took some steps in order to push up the prices of technology stocks, I merely wanted to correct that impression. That was not the intention and, in any case, it is the SEBI board which has taken the decision. When a matter comes before the board, we all know that various members express various views and, ultimately, on the basis of a consensus, a decision is taken. Sir, the hon. Leader of the Opposition also raised the issue of investigating agencies. And various Members have commented on the role of the media. I do not want to say anything on that, except to say that the media need not always be right. There was a report in a section of the Press, saying that every conceivable agency of the Government was after somebody or the other in the stock market, that telephones were being tapped and so on. At least, as the Finance Minister, I am not aware of any such investigation and I am not aware of the telephones being tapped. Sir,

there was a report in one leading newspaper which talked about a leading Bollywood actor, a leading politician from UP and so on. The next day that report was denied. But the surprising thing was that the first report was also ascribed to authoritative sources and the second report was also ascribed to authorities. The authorities have not shared any information with anybody. I would like to assure the House and, especially, the Leader of the Opposition that, at this point of time, the inquiry which is going on is an inquiry by the SEBI. We have not asked the investigating agencies to make inquiries. If, at any point of time, we find that any other law has been violated, then, certainly, the other agencies could also get into the acts.

Now, I take the issue about underworld funding. I am not aware of any underworld money, but I cannot stand here and vouch for it. Whatever inquiries I have made, they assured me that there is no big play of under-world money in this. In fact, one bank which has been referred to in this connection, as far as that bank is concerned, also, we have made inquiries and we are told that they have taken the usual precaution before an account is opened. So, on that basis, I think we can let that matter rest there.

Sir, the issue again -- as I am going through the note which I have taken -- is of the Jodhpur Club. Was not that a personal allegation? I am asking the hon. Members, Sir, through you. There is no Jodhpur Club. The SEBI has taken action against exactly those people who were supposed to belong to the Jodhpur Club, along with the Chairman of the SEBI.

Sir, as far as the payment problem is concerned, there has been no payment problem so far. The Calcutta ...*(Interruptions)*... Yes; Calcutta. I have got all the details. ...*(Interruptions)*... Kolkata, but... ...*(interruptions)*... While the name of Bombay has changed to Mumbai, the Bombay Stock Exchange is still known as the Bombay Stock Exchange. Similarly, the name of Calcutta might have changed to Kolkata, but the name of the stock exchange is still Calcutta Stock Exchange; anyway, let us not go into the controversy of that. Sir, I would like to take the hon. Members into confidence and say that in Kolkata what had happened was, there is a time of pay in and there is a time of pay out. There was just a delay because of the fact that some banks were closed, etc., there was a delay of one day in pay in. There was no delay at all, as far as the pay out was concerned. The pay out was due on 10th of March. The pay out was

made on 10th of March. But let me also, Sir, point out one of the major rumours which is doing the rounds; every day, we find some rumour about some payment crisis overtaking one exchange or the other. There has been no payment crisis so far. I am assured -- I am repeating - I am assured by the SEBI that the funds available, the trade guarantee funds which are available, with the stock exchanges, are sufficient to be able to take care of any problem. The SEBI has already issued directions that the system which operated in the NSE should be the system which should be adopted by all other exchanges so that even the kind of slight delay which was noticed in Kolkata is not allowed to happen.

Sir, the issue was raised of the Budget and the market. Again, a number of issues have been raised about the Budget, how I have reduced the interest rates; I am trying to push the investors into the stock market, etc. Sir, when we discuss the Budget in this House, I will have an opportunity of replying to it in great detail, but I will only say this, at this point of time, that I repudiate. I strongly deny, any such allegations. My Budget is not meant to push *the* investors into the stock market, and the reduction in the interest rates is not on account of that. Therefore, let us not link the Budget with the stock market. I don't think the Budget has been disgraced because of what has happened in the stock market. The Budget has not been disgraced by what has happened in the stock market. The stock market might have disgraced itself. But it has not disgraced my Budget. So, let us not have any misunderstanding on that. Sir, the issue was raised about the employees of the SEBI trading in the market. I have made an inquiry. There is now a complete ban on SEBI employees trading in the market. I have not come across any near and dear relatives of the employees who might have indulged in trading. If some hon. Members have any information, I will be very willing to take that information from that hon. Member and take action.

SHRI NIUOTPAL BASU: Are you saying that the Inquiry is over now? You are giving a clean chit to people, liberally. For example, I have quotes from Mr. Tapas Dutta, Executive Director of CSE, who told the Business Line that there was a pay-In crisis in CSE but you are now saying that there was no crisis. ...*(Interruptions...*

SHRI YASHWANT SINHA: Let Nilotpal Basu hold the floor then. ...*(Interruptions)*... Sir, I have used my words very carefully. I have said that there is pay-in and there is pay-out. I have said that there was a delay of one day, as far as the pay-in was concerned. As far as the pay-out was

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concerned, there was no delay, it was due on 10th March, and it was settled on 11th March.

I must tell you that if I am the Finance Minister, I will choose my words very carefully and (I will not permit any words to be put in my mouth, because I am talking about a subject which is extremely sensitive. I carry that responsibility.

Sir, Mr. Ramachandraiah spoke about a big scam. I am not aware of it. I will again say that if he thinks that there is any special information which is available with him, he is most welcome to share it with me. But I would like to disabuse the impression that because of the reduction in the interest rates, all these things are happening. Let me make it very clear. When I announced it in the Budget that I am reducing the interest rates, simultaneously, I have also said about the manner in which the various State Governments are going to benefit. I have reduced the interest rates, across-the-board, for the State Governments also. Therefore, it is not merely the Government of India -- let me remind Mr. Ramachandraiah -- it is also the Government of Andhra Pradesh which is going to benefit as a result of the reduction in the interest rates. Sir, Mr. Kapi! Sibal tried to tell us how and what is responsible for this entire scam; the problem in the stock market and how it has happened. Sir, he said that the root-cause of the problem is because stocks are being lent. Because stocks are being lent free, therefore, people are freely trading them and, therefore, they are able to hammer the market through this lending. Sir, the Stock-Holding Corporation is a responsible body, owned by the public sector financial institutions. Stock lending is a legitimate activity carried on every stock market throughout the world. The Stock-Holding Corporation has been authorised by the SEBI, under its rules, to carry out lending operations. They are custodians and they can hold stocks on behalf of the UTI, LIC, GIC, etc. and lend these stocks to any entity, under strictly prescribed norms. It is not that anybody can come and say 'lend me some stocks' and some stocks would be lent. The others are -- not merely Deutsche Bank --but HSBC, Reliance Capital, ABN Amro, National Clearing Corporation and BOI Shareholding. All this is very strictly kept under check. This matter is also under investigation to find out if there is any violation of the prescribed norms by any of the stock holding or lending bodies; and if any such violation comes to our notice, then, certainly, we will be taking action.

DR. MANMOHAN SINGH: The newspapers have reported about the activities of a particular custodian, and, in that context, I welcome your

statement that this matter will be investigated.

Sir, this matter is already under investigation. And the point, the general point which I am making and which I have already made is that if any of the norms and rules have been violated, we will take the sternest action against the guilty persons. Now, Sir, a number of other issues have been raised. अहलुवालिया जी ने कहा कि कठोर हाथों से नियंत्रण करना है। मैं उनको आश्वस्त करता हूँ कि अत्यन्त ही कठोर हाथों से नियंत्रण होगा और निर्मोही और निर्मम बनकर हम नियंत्रण करेंगे और किसी भी व्यक्ति को उसमें..

उपसभाध्यक्ष (श्री सुरेश पचौरी): इसके साथ साथ मजबूत हाथ भी होने चाहिए।

श्री यशवंत सिन्हा: हाथ काफी मजबूत हैं, इसमें कोई दिक्कत नहीं है।

Sir, I think I have run through the points which had been raised by the hon. Members. Sir, I had already during the Question Hour made that point and, therefore, I thought I would not repeat it. But as far as the exposure of the banks is concerned, there are prescribed RBI norms which say that it should not exceed 5 per cent of their total credit at a given point of time. And according to the information, which I have shared with the House, it is less than 2 per cent. I have looked into the figures of the money, which had been made available for investment in the stock market by the individual banks, and I found that in no case has this been breached. Therefore, I can say with an assurance given to me by the RBI that the prudential norms have not been violated and it will be wrong on our part to say as some hon. Members have pointed out, that it is the flow of bank money from the private banks that is responsible for the present situation in the stock market. My information, unfortunately, does not bear that out. Sir, an issue has been raised that we should have a Joint Parliamentary Committee to inquire into this matter. I have already stated on behalf of the Government that we have nothing to hide. The SEBI is conducting the inquiry. At this point of time I have no reason to doubt either the competence or the integrity of the SEBI in conducting this inquiry. We will await the results of this inquiry. I think I have been assured that the inquiry should be completed. ...*(Interruptions)*...

श्री संजय निरुपम: माननीय मंत्री जी सदन को बतायें कि कब तक इंतजार करेंगे? आज सेबी की भूमिका संदिग्ध है। प्राइस रिगिंग और मैनुपुलेशन में सेबी इन्वाल्व है और आप उस को क्लीन चिट दे रहे हैं और उसके बाद कह रहे हैं कि वेट टिल इन्वेस्टीगेशन रिपोर्ट। आप यह स्पष्ट कर दीजिए कि कब तक इंतजार करेंगे।

श्री यशवंत सिन्हा: महोदय, मैंने बिल्कुल साफ शब्दों में अपनी बात रखी है। अगर

माननीय संजय निरुपम जी के पास कोई इस प्रकार का साक्ष्य है जिसके आधार पर वह कह सकते हैं कि सेबी भी इसमें इन्वाल्व है तो हम उनसे करबद्ध निवेदन करेंगे कि वे उस साक्ष्य को मुझे उपलब्ध करायें। मैं उस पर पूरी छानबीन करके स्वयं संसूचित करूंगा और ऐसे लोग अगर सेबी में हैं और उच्चतम पदों पर भी बैठे हुए हैं तो उनको भी बख्शा नहीं जाएगा।

श्री संजय निरुपम: साक्ष्य ढूंढने का काम हमारा नहीं है। यह जो इन्क्वायरी कमेटी बैठेगी या इन्क्वायरी कमीशन बैठेगा, उसका काम है।

उपसभाध्यक्ष (श्री सुरेश पचौरी) : फिर भी अगर आपके पास कोई सबूत है, दस्तावेज है, जानकारी है तो आप उपलब्ध करा सकते हैं।

श्री संजय निरुपम : सरकारमस्टैन्शल एवीडेंस है।

श्री यशवंत सिन्हा : हमारे पास सरकारमस्टैन्शल एवीडेंस नहीं हैं।

श्री संजय निरुपम : सामने दिख रहा है।

श्री यशवंत सिन्हा: आपको दिख रहा है, मेरी नजर में नहीं है।

DR. MANMOHAN SINGH: If you have no circumstantial evidence, why have you ordered this inquiry?

श्री यशवंत सिन्हा: डाक्टर मनमोहन सिंह जी, आप गलत समझ रहे हैं। ...**(व्यवधान)**... कोई हेयर हेयर की बात नहीं है। हेयर हेयर इसमें क्या है? मैं कह रहा हूं कि सेबी के खिलाफ साक्ष्य नहीं है। मैं यह थोड़े ही कह रहा हूं कि ब्रोकर्स के खिलाफ साक्ष्य नहीं है। इन्क्वायरी ब्रोकर्स के खिलाफ हो रही है जो सेबी कर रही है। अगर किसी के पास एवीडेंस है कि सेबी भी इसमें इन्वाल्व है तो आप वह एवीडेंस दे दीजिए, मैं कोई दूसरी इन्क्वायरी करा दूंगा। लेकिन सेबी का टेप नहीं है, टेप है आनन्द राठी का जो मुंबई स्टॉक एक्सचेंज के अध्यक्ष थे। And that is an issue which is under enquiry. Coming to the point which has been raised as to what the time-schedule is, I have been assured by the SEBI that thousands of transactions have to be looked into; it is not merely the transactions in recent days. Let me assure the House that the enquiry is not merely in respect of the so-called bears; the enquiry is a total enquiry which includes the people who are known as bears and the people who are known as bulls. We are enquiring into the whole gamut of issues, I have been assured by the SEBI, despite the fact that it is a very complex enquiry involving analysis of thousands of transactions, that by the middle of next month it should be possible for them to come out with their preliminary Report.

SHRI PRITISH NANDI (Maharashtra): Sir, whether the hon. Finance Minister can assure us that the merger between the UTI Bank and the GTB could be kept in abeyance till the enquiry is over.

SHRI YASHWANT SINHA: Sir, let me clarify. There is also an impression which is sought to be created as if the UTI Bank and the GTB

have already been merged. They have not merged. Let me make it very clear. The matter is still under the consideration of the Reserve Bank of India, which is the competent body to allow such a merger, and I would like to make it very clear that I have no intention of interfering with the autonomous functioning of the Central Bank, just as I have no intention of sitting here and micro-managing from the Ministry of Finance, the various banks and financial institutions. I will let the RBI perform its role and I am quite confident that the RBI will take into account all the factors and will come to a proper decision. I would also like to inform the House that as far as the shares of the GTB are concerned, this matter is also under enquiry. The preliminary enquiry Report has been shared by the SEBI with the RBI. That is available with them. So, let us trust the judgment of the RBI. The RBI will come to its own conclusion. It is not for me to give an assurance in this regard because I will be over-stepping my limit and interfering with the jurisdiction of the Central Bank.

SHRI PRAFUL PATEL: Sir, both of them, i.e., the UTI Bank and the GTB, said that they would like to complete this transaction before 31st March, 2001, so that they can come out with a consolidated balancesheet for the next year. It is on record. It has been stated by both of them.

SHRI YASHWANT SINHA: Let them. I am not going by the press reports.

SHRI PRAFUL PATEL: It is the press report, but they have been quoted.

SHRI YASHWANT SINHA: Quoted by the press,

SHRI PRAFUL PATEL: They have been quoted in the media that both, the UTI Bank and the GTB...

SHRI YASHWANT SINHA : Yes. In the media. That is what I am saying. They have been quoted in the media. I am not going by the reports in the media. I am going on the basis of the information which is available with me from the RBI, that the matter is under consideration, that the rise in the share price of the GTB has been enquired into. The preliminary findings have been shared by the SEBI with the RBI. The RBI will take all these factors into account when it takes into consideration this issue. I do not think there is any need for a Joint Parliamentary Committee. I had stated on an earlier occasion also that whenever we think of the share market and anything going on there, our thoughts immediately go

back to 1992. Whenever we think of Balance of payment problems, our thoughts immediately go back to 1999. All situations are not similar. At this point of time, we are in complete control of the situation and I do not think there is any need for a Joint Parliamentary Enquiry at this stage. Thank you.

RE. ALLEGED PAYMENTS IN DEFENCE DEALS

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): The Leader of the Opposition would like to say something.

THE LEADER OF THE OPPOSITION (DR. MANMOHAN SINGH): Mr. Vice-Chairman, Sir, I wish to draw the attention of the Government to a very serious matter. I am told that in the Imperial Hotel, a particular film has already been shown. Zee TV has also shown this, in which, it is alleged, matters relating to sensitive defence deal consideration has been offered and has been given. It is the most serious matter involving national security. I, therefore, urge upon the Government, without any further loss of time, to clarify the position as to what the true state of affairs is.

SHRI S. RAMACHANDRAN PILLAI (Kerala): Sir, I also join the demand made by the Leader of the Opposition. This is a very serious matter. The Government should immediately come forward with a statement, explaining the position.

THE VICE-CHAIRMAN (SHRI SURESH PACHOURI): Yes, Mr. Bratin Sengupta.

SHRI BRATIN SENGUPTA (West Bengal): Sir, I demand an immediate high-level parliamentary probe, in the interest of national security and in public interest. Billions of dollars, thousands of crores of rupees, almost an astronomical amount, have been promised or are already transferred to a father and a son who claim to be very close to a political party. Some of the political leaders, Major-Generals. Director-Generals. Brigadiers, and many other officials in the top hierarchy of the Army are involved in the scam. It is one of the biggest, extraordinary, scams since independence. There should be a parliamentary probe into it. Sir, you should direct the Government for a probe; otherwise we are not going to relent. ...*(Interruptions)*...