

बड़ी नहीं है लेकिन पांच वर्ष से मामले लम्बित हैं इसलिए बहुत बड़ी संख्या है। जो कारण गिनाए हैं उसके अलावा भी पता नहीं माननीय मंत्री जी को यह जानकारी है कि नहीं कि कस्टम और एक्साइज़ विभाग काफी बड़ा विभाग है और इसमें लालफीताशाही भी काफी बड़ी है। यहां तक कि संसदों के पत्र भी 2-2 साल तक नहीं निपटाए जाते हैं। मेरा स्वयं का एक पत्र है जो दो वर्ष पहले दिया हुआ पत्र है और छोटे से मामले से संबंधित पत्र है लेकिन वित्त मंत्री बदल गये, दूसरे वित्त मंत्री भी आ गये और दो वर्ष पहले के पत्र का उत्तर नहीं आया है। तो यह भी कारण है जिससे काफी बड़ी संख्या में मामले लम्बित होते हैं। माननीय मंत्री जी ने कहा कि कमिशनर नियुक्त किये जा रहे हैं। मेरी जानकारी के अनुसार अभी तक कोई नया कमिशनर नियुक्त नहीं किया गया है। मैं माननीय मंत्री जी से जानना चाहता हूँ कि लालफीताशाही को दूर करने के लिए क्या कदम उठाए जा रहे हैं एवं जो ऐपीलेट ट्रिब्यूनल हैं, जिनमें अधिकांश लम्बित प्रकरणों को देखा जाएगा, उन ऐपीलेट ट्रिब्यूनल की संख्या क्या और बढ़ाने जा रहे हैं तथा उनमें जो रिक्त स्थान हैं, उनकी पूर्ति करने जा रहे हैं कि नहीं?

SHRI P. CHIDAMBARAM: Sir, vacancies and filling up of posts do not really arise out of this question. We are attending to that. These are housekeeping jobs which are being attended to on a regular basis. Whatever vacancies are there, we will fill up. As regards people not replying to letters, I shall certainly instruct them once again that letters from Members of Parliament or any other person to the authorities must be replied to promptly. I think they are doing their best. I admit that there can be some remissness on the part of some officers. I shall instruct them once again that they should reply to letters.

श्री राघव जी: क्या आप अपनी ट्रिब्यूनल की संख्या बढ़ाने जा रहे हैं?

I would like to know whether you are going to raise the number of tribunals.

SHRI P. CHIDAMBARAM: Sir, there is no such proposal under consideration.

Delay in sending dividend and bonus repurchase cheques by UTI

*364. **SHRI PARAG CHALIHA:** Will the Minister of FINANCE be pleased to state:

(a) whether UTI is trying to cheat investors in various ways such as delay in sending dividend and bonus repurchase cheques under US-64 Scheme; if so, the action taken by Government to streamline its working;

(b) the number of dividend cheques, dated 1st July, 1996 under US-64 Scheme which were required to be sent in July, 1996, were sent in July, August and September, separately;

(c) the number of bonus cheques, dated 1st October, 1996 required to be sent in October were sent in November and even thereafter, month-wise; and

(d) whether investors will be paid interest on late despatch of cheques; if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) to (c) Unit Trust of India (UTI) has informed that despatch of dividend warrants under US-64 was completed in the month of July, 1996 except in respect of cases which had some objections. The despatch of bonus repurchase cheques commenced in the first week of October, 1996 and UTI had planned to complete the entire despatch within the month of October, 1996 itself. However, due to the postal strike which started on 23rd October, 1996 the despatch of bonus Repurchase cheques could be completed only by November 15, 1996.

(d) UTI with the intention of completing the despatch of cheques within October, 1996 had deposited the amounts with banks on which it did not earn any interest. UTI has therefore expressed its inability to pay any interest on the late despatch of cheques.

SHRI PARAG CHALIHA: Mr. Chairman, Sir, as you all know, the UTI has been handling a huge sum, more than Rs. 55,000 crores. The service rendered by the UTI in recent years has been very unsatisfactory and it is less profitable to investors. There is a marked deterioration in the working of the UTI, particularly in respect of repurchase cheques. These cheques are received very late. In the reply the hon. Minister has taken a plea, of course, rightly, that there was a postal strike. Those cheques which were to be received in July or in August, could not be received till November. Will the hon. Minister take some positive steps towards putting a halt to all these irregularities, particularly in regard to the services rendered to investors? This is my first supplementary.

SHRI P. CHIDAMBARAM: Sir, as I have stated in my reply, all the dividend warrants were despatched in time. There was no delay. The bonus repurchase cheques should have been despatched in the month of October. But in the last week of October there was a postal strike. Therefore, the despatches could be completed only by 15th November. I think there was a delay of 15 days. From this delay I don't think we should reach a conclusion that everything is wrong with the UTI. I agree that the working of the organisation can always be improved. I shall certainly keep what the hon. Member has said in mind. I would advise the UTI to improve its working. In this case the delay of 15 days is clearly condonable. It was for a very justified reason.

SHRI PARAG CHALIHA: Sir, my second supplementary is this. The statement of the Minister is based on the information supplied by the UTI. Being a man in charge of the whole Finance Ministry, can we expect him to give some weightage to our apprehensions that the working of the UTI has not been quite satisfactory for sometime? Will he take steps to see that these unsatisfactory things do not happen in future?

SHRI P. CHIDAMBARAM: Sir, the hon. Member has shared with me his dissatisfaction and the reason for his dissatisfaction. I shall certainly take it up with the UTI. I shall also keep this in mind when I review the working of the UTI.

SHRI ASHOK MITRA: It has been mentioned in reports that because of the crash in share market prices, the realisation of units of the UTI has been adversely affected and it is experiencing certain difficulties in redeeming pledges under the US-64 scheme. It has been said that some internal discussion was going on in the UTI. I do not know whether there is any basis to this speculation. Can we, at least, be assured by the Finance Minister that he would see to it that whatever be the vicissitudes in the market, the UTI would keep its commitment? This is the only way we can maintain people's confidence in this organisation. I will make a small attachment to my big question. We see in newspapers fullpage advertisements/notifications of lost UTI cheques and dividends. The number of unusually high and this cannot happen simply because of postal inefficiency. There is again a story freely floating that this is an insider's job. People from within the UTI, in collusion with people in the postal department, are indulging in some hanky-panky. I would request the Finance Minister to enquire into this allegation.

SHRI P. CHIDAMBARAM: Let me answer the second part first. The UTI deals with millions and millions of units. It is possible that some would be lost and some would be misplaced. In some cases there may be fraud. I think we must look at it with a sense of proportion. The number that appears in newspapers might appear large because it occupies a whole page of a newspaper. But as a proportion of millions of warrants and units which the UTI handles, I think it is very small. But I shall certainly take this up when I review the UTI. Regarding the first question, let me make this very clear. In all

cases where the unit holder offers the unit for sale and the UTI is bound to redeem it, the UTI has been redeeming it and will redeem it. Let there be no doubt regarding this is any-one's mind. The UTI is in a position to redeem the units. The UTI's financial position is sound. The UTI will honour all its obligations and is honouring all its obligations. At the same time I would say that people should continue to put their surplus money in units. I would also appeal to Dr. Mitra to put his money in units.

SHRI ASHOK MITRA: When you force me to buy white goods, how can I put my money into the UTI?

SHRI BRAHMAKUMAR BHATT: In case the investor has to pay money to UTI and he is late by a few days, he is bound to pay that money along with interest. But when money has to be paid to the investor and UTI is late in paying it, it says that there is a postal strike or banks are not paying. How is the investor concerned whether the banks are paying or not? Is UTI on the same level as other companies? Does UTI have a special preference, a special provision or a special status as regards the investor?

SHRI P. CHIDAMBARAM: Sir, I have answered this in the main answer. The UTI, with the intention of completing dispatch of cheques within October, had deposited the amount with banks on which UTI did not earn any interest. UTI, therefore, expressed its inability to pay any interest on the 15 day delay in despatch of the bonus repurchase cheques. Imagine the amount of work that will be involved if UTI has to calculate the interest for 15 days on millions of warrants. I think, the hon. Member, must show a greater understanding of UTI's position. I think it will be a few paise or a few rupees in each case and to pay interest to millions of such cases for 15-days delay does not seem to be justified. I think UTI's position is the correct position here. We will ensure that it does not happen in future. But I do not think

we should try to extract a pound of flesh on the 15 day's delay.

SHRI GOVINDRAM MIRI: Sir, in the reply the hon. Minister has stated that the despatch of bouns re-purchase commences on the first week of October, 1996. Why did the despatch of bouns begin in October while dividend warrants had been despatched in July, 1996? Sir, it is obvious that the delay is one the part of the UTI and not on the part of the postal department. The excuse given by the UTI is, the delay is on the part of the postal authority. The excuse does not heal the sore of subscribers at large. May I know from the hon. Minister, that since the delay has not been caused by the subscribers, why they should suffer for the lapses of the UTI? Definitely they are entitled to interest. Will the Minister direct the UTI to pay the interest?

SHRI P. CHIDAMBARAM: Sir, in July, UTI announced the dividend and the bonus. Two months' time was given to the investors to sell back their bonus. That means August and September was available to the investors to sell back their bonus. For those who sold back their bonus, the question of sending back their bonus repurchase cheques did not arise. For those who did not exercise the option then the bonus re-purchase cheques had to be prepared and despatches had to begin. That is why the calender itself says that the despatch will begin on the first of October. The despatch began on the first of October. It ought to have been completed by 31st October, because of the postal strike in the last week, it could be completed only by 15th of November. I think UTI has a good case why despatch was done only by 15th October. I would answer the second part. With great respect, I think the so called losses or suffering for each unit holder is so small and 15 days interest will run into minuscule amount. It is certainly not fair.

SHRI N.K.P. SALVE: Is it justified?

SHRI P. CHIDAMBARAM: It is not. To generate interest warrants in millions

of cases for small amounts for a 15 day delay seems to me completely avoidable.

News-item regarding recommendation of norms for Short-Term Investments

*365. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "FIs recommend prudent norms on Short-term Investments" which appeared in the Economic Times, dated 23rd November, 1996;

(b) whether it is a fact that Government are considering divestment of equity shares held in major private companies;

(c) whether it is a fact that financial institutions are behaving more like "Mutual Funds" rather than institutions to encourage economic development; and

(d) what steps are proposed to review the management objectives of IDBI, IFCI and other financial institutions in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir. The News item essentially refers to suggestions of Financial Institutions (FIs) on good corporate governance.

(b) It is not the Government but FIs which have equity shareholding in assisted companies. FIs follow their own policies as regards disinvestment of their shareholding in these companies. It may, however, be added that Government had in May 1990 issued guidelines relating to transactions in shares of all India FIs in order to make such transactions more open and transparent.

(c) and (d) No, Sir. The basic role of FIs such as IDBI and IFCI continue to be to support industrial development in the

country by providing medium and long term credit to the industry.

SHRI YERRA NARAYANASWAMY: Financial institutions like IDBI, IFCI have huge sums of money locked up in investments. In many instances, financial institutions have invested in non-priority sectors like cosmetics, hotels, tobacco, liquor etc. On the other hand, financial institutions have no funds left for priority sector. Sir, my first supplementary is, has the Government assessed the funds of financial institutions which are locked up in long and short-term holdings in non-priority sector companies? If so, what is the extent of such holdings at present-day market rates?

SHRI P. CHIDAMBARAM: Sir, financial institutions are lending institutions. They have been established to do term lending. What they invest in equities is an investment which they make in order to earn a good return. There are no Government guidelines for investments by FIs and we have not made any distinction between priority sector or non-priority sector for FIs to invest their surpluses. Those are commercial decisions taken on the basis of market, price earning ratio, the dividend track record of the company, the growth that they see etc. These are commercial decisions which financial institutions take. The Government does not give any guidelines to the financial institutions regarding where they should invest their surpluses, etc.

SHRI YERRA NARAYANASWAMY: Sir, according to the hon. Minister's written reply, the Government had issued certain guidelines to the financial institutions in 1990. Have the Government reviewed the position after issuance of those guidelines? Do the financial institutions comply with those guidelines? This is part (a) of my supplementary.

MR. CHAIRMAN: Part (a)! Mr. Narayanaswamy, if you have to say something else, please say it now itself.